14 November 2018, **Limassol, Cyprus**

MHP SE

Unaudited Financial Results for the Third Quarter and Nine Months Ended 30 September 2018

MHP SE (LSE:MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, focusing primarily on the production of poultry and cultivation of grain, as well as other agricultural operations (meat processing and meat products ready for consumption), today announces its unaudited results for the nine months and third quarter ended 30 September 2018. Hereinafter, MHP SE and its subsidiaries are referred to as "MHP", "The Company" or "The Group".

OPERATIONAL HIGHLIGHTS

Since Q2 2018, MHP has been launching new production sites of Phase 2 of the Vinnytsia Poultry Complex:

- Since the end of May until the end of September, three rearing sites (brigades) commenced operations;
- Since being commissioned at the beginning of July, the slaughterhouse has been gradually increasing its capacity utilization.

Q3 2018 highlights

- Poultry production volume reached 150,650 tonnes, up 10% (Q3 2017: 137,005 tonnes)
- The average chicken meat price increased by 7% year-on-year to UAH 40.38 per kg (Q3 2017: UAH 37.88 per kg) (excluding VAT)
- Chicken meat exports totaled 80,361 tonnes, increased by 52% compared to Q3 2017 - 52,990 tonnes

9M 2018 highlights

- Poultry production volume reached 458,540 tonnes, up 8% (9M 2017: 424,700 tonnes)
- The average chicken meat price increased by 16% year-on-year to UAH 39.66 per kg (9M 2017: UAH 34.06 per kg) (excluding VAT)
- Chicken meat exports increased by 22% to 213,925 tonnes (9M 2017: 176,015 tonnes) as a result of increased exports mainly to countries in MENA and the EU

FINANCIAL HIGHLIGHTS

Q3 2018 highlights

- Revenue of US$ 442 million, increased by 19% year-on-year (Q3 2017: US$ 370 million)
- Export revenue of US$ 275 million, 62% of total revenue (Q3 2017: US$ 212 million, 57% of total revenue)
- Operating profit of US$ 71 million decreased by 17% year-on-year; operating margin was 16%
- Adjusted EBITDA margin decreased to 22% from 28%; adjusted EBITDA slightly decreased to US$ 99 million from US$ 105 million
- Net loss of US$ 48 million, compared to net profit of US$ 41 million for Q3 2017, including US$ 87 million of non-cash foreign exchange translation loss in Q3 2018 compared to US$ 17 million in Q3 2017

9M 2018 highlights

- Revenue of US$ 1,136 million, increased by 17% year-on-year (9M 2017: US$ 970 million)
- Export revenue of US$ 660 million, 58% of total revenue (9M 2017: US$ 561 million, 58% of total revenue)
- Operating profit of US$ 283 million decreased by 9% year-on-year; operating margin was 25%
- Adjusted EBITDA margin decreased to 32% from 38%; EBITDA slightly decreased to US$ 362 million from US$ 371 million
- Net profit of US$ 142 million, down 44% compared to US$ 251 million for 9M 2017 mainly due to reduction in government grants income (US$ 41 million) and one-off transaction costs (US$ 33 million) related to new Eurobond issued in April 2018, as well as the non-cash foreign exchange translation loss.

FINANCIAL OVERVIEW

(in mln. US$, unless indicated otherwise)	**Q3 2018**	**Q3 2017**	*% change**	**9M 2018**	**9M 2017**	*% change**
Revenue	**442**	**370**	**19%**	**1,136**	**970**	**17%**
IAS 41 standard gains	(18)	(23)	-22%	55	45	22%
Gross profit	**92**	**86**	**7%**	**354**	**325**	**9%**
Gross profit margin	*21%*	*23%*	*-2pps*	*31%*	*34%*	*-3 pps*
Operating profit	**71**	**86**	**-17%**	**283**	**312**	**-9%**
Operating profit margin	*16%*	*23%*	*-7 pps*	*25%*	*32%*	*-7 pps*
Adjusted EBITDA	**99**	**105**	**-6%**	**362**	**371**	**-2%**
Adjusted EBITDA margin	*22%*	*28%*	*-6 pps*	*32%*	*38%*	*-6 pps*
Net profit before foreign exchange differences	**39**	**58**	**-33%**	**158**	**225**	**-30%**
Net profit margin before forex gain	*9%*	*16%*	*-7 pps*	*14%*	*23%*	*-9 pps*
Foreign exchange (loss)/gain	(87)	(17)	412%	(16)	26	-162%
Net profit	**(48)**	**41**	**-217%**	**142**	**251**	**-43%**
Net profit margin	*-11%*	*11%*	*-22 pps*	*13%*	*26%*	*-13 pps*

** pps – percentage points*
Average official FX rate for Q3: UAH/US$ 27.3490 in 2018 and UAH/US$ 25.9022 in 2017
Average official FX rate for 9M: UAH/US$ 26.9494 in 2018 and UAH/US$ 26.4711 in 2017

DIVIDENDS

On 6 March 2018, the Board of Directors of MHP SE approved payment of an interim dividend of US$ 0.7492 per share, equivalent to approximately US$ 80 million, on 26 April 2018 to shareholders on the register as of 20 April 2018. The Board of Directors approved that no dividend will be paid on the Company's shares held in treasury.

The Board of Directors of MHP SE also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) for dividends to be paid later than on the declared dividend payment date (but not later than 1 November 2018), with no interest accrued on the amount of dividend paid later.

During the nine-month period ended 30 September 2018, MHP SE paid dividends to shareholders of approximately US$ 77 million.

DIAL-IN DETAILS

MHP's management will host a conference call for investors and analysts followed by Q&A on the day of the results.

The dial-in details are:

Time:	14:00 London / 16:00 Kiev / 17:00 Moscow / 9:00 NY
Title:	Financial results for Q3 and 9M 2018
International/UK Dial in:	+44 2071943759
USA free call:	+1 6467224916
Conference ID:	EV00081796
Participant PIN code:	57528304#

In order to follow the presentation together with the management, please register using the following link:

http://event.onlineseminarsolutions.com/r.htm?e=1871672&s=1&k=B7CFC61F7F1D62BA990620795DB9AB85

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Segment Performance

Poultry and related operations

(in mln. US$, unless indicated otherwise)	Q3 2018	Q3 2017	*% change**	9M 2018	9M 2017	*% change**
Poultry						
Sales volume, third parties tonnes	160,778	134,885	19%	449,215	419,080	7%
Incl. Export sales volume, tonnes	*80,361*	*52,990*	*52%*	*213,925*	*176,015*	*22%*
Price per 1 kg net of VAT, UAH	40.38	37.88	7%	39.66	34.06	16%
Sunflower oil						
Sales volume, third parties tonnes	92,866	76,811	21%	240,970	243,896	-1%
Soybeans oil						
Sales volume, third parties tonnes	6,155	8,255	-25%	37,776	22,530	68%

** pps – percentage points*

Chicken meat prices

Aggregated volume of chicken meat sold to third parties increased by 7% in 9M 2018 to 449,215 tonnes (9M 2017: 419,080 tonnes) as a result of growth in exports. In Q3 2018, export sales totaled 80,361 tonnes, an increase of 52% compared to Q3 2017– 52,990 tonnes. In 9M 2018, poultry exports increased by 22% to 213,925 tonnes (9M 2017: 176,015 tonnes), mainly driven by growth of exports in Q3 and Q1 2018. MHP continued to follow a strategy of both geographic diversification and product mix optimization, building up the volumes of chicken meat sold across the MENA, the EU, Africa and Asia.

In 9M 2018, the average chicken meat price was UAH 39.66, 16% higher than in 9M 2017. The increase in price year-on-year is mainly driven by price growth in H2 2017 compared to H1 2017 as well as a decrease in sales of frozen chicken in Ukraine. From January 2018 until the end of September, chicken meat prices remained relatively stable.

Vegetable oil

In Q3 2018, sunflower oil sales volume were 92,866 tonnes, 21% higher year-on-year. In 9M 2018, MHP's sales of sunflower oil remained stable compared to 9M 2017 at 240,970 tonnes. The changes in sales volumes in both periods are driven mainly by a change in delivery terms from DAP to FOB; since the beginning of 2018, production volume of sunflower oil remained relatively stable year-on-year. Sales of soybean oil reached 6,155 tonnes in Q3 2018, 25% lower year-on-year, as a result of lower and unattractive international soybean oil prices during the period; and 37,776 tonnes in 9M 2018, 68% higher year-on-year, mainly driven by an increase in global market price of soybean cake in H1 2018 and the low base in 9M 2017.

(in mln. US$, unless indicated otherwise)	Q3 2018	Q3 2017	*% change**	9M 2018	9M 2017	*% change**
Revenue	**336**	**283**	**19%**	**952**	**800**	**19%**
- Poultry and other	*263*	*218*	*21%*	*741*	*600*	*24%*
- Vegetable oil	*73*	*65*	*12%*	*211*	*200*	*5%*
IAS 41 standard gains/(losses)	**(1)**	**2**	**-150%**	**(9)**	**16**	**-156%**
Gross profit	**76**	**80**	**-5%**	**228**	**221**	**3%**
Gross margin	*23%*	*28%*	*-5 pps*	*24%*	*28%*	*-4 pps*
Adjusted EBITDA	**80**	**100**	**-20%**	**234**	**270**	**-13%**
Adjusted EBITDA margin	*24%*	*35%*	*-11 pps*	*25%*	*34%*	*-9 pps*
Adjusted EBITDA per 1 kg (net of IAS 41)	*0.50*	*0.73*	*-32%*	*0.54*	*0.61*	*-11%*

** pps – percentage points*

As a result of the increase in sales volume and price of chicken meat, revenue increased by 19% in 9M 2018 compared to 9M 2017.

IAS 41 standard loss in 9M 2018 amounted to US$ 9 million mainly as a result of a reduction of poultry meat stocks and a decrease in the fair value of parent stock.

Gross profit of the poultry and related operations segment for Q3 2018 decreased by 5% compared to Q3 2017 to US$ 76 million. This was mainly attributable to increased production costs, reflecting higher prices of grain consumed as well as higher payroll costs, partly offset by the increase in sales volume and price of chicken meat. In 9M 2018 compared to 9M 2017, gross profit remained almost stable at US$ 228 million.

In 9M 2018, adjusted EBITDA decreased by 13%, mainly related to a decrease in government grants income (there was no allocation of grants/subsidies in Ukraine's 2018 budget), as well as an increase in administration, sales and distribution expenses mainly due to increases in payroll cost, logistics costs and warehouse rent.

Grain growing operations

In 2018 the Company harvested around 365,000 hectares of land.

Due to operational efficiency and favorable weather conditions in Ukraine, MHP delivered strong yields across all crops, especially in corn, which is a main driver of this year's strong operational and financial results compared to 2017.

The Company's harvesting campaign of spring crops is almost complete. As of the date of this report, MHP has harvested around 90% of corn and 100% of both soya and sunflower. The sowing campaign of winter crops has been completed.

	2018		***2017***	
	Production volume	***Cropped land***	***Production volume***	***Cropped land***
	in tonnes	*in hectares*	*in tonnes*	*in hectares*
Corn*	1,318,035	123,380	893,149	121,908
Wheat	295,836	48,379	293,765	48,676
Sunflower*	235,379	72,932	205,079	68,931
Rapeseed	124,738	38,541	104,782	31,968
Soya*	110,258	37,571	82,793	39,684
Other **	552,054	42,139	419,527	44,913
Total	**2,636,300**	**362,942**	**1,999,095**	**356,080**

* - Harvested (sunflower and soya – 100%, corn – 90%) and presented in bunker weight;
** - Including barley, rye, sugar beet, sorghum and other and excluding land left fallow as part of crop rotation.

	2018		***2017***	
	MHP's Average*	***Ukraine's average*****	***MHP's Average****	***Ukraine's average*****
Corn	10.2***	In process	7.3	4.9
Wheat	6.1	3.8	6.0	4.2
Sunflower	3.2	In process	3.0	2.1
Rapeseed	3.2	2.7	3.3	2.9
Soya	2.9	In process	2.1	1.9

**** - Tonnes per hectare***

***** - MHP yields are net weight, Ukraine – bunker weight***

****** - MHP's forecast***

(in mln. US unless indicated otherwise)	9M 2018	9M 2017	% change
Revenue	**84**	**83**	**1%**
IAS 41 standard gains	62	25	148%
Gross profit	**113**	**86**	**31%**
Adjusted EBITDA	**128**	**97**	**32%**

Grain growing segment's revenue for 9M 2018 amounted to US$ 84 million, remaining stable compared to 9M 2017.

IAS 41 standard gain for 9M 2018 amounted to US$ 62 million compared with US$ 25 million in 9M 2017 mainly as a result of higher financial results from grain growing operations mainly due to stronger yields of corn and soya.

Other agricultural operations

Meat processing products	Q3 2018	Q3 2017	% change	9M 2018	9M 2017	% change
Sales volume, third parties tonnes	9,031	9,920	-9%	26,000	27,170	-4%
Price per 1 kg net VAT, UAH	63.12	49.82	27%	61.08	46.96	30%

Sales volume of meat processing products decreased by 9% year-on-year to 9,031 tonnes in Q3 2018. The average processed meat price increased by 27% year-on-year to UAH 63.12 per kg in Q3 2018, in line with the poultry price increase.

Convenience food	Q3 2018	Q3 2017	% change	9M 2018	9M 2017	% change
Sales volume, third parties tonnes	5,020	4,236	18%	13,100	9,995	31%
Price per 1 kg net VAT, UAH	39.10	33.90	15%	43.08	39.73	8%

Sales volumes of convenience food in 9M 2018 increased by 31% to 13,100 tonnes, driven mainly by introduction of a new product line (cooked and chilled products). The average price in 9M 2018 increased by 8% to UAH 43.08 per kg (excluding VAT).

(in mln. US$, except margin data)	Q3 2018	Q3 2017	*% change**	9M 2018	9M 2017	*% change**
Revenue	**35**	**33**	**6%**	**100**	**88**	**14%**
- Meat processing	*27*	*25*	*8%*	*77*	*63*	*22%*
*- Other***	*8*	*8*	*-5%*	*23*	*25*	*-7%*
IAS 41 standard gains/(losses)	**(2)**	**-**	**0%**	**1**	**3**	**-67%**
Gross profit	**3**	**6**	**-50%**	**13**	**18**	**-28%**
Gross margin	*9%*	*18%*	*-9 pps*	*13%*	*20%*	*-7 pps*
Adjusted EBITDA	**3**	**5**	**-40%**	**14**	**15**	**-7%**
Adjusted EBITDA margin	*9%*	*15%*	*-6 pps*	*14%*	*17%*	*-3 pps*

** pps – percentage points*
*** includes convenience food products, milk, cattle, goose meat, foie gras and feed grains.*

Segment revenue of 9M 2018 increased by 14% year-on-year to US$ 100 million mainly as a result of increased prices both of meat processing and convenience food products and increased sales of convenience foods. The segment's adjusted EBITDA slightly decreased mostly as a result of higher production costs compared to 9M 2017.

Current Group cash flow

(in mln. US$)	**Q3 2018**	**Q3 2017**	**9M 2018**	**9M 2017**
Cash from operations	106	98	243	242
Change in working capital	12	32	(45)	(48)
Net Cash from operating activities	**118**	**130**	**198**	**194**
CAPEX	**(90)**	**(48)**	**(216)**	**(92)**
Net cash inflow on disposal of subsidiaries	-	-	-	76
Net cash used in investing activities	**(90)**	**(48)**	**(216)**	**(16)**
Cash from financing activities	52	(59)	145	(109)
Dividends	(18)	(2)	(78)	(80)
Total financial activities	**34**	**(61)**	**67**	**(189)**
Total change in cash*	**62**	**21**	**49**	**(11)**

** Calculated as Net Cash from operating activities plus Cash used in investing activities plus Total financial activities*

Cash flow from operations before changes in working capital for 9M 2018 amounted to US$ 243 million (9M 2017: US$ 242 million).

Use of funds in working capital during 9M 2018 is mostly related to crops in fields partly offset by a decrease in inventories due to internal consumption of crops harvested in 2017.

In 9M 2018, total CAPEX amounted to US$ 216 million mainly related to the launch of production sites of Phase 2 of the Vinnytsia Poultry Complex.

Debt Structure and Liquidity

(in mln. US$)	**30 September 2018**	**31 December 2017**	**30 September 2017**
Total Debt	**1,347**	**1,157**	**1,203**
LT Debt	1,196	1,116	1,171
ST Debt	151	41	32
Cash and bank deposits	(181)	(126)	(130)
Net Debt	**1,166**	**1,031**	**1,073**
LTM EBITDA	449	459	440
Net Debt / LTM EBITDA	*2.60*	*2.25*	*2.44*

As of 30 September 2018, the share of long-term debt in the total outstanding debt decreased to 89% (96% of total debt as of 31 December 2017). The weighted average interest rate is around 7%.

As of 30 September 2018, MHP's cash and cash equivalents amounted to US$ 181 million. Net debt increased to US$ 1,166 million, compared to US$ 1,031 million as at 31 December 2017.

The Net Debt / LTM EBITDA ratio was 2.60 as of 30 September 2018, well within the Eurobond covenant limit of 3.0.

As a hedge for currency risks, revenue from exports of grain, sunflower and soybean oil, sunflower husks and chicken meat are denominated in US Dollars, more than fully covering debt service expenses. Export revenue for 9M 2018 amounted to US$ 660 million or 58% of total revenue (US$ 561 million or 58% of total sales in 9M 2017).

Outlook

The recent launch of Phase 2 of the Vinnytsia Poultry Complex (3 brigades between May and September), as well as a decreased in share of thinning will results in around 625,000 tonnes of chicken meat production in 2018 (2017: 566,242 tonnes). Additional volumes mainly will be directed for export sales, which are expected to be at around 250,000 tonnes this year (2017: 220,983 tonnes).

Strong crop yields (especially of corn and soya) will positively affect the overall financial result of MHP in 2018.

Having announced, at the end of September 2018, its intention to acquire Perutnina Ptuj, a leading poultry and meat-processing company in the Balkans, MHP expects to complete this transaction by the end of 2018. MHP is undertaking a strategic step with this expansion, which will add value to the Company and strengthen its position as a global player, while Perutnina Ptuj will benefit from a long-term strategic investor.

We are confident that MHP will continue to deliver strong financial results, supported by a significant and growing share of hard currency revenues from exports of chicken, oils and grains.

Notes to Editors:

About MHP

MHP is the leading producer of poultry products in Ukraine with the greatest market share and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of 15 distribution and logistical centres, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

Since May 15, 2008, MHP has traded on the London Stock Exchange under the ticker symbol MHPC.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP SE. Such statements do not guarantee that these are actions to be taken by MHP SE in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP SE does not intend to change these statements to reflect actual results.

MHP SE AND ITS SUBSIDIARIES

Interim condensed consolidated Financial Statements

As of and for the nine-month period ended 30 September 2018

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STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with Article 10 of the Transparency Requirements (Securities for Trading on Regulated Market) Law 190(I)/2007 ("Law"), we the members of the Board of Directors of MHP SE confirm that to the best of our knowledge:

(a) The interim condensed consolidated financial statements for the period from 1 January 2018 to 30 September 2018 that are presented on pages 5 to 24:

i. were prepared in accordance with the International Financial Reporting Standards and in accordance with the provisions of Article 10 (4) of the Law, and

ii. give a true and fair view of the assets and liabilities, the financial position and the profits of MHP SE and the businesses that are included in the interim condensed consolidated financial statements as a total, and

(b) the interim management report gives a fair review of the information required under Article 10 (6) of the Law.

13 November 2018

Members of the Board of Directors:

Chief Executive Officer	Yuriy Kosyuk
Chief Financial Officer	Viktoria Kapelyushnaya
Director	Yuriy Melnyk
Director	John Grant
Director	John Clifford Rich
Director	Christakis Taoushanis
Director	Roberto Banfi

MANAGEMENT REPORT

Key financial highlights

During the nine-month period ended 30 September 2018 consolidated revenue increased by 17% and amounted to USD 1,136,184 thousand, compared to USD 970,464 thousand for the nine-month period ended 30 September 2017. Export sales for the nine-month period ended 30 September 2018 constituted 58% of total revenue and amounted to USD 660,323 thousand, compared to USD 560,852 thousand, 58% of total revenue for the nine-month period ended 30 September 2017. Overall increase in revenue is mainly attributable to the increased price and volume exports of chicken meat.

Gross profit has increased by 9% and amounted to USD 354,010 thousand for the nine-month period ended 30 September 2018 compared to USD 324,529 thousand for the nine-month period ended 30 September 2017.

Operating profit decreased by 9% to USD 282,929 thousand for the nine-month period ended 30 September 2018 compared to USD 311,827 thousand for the nine-month period ended 30 September 2017, mainly as a result of a decrease in government grants income (Note 5).

Profit for the period from continuing operations for nine-month period ended 30 September 2018 decreased by 44% and amounted to USD 141,650 thousand, compared to USD 251,257 thousand for the nine-month period ended 30 September 2017.

Dividends

On 6 March 2018, the Board of Directors of MHP SE approved a payment of the interim dividends of USD 0.7492 per share, equivalent to approximately USD 80,000 thousand, on 26 April 2018 to shareholders on the register as of 20 April 2018. The Board of Directors approved that no dividend will be paid on the Company's shares held in treasury.

The Board of Directors of MHP SE also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) to be paid later than on the declared dividend payment date (but not later than 1 November 2018), with no interest accrued on the amount of dividend paid later (Note 12).

During the nine-month period ended 30 September 2018, MHP SE paid dividends to shareholders of approximately USD 77,044 thousand.

Risks and uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the Group's performance over the remaining nine months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2017. A detailed explanation of the risks, and how the Group seeks to mitigate the risks, can be found on pages 148 to 153 of the annual report which is available at www.mhp.com.cy.

13 November 2018

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

	Notes	*Nine-month period ended 30 September 2018*	*Nine-month period ended 30 September 2017*
Continuing operations			
Revenue	*3*	1,136,184	970,464
Net change in fair value of biological assets and agricultural produce	*3, 4*	54,555	44,659
Cost of sales		(836,729)	(690,594)
Gross profit		354,010	324,529
Selling, general and administrative expenses		(67,378)	(53,604)
Government grants income	*5*	-	40,856
Other operating expenses, net		(3,703)	46
Operating profit		282,929	311,827
Finance income		3,417	2,967
Finance costs	*10, 11*	(110,886)	(85,180)
Foreign exchange (loss)/gain, net	*15*	(16,467)	25,690
Other expenses, net		(7,252)	(6,074)
Other expenses, net		(131,188)	(62,597)
Profit before tax		151,741	249,230
Income tax (expense)/benefit		(10,091)	2,027
Profit for the period from continuing operations	*4*	141,650	251,257
Discontinued operations			
Loss for the period from discontinued operations		-	(25,864)
Profit for the period		141,650	225,393
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Cumulative translation difference	*2*	(11,960)	13,353
Other comprehensive income for the period		(11,960)	13,353
Total comprehensive income for the period		129,690	238,746
Profit attributable to:			
Equity holders of the Parent		139,240	222,249
Non-controlling interests		2,410	3,144
		141,650	225,393
Total comprehensive income attributable to:			
Equity holders of the Parent		126,161	234,773
Non-controlling interests		3,529	3,973
		129,690	238,746
Earnings per share from continuing and discontinued operations			
Basic and diluted earnings per share (USD per share)		1.30	2.08
Earnings per share from continuing operations			
Basic and diluted earnings per share (USD per share)		1.30	2.20

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 24 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

	Notes	30 September 2018	31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,450,682	1,383,102
Land lease rights		47,830	45,410
Deferred tax assets		120	121
Non-current biological assets		22,723	20,405
Long-term bank deposits		3,462	2,524
Other non-current assets	7	60,207	24,817
		1,585,024	1,476,379
Current assets			
Inventories	7	169,340	226,368
Biological assets	8	274,135	141,028
Agricultural produce	7	193,925	183,407
Other current assets, net		41,215	25,327
Taxes recoverable and prepaid, net		58,341	37,767
Trade accounts receivable, net		77,766	62,305
Cash and cash equivalents		180,734	125,554
		995,456	801,756
TOTAL ASSETS		2,580,480	2,278,135
EQUITY AND LIABILITIES			
Equity			
Share capital	9	284,505	284,505
Treasury shares		(48,503)	(48,503)
Additional paid-in capital		175,291	175,291
Revaluation reserve		608,157	661,454
Retained earnings		1,049,341	925,978
Translation reserve		(1,043,238)	(1,030,159)
Equity attributable to equity holders of the Parent		1,025,553	968,566
Non-controlling interests		19,707	17,141
Total equity		1,045,260	985,707
Non-current liabilities			
Bank borrowings	10	96,997	138,817
Bonds issued	11	1,090,493	970,088
Finance lease obligations		8,281	7,410
Deferred tax liabilities		22,802	23,730
		1,218,573	1,140,045
Current liabilities			
Trade accounts payable		69,967	43,175
Other current liabilities	12	56,388	50,296
Bank borrowings	10	146,489	36,917
Accrued interest	10,11	39,329	17,955
Finance lease obligations		4,474	4,040
		316,647	152,383
TOTAL LIABILITIES		1,535,220	1,292,428
TOTAL EQUITY AND LIABILITIES		2,580,480	2,278,135

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 24 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance as of 31 December 2017	284,505	(48,503)	175,291	661,454	925,978	(1,030,159)	968,566	17,141	985,707
Effect of adoption IFRS 9 *(Note 2)*	-	-	-	-	10,826	-	10,826	-	10,826
Balance as of 1 January 2018	284,505	(48,503)	175,291	661,454	936,804	(1,030,159)	979,392	17,141	996,533
Profit for the period	-	-	-	-	139,240	-	139,240	2,410	141,650
Other comprehensive income	-	-	-	-	-	(13,079)	(13,079)	1,119	(11,960)
Total comprehensive income for the period	-	-	-	-	139,240	(13,079)	126,161	3,529	129,690
Transfer from revaluation reserve to retained earnings	-	-	-	(50,235)	50,235	-	-	-	-
Dividends declared by the Parent *(Note 16)*	-	-	-	-	(80,000)	-	(80,000)	-	(80,000)
Translation differences on revaluation reserve	-	-	-	(3,062)	3,062	-	-	-	-
Balance as of 30 September 2018	284,505	(48,503)	175,291	608,157	1,049,341	(1,043,238)	1,025,553	19,707	1,045,260

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 2017
(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance as of 1 January 2017	284,505	(48,503)	175,291	570,649	719,340	(1,024,916)	676,366	16,698	693,064
Profit for the period	-	-	-	-	222,249	-	222,249	3,144	225,393
Other comprehensive income	-	-	-	-	-	13,286	13,286	67	13,353
Total comprehensive income for the period	-	-	-	-	222,249	13,286	235,535	3,211	238,746
Transfer from revaluation reserve to retained earnings	-	-	-	(34,830)	34,830	-	-	-	-
Dividends declared by the Parent				-	(80,000)	-	(80,000)	-	(80,000)
Derecognition of interests in subsidiaries	-	-	-	(24,841)	24,841	17,800	17,800	(2,489)	15,311
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(827)	(827)
Translation differences on revaluation reserve	-	-	-	14,781	(14,781)	-	-	-	-
Balance as of 30 September 2017	284,505	(48,503)	175,291	525,759	906,479	(993,830)	849,701	16,593	866,294

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 24 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

	Notes	Nine-month period ended 30 September 2018	Nine-month period ended 30 September 2017
Operating activities			
Profit before tax		151,741	223,366
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization expense	3	78,703	59,495
Loss on disposal of subsidiaries		-	25,864
Net change in fair value of biological assets and agricultural produce	3, 4	(54,555)	(44,659)
Change in allowance for irrecoverable amounts and direct write-offs		1,789	(681)
Finance income		(3,417)	(2,967)
Finance costs		110,886	85,180
Withholding tax related to interest		-	619
Non-operating foreign exchange gain, net		16,467	(25,690)
Operating cash flows before movements in working capital		301,614	320,527
Working capital adjustments			
Change in inventories	7	73,816	61,330
Change in biological assets	8	(75,359)	(70,019)
Change in agricultural produce	7	(9,252)	13,926
Change in other current assets		(13,898)	(5,600)
Change in taxes recoverable and prepaid		(20,880)	(12,869)
Change in trade accounts receivable		(18,602)	(15,032)
Change in other liabilities		2,844	(25,124)
Change in trade accounts payable		16,200	5,387
Cash generated by operations		256,483	272,526
Interest received		3,287	2,970
Interest paid		(50,846)	(81,417)
Income taxes paid		(10,989)	(982)
Net cash flows from operating activities		197,935	193,097
Investing activities			
Purchases of property, plant and equipment	6	(161,472)	(74,891)
Purchases of other non-current assets		(39,481)	(10,210)
Purchase of land lease rights		(8,981)	(5,095)
Proceeds from disposals of property, plant and equipment		1,270	434
Purchases of non-current biological assets		(1,585)	(1,653)
Net cash inflow on disposal of subsidiaries		-	75,558
Investments in short-term deposits		(5,673)	(158)
Withdrawals of short-term deposits		197	268
Loans provided to employees, net		(227)	(150)
Loans provided to related parties, net		(95)	(25)
Net cash flows used in investing activities		(216,047)	(15,922)
Financing activities			
Proceeds from bank borrowings		145,613	60,622
Repayment of bank borrowings		(86,319)	(393,285)
Proceeds from bonds issued	11	550,000	254,608
Repayment of bonds	11	(416,183)	(6,308)
Repayment of finance lease obligations		(3,468)	(8,113)
Dividends paid	16	(77,044)	(80,000)
Dividends paid by subsidiaries to non-controlling shareholders		(972)	(827)
Transaction costs related to corporate bonds issued		(44,468)	(14,236)
Transaction costs related to bank loans received		(384)	(1,749)
Net cash flows from financing activities		66,775	(189,288)
Net decrease in cash and cash equivalents		48,663	(12,113)
Net foreign exchange difference		6,517	1,324
Cash and cash equivalents attributable to disposal group classified as held for sale		-	2,098
Cash and cash equivalents at 1 January		125,554	150,982
Cash and cash equivalents at 30 September		180,734	142,291

The accompanying notes on the pages 11 to 24 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

	Notes	*Nine-month period ended 30 September 2018*	*Nine-month period ended 30 September 2017*
Non-cash transactions			
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	*6*	10,581	-
Additions of property, plant and equipment under finance leases	*6*	4,103	5,874
Property, plant and equipment purchased for credit	*6*	1,763	1,539

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 24 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2018

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information

MHP SE (the "Parent" or "MHP SE"), a limited liability company (Societas Europaea) registered under the laws of Cyprus, was formed on 30 May 2006. MHP SE serves as the ultimate holding company of PJSC "Myronivsky Hliboproduct" ("MHP") and its subsidiaries. Hereinafter, MHP SE and its subsidiaries are referred to as the "MHP SE Group" or the "Group". The registered address of MHP SE is 16-18 Zinas Kanther Street, Agia Triada, 3035 Limassol, Cyprus.

The controlling shareholder of MHP SE is Mr. Yuriy Kosyuk ("Principal Shareholder"), who owns 100% of the shares of WTI Trading Limited ("WTI"), which is the immediate majority shareholder of MHP SE, which in turn directly owns of 59,8% of the total outstanding share capital of MHP SE.

The principal business activities of the Group are poultry and related operations, grain growing, as well as other agricultural operations (meat processing and meat products ready for consumption). The Group's poultry and related operations integrate all functions related to the production of chicken, including hatching, fodder manufacturing, raising chickens to marketable age ("grow-out"), processing and marketing of branded chilled products and include the production and sale of chicken products, vegetable oil, mixed fodder. Grain growing comprises the production and sale of grains. Other agricultural operations comprise the production and sale of cooked meat, sausages, convenience food products, milk, goose meat, foie gras and feed grains. During the nine-month period ended 30 September 2018 the Group employed about 29,042 people (31 December 2017: 27,589 people).

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 30 September 2018 and 31 December 2017 were as follows:

Name	*Country of registration*	*Year established acquired*	*Principal activities*	*30 September 2018*	*31 December 2017*
Raftan Holding Limited	Cyprus	2006	Sub-holding Company	99.9%	99.9%
Larontas Limited	Cyprus	2015	Sub-holding Company	100.0%	100.0%
MHP Lux S.A.	Luxembourg	2018	Finance Company	100.0%	0.00%
Myronivsky Hliboprodukt	Ukraine	1998	Management, marketing and sales	99.9%	99.9%
Myronivsky Plant of Manufacturing Feeds and Groats	Ukraine	1998	Fodder and vegetable oil production	88.5%	88.5%
Vinnytska Ptakhofabryka	Ukraine	2011	Chicken farm	99.9%	99.9%
Peremoga Nova	Ukraine	1999	Breeder farm	99.9%	99.9%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Myronivska Pticefabrika	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptakhofabryka	Ukraine	2003	Breeder farm	100.0%	100.0%
Ptakhofabryka Snyatynska Nova	Ukraine	2005	Geese breeder farm	99.9%	99.9%
Zernoprodukt MHP	Ukraine	2005	Grain cultivation	99.9%	99.9%
Katerinopilskiy Elevator	Ukraine	2005	Fodder production and grain storage, vegetable oil production	99.9%	99.9%
SPF Urozhay	Ukraine	2006	Grain cultivation	99.9%	99.9%
Agrofort	Ukraine	2006	Grain cultivation	86.1%	86.1%
Urozhayna Krayina	Ukraine	2010	Grain cultivation	99.9%	99.9%
Ukrainian Bacon	Ukraine	2008	Meat processing	79.9%	79.9%
AgroKryazh	Ukraine	2013	Grain cultivation	99.9%	99.9%
Agro-S	Ukraine	2013	Grain cultivation	51.0%	51.0%
Zakhid-Agro MHP	Ukraine	2015	Grain cultivation	100.0%	100.0%
Scylla Capital Limited	British Virgin Islands	2014	Trading in sunflower oil and poultry meat	100.0%	100.0%

The Group's primary operational facilities are located in different regions of Ukraine, including Kyiv, Cherkasy, Dnipropetrovsk, Donetsk, Lviv, Ternopil, Ivano-Frankivsk, Vinnytsia, Sumy and Khmelnitsk regions.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2018

(in thousands of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2018 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of the results to be expected for the full year.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The 31 December 2017 statement of financial position was derived from the audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

Adoption of new and revised International Financial Reporting Standards

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 9 Financial Instruments, and
- IFRS 15 Revenue from Contracts with Customers

In accordance with the transitional provisions, IFRS 9 was adopted without restating comparative information. The adjustments arising from the new requirements of recognition and measurement of financial liabilities are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognized in the opening balance sheet on 1 January 2018 *(Note 11).*

The adoption of these standards and the new accounting policies did not have any material effect on the financial position or performance of the Group. The other standards did not result in any changes to the Group's accounting policies and the amounts reported in the nine-month period ended 30 September 2018 or prior periods.

For the Standards and Interpretations, as well as amendments to the Standards that were in issue but not yet effective management anticipates that their adoption will not have a material effect on the consolidated financial statements of the Group in future periods, except those disclosed in the Group's annual financial statements for the year ended 31 December 2017. The Management are currently assessing their potential impact. It is not practicable to provide a reasonable financial estimate of the effect until the detailed analysis is completed.

Functional and presentation currencies

The functional currency of Ukrainian companies of the Group is the Ukrainian Hryvnia ("UAH"); the functional currency of the Cyprus companies and Luxembourg company of the Group is US Dollars ("USD"). Transactions in currencies other than the functional currency of the entities concerned are treated as transactions in foreign currencies. Such transactions are initially recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the reporting date. All realized and unrealized gains and losses arising on exchange differences are recognized in the consolidated statement of profit or loss and other comprehensive income for the period.

These consolidated financial statements are presented in US Dollars ("USD"), which is the Group's presentation currency.

The results and financial position of the Group are translated into the presentation currency using the following procedures:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate as of the reporting date of that statement of financial position;
- Income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at exchange rates at the dates of the transactions;

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2018

(in thousands of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies *(continued)*

Functional and presentation currency *(continued)*

- All resulting exchange differences are recognized as a separate component of equity;
- All equity items, except for the revaluation reserve, are translated at the historical exchange rate. The revaluation reserve is translated at the closing rate as of the date of the statement of financial position.

For practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the quarterly average exchange rates, if such translations reasonably approximate the results translated at exchange rates prevailing at the dates of the transactions.

The following exchange rates were used:

Currency	*Closing rate as of 30 September 2018*	*Average for nine months ended 30 September 2018*	*Closing rate as of 31 December 2017*	*Average for nine months ended 30 September 2017*
UAH/USD	28.2983	26.9494	28.0672	26.4711
UAH/EUR	33.1288	32.2083	33.4954	29.4226

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except those adopted starting from 1 January 2018 as described above in this note.

Seasonality of operations

Poultry and related operations as well as other agricultural operations are not significantly exposed to seasonal fluctuations.

Grain growing segment, due to seasonality and implications of IAS 41, in the first half of the year mainly reflects sales of carried forward agricultural produce and the effect of biological assets revaluation, while during the second half of the year it reflects sales of crops and the effect of revaluation of agricultural produce harvested during the year. Also, grain growing segment has seasonal requirements for working capital increase during November to May, due to the sowing campaign.

Reclassifications and revisions

Certain comparative information presented in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2017 has been revised in order to achieve comparability with the presentation used in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2018. Such reclassifications and revisions were not significant to the Group financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

3. Segment information

The following table presents revenue and profit information regarding the Group's operating segments for the nine-month period ended 30 September 2018:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	952,111	83,861	100,212	-	1,136,184
Sales between business segments	34,479	133,187	239	(167,905)	-
Total revenue	986,590	217,048	100,451	(167,905)	1,136,184
Segment results	175,378	112,778	9,780	-	297,936
Unallocated corporate expenses					(15,007)
Other expenses, net [1)]					(131,188)
Profit before tax					151,741
Other information:					
Depreciation and amortization expense [2)]	58,413	15,156	4,531	-	78,100
Net change in fair value of biological assets and agricultural produce (Note 4)	(8,900)	62,473	982	-	54,555

[1)] Includes finance income, finance costs, foreign exchange gain (net) and other expenses (net).

[2)] Depreciation and amortization for the nine-month period ended 30 September 2018 does not include unallocated depreciation and amortization in the amount of USD 603 thousand.

The following table presents revenue and profit information regarding the Group's operating segments for the nine-month period ended 30 September 2017:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	799,522	82,948	87,994	-	970,464
Sales between business segments	23,908	109,240	194	(133,342)	-
Total revenue	823,430	192,188	88,188	(133,342)	970,464
Segment results	225,337	85,784	12,847	-	323,968
Unallocated corporate expenses					(12,141)
Other expenses, net [1)]					(62,597)
Profit before tax					249,230
Other information:					
Depreciation and amortization expense [2)]	44,609	11,668	2,518	-	58,795
Net change in fair value of biological assets and agricultural produce (Note 4)	16,137	25,315	3,207	-	44,659

[1)] Includes finance income, finance costs, foreign exchange gain (net) and other expenses (net).

[2)] Depreciation and amortization for the nine-month period ended 30 September 2017 does not include unallocated depreciation and amortization in the amount of USD 700 thousand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

4. Profit for the period

The Group's gross profit for the nine-month period ended 30 September 2018 increased compared to the nine-month period ended 30 September 2017 and amounted to USD 354,010 thousand and USD 324,529 thousand, respectively. The increase was primarily attributable to the increase in export volumes and price of chicken meat as well as to the higher returns from the grain growing operations segment due to the yields increase in 2018 compared to 2017.

Net change in fair value reflects IAS 41 adjustment relating to revaluation of crops in fields, poultry and breeder stock and other biological assets balances to the fair value as of 30 September 2018 as well as revaluation of agricultural produce to the fair value at the date of harvest.

The Group's operating profit decreased mainly due to reduction in government grants income (Note 5).

In line with the decrease in operating profit, the Group's profit for the period from continuing operations for the nine-month period ended 30 September 2018 decreased compared to the nine-month period ended 30 September 2017 from USD 251,257 thousand to USD 141,650 thousand, respectively. An additional negative impact was attributable to a costs related to new Eurobond issued in April 2018 (Note 11) as well as to the non-cash foreign exchange translation loss.

5. Government grants income

On 30 December 2016, the President of Ukraine signed the Law No. 1791 "On Amendments to the Tax Code of Ukraine Regarding the Balancing of Budget Revenues in 2017" (the "Law No. 1791"). The Law No. 1791 introduced changes to VAT administration for agricultural companies which previously enjoyed a special VAT regime. In order to continue state support for agricultural companies, the Law No. 1791 introduced budget subsidies for agricultural companies. From 2017 onwards, budget subsidies were provided for five consecutive years until 1 January 2022. The agricultural producers eligible for the subsidies, include those, involved in poultry production and animal farming, as well as fruit and vegetable farmers. For each agricultural producer, the amount of the direct subsidy is not to exceed the amount of VAT tax paid by the producer, and was distributed on a monthly basis. As of the date of the authorization of these interim condensed consolidated financial statements, the Government has not allocated the specific amount for the state subsidies for qualifying agricultural companies in 2018. Therefore, during the nine-month period ended 30 September 2018 the Group was not able to receive state subsidies from the budget.

However, Ukrainian Government continues to support domestic agri producers and attract investments into the agricultural sector. According to the Law "On the State Budget for 2018", UAH 6,311 million were allocated to support the agricultural sector in 2018 via a compensation program, including UAH 4,000 million to support the livestock sector and up to UAH 1,000 million to purchase agricultural machinery produced in Ukraine. On 7 February 2018, the Cabinet of Ministers of Ukraine approved the procedure to obtain livestock sector state support.

During the nine-month period ended 30 September 2018, the Group received government grants in accordance to the compensation program for construction and reconstruction of livestock farms in an amount of UAH 187,492 thousand. Government grants are presented in the statement of financial position in the form of a deduction from the carrying amount of the assets to which they relate, and are recognised in a profit or loss over the life of the depreciable assets by way of a reduction in depreciation. Also, during the nine-month period ended 30 September 2018 the Group received UAH 8,446 thousand for keeping rearing cattle.

6. Property, plant and equipment

During the nine-month period ended 30 September 2018, the Group's additions to property, plant and equipment amounted to USD 177,919 thousand (nine-month period ended 30 September 2017: USD 82,304 thousand) mainly related to construction works for Phase 2 of the Vinnytsia poultry project.

There were no significant disposals of property, plant and equipment during the nine-month period ended 30 September 2018.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2018
(in thousands of US dollars, unless otherwise indicated)

7. Inventories and agricultural produce

A decrease in inventory and agricultural produce balances for the nine-month period ended 30 September 2018 was mainly as a result of internal consumption of corn, sunflower and soya.

Changes of inventory balance apart from consumption of purchased grain stock have also occurred because as of 31 December 2017 expenses incurred in cultivating of fields which had to be planted in spring 2018 were capitalised in work in progress balance. As of 30 September 2018 those expenses were classified as crops in fields within biological assets, as the plants were already sown.

8. Biological assets

Increase in current biological assets as compared to 31 December 2017 is primarily related to crops in fields balance. The increase in crops in fields balance mainly relates to spring crops seeded in the first half of 2018 classified as biological assets as well as due to IAS 41 revaluation adjustment.

9. Shareholders' equity

Share capital

As of 30 September 2018 and 31 December 2017 the authorized, issued and fully paid share capital of MHP SE comprised the following number of shares:

	30 September 2018	*31 December 2017*
Number of shares issued and fully paid	110,770,000	110,770,000
Number of shares outstanding	106,781,794	106,781,794

The authorized share capital as of 30 September 2018 and 31 December 2017 was EUR 221,540 thousand represented by 110,770,000 shares with par value of EUR 2 each.

All shares have equal voting rights and rights to receive dividends, which are payable at the discretion of the Group.

10. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 30 September 2018 and 31 December 2017:

		30 September 2018		*31 December 2017*	
Bank	*Currency*	*WAIR [1)]*	*USD' 000*	*WAIR [1)]*	*USD' 000*
Non-current					
Foreign banks	USD	7.83%	58,843	7.72%	121,576
Foreign banks	EUR	4.53%	38,154	2.57%	17,241
			96,997		138,817
Current					
Ukrainian banks	UAH	-	-	13.00%	9,620
Ukrainian banks	EUR	3.72%	13,229	-	-
Ukrainian banks	USD	4.28%	44,000	-	-
Foreign banks	USD	6.72%	14,529	-	-
Current portion of long-term bank borrowings	USD, EUR		74,731		27,297
			146,489		36,917
Total bank borrowings			243,486		175,734

[1)] WAIR represents the weighted average interest rate on outstanding borrowings.

(in thousands of US dollars, unless otherwise indicated)

10. Bank borrowings *(continued)*

The Group's borrowings are drawn from various banks as term loans, credit line facilities and overdrafts. Repayment terms vary from monthly repayment to repayment on maturity. Interest on borrowings from Ukrainian banks is payable on a monthly basis. Interest on borrowings from foreign banks is payable semi-annually or annually.

Majority of the Group's bank term loans and credit lines bear floating interest rate.

Bank borrowings and credit lines outstanding as of 30 September 2018 and 31 December 2017 were repayable as follows:

	30 September 2018	*31 December 2017*
Within one year	146,489	36,917
In the second year	53,764	72,950
In the third to fifth year inclusive	34,224	58,719
After five years	9,009	7,148
	243,486	175,734

As of 30 September 2018, the Group had available undrawn facilities of USD 171,987 thousand (31 December 2017: USD 264,895 thousand). These undrawn facilities expire during the period from December 2018 until October 2020.

The Group, as well as particular subsidiaries of the Group have to comply with certain covenants imposed by the lending banks. The main covenants are defined by the following ratios: net debt to EBITDA, EBITDA to interest expenses and current ratio. The Group subsidiaries are also required to obtain approval from lenders regarding property, plant and equipment to be offered as collateral.

As of 30 September 2018 and 31 December 2017, the Group complied with all covenants imposed by its lending banks.

As of 30 September 2018, the Group had borrowings of USD 15,000 that were secured. These borrowings were secured by inventories with a carrying amount of USD 18,750 thousand.

As of 30 September 2018, a deposit of USD 3,462 thousand (31 December 2017: USD 2,524 thousand) was restricted as collateral to secure bank borrowings.

As of 30 September 2018 and 31 December 2017, accrued interest on bank borrowings was USD 2,192 thousand and USD 2,578 thousand, respectively.

11. Bonds issued

Bonds issued and outstanding as of 30 September 2018 and 31 December 2017 were as follows:

	30 September 2018	*31 December 2017*
8.25% Senior Notes due in 2020	79,417	495,600
7.75% Senior Notes due in 2024	500,000	500,000
6.95% Senior Notes due in 2026	550,000	-
Unamortized debt issuance cost	(38,924)	(25,512)
Total long-term portion of bonds issued	1,090,493	970,088

As of 30 September 2018 and 31 December 2017 the amount of accrued interest on bonds issued was USD 37,137 thousand and USD 15,377 thousand, respectively.

6.95% Senior Notes

On 3 April 2018, MHP Lux S.A., a public company with limited liability (société anonyme) incorporated in 2018 under the laws of the Grand Duchy of Luxembourg, issued USD 550,000 thousand 6.95% Senior Notes due in 2026 at par value. Of the total issue amount, USD 416,183 thousand were designated for redemption and exchange of existing 8.25% Senior Notes due in 2020.

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11. Bonds issued *(continued)*

6.95% Senior Notes (continued)

Early redemption of 8.25% Senior Notes due in 2020 out of the issue of 6.95% Senior Notes due in 2026, which were placed with the same holders and where the change in the net present value of the future cash flows discounted using the original effective interest rate was less than 10% was accounted as an exchange and thus, all the related expenses, including part of consent fees, were capitalized and will be amortized over the maturity period of the 6.95% Senior Notes due in 2026.

USD 11,564 thousand of the expenses connected with the placement of 6,95% Senior Notes were capitalized, including USD 10,413 thousand related to an exchange. All other related expenses, in the amount of USD 32,915 thousand, were expensed as incurred.

As a result of a non-substantial modification, the difference between the present value of the cash flows under the original and modified terms discounted at the original effective interest rate was recognized as a gain in the amount of USD 4,733 thousand at the date of modification.

The Senior Notes are jointly and severally guaranteed on a senior basis by MHP SE, PJSC “Myronivsky Hliboprodukt”, PJSC “Myronivsky Plant of Manufacturing Feeds and Groats”, PrJSC “Zernoprodukt MHP”, PrJSC “Agrofort”, PrJSC “Oril-Leader”, PrJSC “Myronivska Pticefabrika”, “SPF “Urozhay” LLC, “Starynska Ptakhofabryka” ALLC, “Vinnytska Ptakhofabryka” LLC, “Peremoga Nova” SE, “Katerinopolskiy Elevator” LLC, Scylla Capital Limited and Raftan Holding Limited.

Interest on the Senior Notes is payable semi-annually in arrears. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of the Net Debt to EBITDA ratio as defined by the indenture, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, the Trustee or the Holders of at least 25% of the principal amount of the outstanding Notes may, upon written notice to the Group, declare all outstanding Senior Notes to be due and payable immediately. If a change of control occurs, the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

7.75% Senior Notes

On 10 May 2017, MHP SE issued USD 500,000 thousand 7.75% Senior Notes due in 2024 at par value. Out of the total issue amount, USD 245,200 thousand were designated for redemption and exchange of existing 8.25% Senior Notes due in 2020.

Early redemption of 8.25% Senior Notes due in 2020 out of the issue of 7.75% Senior Notes due in 2024, which were placed with the same holders and where the change in the net present value of the future cash flows discounted using the original effective interest rate was less than 10%, was accounted as an exchange and thus, all the related expenses, including part of the consent fees, were capitalized and will be amortized over the maturity period of the 7.75% Senior Notes due in 2024.

USD 9,830 thousand of the expenses, connected with placement of 7.75% Senior Notes were capitalized, including USD 7,318 thousand related to an exchange.All other related expenses, including part of the consent fees, in the amount of USD 4,599 thousand were expensed as incurred.

The carrying amount of the Senior Notes was adjusted on transition to IFRS 9. Under IFRS 9, as a result of a non-substantial modification, the difference between the present value of the cash flows under the original and modified terms discounted at the original effective interest rate should be recognized as a gain at the date of modification. The difference between the carrying amount of the Senior Notes under IAS 39 and IFRS 9 was recognized in opening retained earnings in the amount of USD 7,566 thousand.

The Senior Notes are jointly and severally guaranteed on a senior basis by PJSC “Myronivsky Hliboprodukt”, PJSC “Myronivsky Plant of Manufacturing Feeds and Groats”, PrJSC “Zernoprodukt MHP”, PrJSC “Agrofort”, PrJSC “Oril-Leader”, PrJSC “Myronivska Pticefabrika”, “SPF “Urozhay” LLC, “Starynska Ptakhofabryka” ALLC, Vinnytska Ptakhofabryka LLC, SE “Peremoga Nova”, “Katerinopolskiy Elevator” LLC, Scylla Capital Limited, Raftan Holding Limited.

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11. Bonds issued *(continued)*

7.75% Senior Notes (continued)

Interest on the Senior Notes is payable semi-annually in arrears. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of the Net Debt to EBITDA ratio as defined by the indenture, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may, upon written notice to the Group, declare all outstanding Senior Notes to be due and payable immediately. If a change of control occurs, the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

8.25% Senior Notes

On 8 April 2013, MHP SE issued USD 750,000 thousand 8.25% Senior Notes due in 2020 at an issue price of 100% of the principal amount. USD 350,000 thousand out of issued USD 750,000 thousand 8.25% Senior Notes were used to early redemption and exchange of its existed 10.25% Senior Notes due in 2015.

Early redemption of 10.25% Senior Notes due in 2015 out of issue of 8.25% Senior Notes due in 2020, which were placed with the same holders and where the change in the net present value of the future cash flows discounted using the original effective interest rate was less than 10% was accounted as an exchange and thus all the related expenses, including consent fees, were capitalized and will be amortized over the maturity period of the 8.25% Senior Notes due in 2020.

USD 28,293 thousand of expenses, connected with placement of 8.25% Senior Notes were capitalized, including USD 22,813 thousand related to an exchange.All other related expenses, including part of consent fees, in the amount of USD 16,515 thousand were expensed as incurred.

The carrying amount of the Senior Notes was adjusted on transition to IFRS 9. Under IFRS 9, as a result of a non-substantial modification, the difference between the present value of the cash flows under the original and modified terms discounted at the original effective interest rate should be recognized as a gain at the date of modification. The difference between the carrying amount of the Senior Notes under IAS 39 and IFRS 9 was recognized in opening retained earnings in the amount of USD 3,260 thousand.

The Senior Notes are jointly and severally guaranteed on a senior basis by PJSC “Myronivsky Hliboprodukt”, SE “Peremoga Nova”, PrJSC “Oril-Leader”, PJSC “Myronivsky Plant of Manufacturing Feeds and Groats”, PrJSC “Zernoproduct MHP”, PrJSC “Myronivska Pticefabrika”, “Starynska Ptakhofabryka” ALLC, Snyatynska Ptakhofabryka, “Katerinopolskiy Elevator” LLC, PrJSC “Agrofort”, “SPF “Urozhay” LLC, Vinnytska Ptakhofabryka LLC, Scylla Capital Limited, Raftan Holding Limited, Merique Holding Limited.

Interest on the Senior Notes is payable semi-annually in arrears. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of the Net Debt to EBITDA ratio as defined by the indebtedness agreement, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may, upon written notice to the Group, declare all outstanding Senior Notes to be due and payable immediately. If a change of control occurs the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

Consent solicitation

On 7 March 2016, the Group received consent from the Holders of the outstanding USD 750,000 thousand 8.25% Senior Notes for certain proposed amendments to the Indenture and the Notes. Consent was obtained before the Consent Expiration Date (7 March 2016). The Amendments were implemented by way of execution of the Supplemental Indenture on 8 March 2016, and became effective from the Consent Settlement Date (9 March 2016).

In relation to the Notes, the Company has, on the Consent Settlement Date, paid to those Holders from whom valid Consents were delivered and not revoked on or prior to the Consent Expiration Date and which

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11. Bonds issued *(continued)*

Consent solicitation (continued)

Consents were accepted by the Company the Consent Payment of USD 12.50 for each USD 1 thousand in principal amount of the Notes that were subject of the relevant Electronic Instructions.

During the reporting periods ended 30 September 2018 and 31 December 2017 the Group has complied with all covenants defined by the indebtedness agreement.

The weighted average effective interest rate on the Senior Notes is 8.67% per annum for the nine-months period ended 30 September 2018 and 9.61% per annum for the year ended 31 December 2017.

12. Related party balances and transactions

For the purposes of these financial statements, parties are considered to be related if one party controls, is controlled by, or is under common control with the other party, or exercises significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms and conditions as transactions between unrelated parties.

Transactions with related parties under common control

The Group enters into transactions with related parties that are under common control of the Principal Shareholder of the Group (Note 1) in the ordinary course of business for the purchase and sale of goods and services.

Terms and conditions of sales to related parties are determined based on arrangements specific to each contract or transaction. Management believes that amounts receivable due from related parties do not require an allowance for irrecoverable amounts and that the amounts payable to related parties will be settled at cost.

Transactions with related parties during the nine-month periods ended 30 September 2018 and 2017 were as follows:

	2018	*2017*
Loans provided to key management personnel	719	413
Purchases from related parties	66	27

The balances owed to and due from related parties were as follows as of 30 September 2018 and 31 December 2017:

	30 September 2018	*31 December 2017*
Payables for dividends declared, included in *Other current liabilities (Note 16)*	2,956	-
Advances and finance aid receivable	3,248	3,188
Loans to key management personnel	1,064	956
Trade accounts receivable	108	109
Payables due to related parties	17	17

Compensation of key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consists of contractual salary and performance bonuses amounted to USD 14,508 thousand and USD 12,103 thousand for the nine-month periods ended 30 September 2018 and 30 September 2017, respectively.

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13. Contingencies and contractual commitments

Operating environment

In the recent years, Ukraine has been subject to political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. In 2017-2018, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions.

For the nine-month period ended 30 September 2018 the inflation rate was 5.6% compared to 10.2% for the nine-month period ended 30 September 2017. The Ukrainian economy proceeded to recover from the economic and political crisis of previous years that resulted in real GDP growth of around 3.8% year on year for the nine-month period ended 30 September 2018 and stabilization of the national currency. From a trading perspective, the economy was refocusing on the European Union ("EU") market, which was a result of the signed Association Agreement with the EU in January 2016 that established the Deep and Comprehensive Free Trade Area ("DCFTA"). Under this agreement, Ukraine has committed to harmonize its national trade-related rules, norms, and standards with those of the EU, progressively reduce import customs duties for the goods originating from the EU member states, and abolish export customs duties during a 10-year transitional period. Implementation of DCFTA began on 1 January 2017. As a result, the Russian Federation implemented a trade embargo or import duties on key Ukrainian export products. In response, Ukraine implemented similar measures against Russian products.

In terms of currency regulations, the National Bank of Ukraine ("NBU") decreased the required share of mandatory sale of foreign currency proceeds from 65% to 50% from April 2017, increased the settlement period for export-import transactions in foreign currency from 120 to 180 days from May 2017, and allowed companies to pay the 2013 (and earlier) dividends with a limit of USD 2 million per month from November 2017 (from June 2016, companies were allowed to pay dividends for 2014-2016 to non-residents with a limit of USD 5 million per month).

In March 2015, Ukraine signed a four-year Extended Fund Facility ("EFF") with the International Monetary Fund ("IMF") that will last until March 2019. The total program amounted to USD 17.5 billion, of which Ukraine has so far received only USD 8.7 billion. In September 2017, Ukraine successfully issued USD 3 billion of Eurobonds, of which USD 1.3 billion is new financing, with the remaining amount aimed to refinance the bonds due in 2019. The NBU expects that Ukraine will receive another USD 1.5 -2.0 billion from the IMF in 2018. To receive the next tranches, the government of Ukraine has to implement certain key reforms, including in such areas as the pension system, anti-corruption regulations, privatization and energy/gas sector policies.

Further stabilization of the economic and political situation depends, to a large extent, upon success of the Ukrainian government's efforts, yet further economic and political developments are currently difficult to predict.

The management of the Group believes that the negative impact of the political and economic turmoil at the Group's entities is limited due to the Group's significant proportion of export sales, its access to the international financial markets and the significant distance of its main production sites from any conflict zones.

Taxation and legal issues

Ukrainian tax authorities are increasingly directing their attention to the business community as a result of the overall Ukrainian economic environment. The local and national tax environment is constantly changing and subject to inconsistent application, interpretation and enforcement. Non-compliance with Ukrainian laws and regulations can lead to the imposition of severe penalties and fines. Future tax examinations could raise issues or assessments which are contrary to the Group companies' tax filings. Such assessments could include taxes, penalties and fines, and these amounts could be material. While the Group believes it has complied with local tax legislation, there have been many new tax and foreign currency laws and related regulations introduced in recent years which are not always clearly written.

Management believes that the Group has been in compliance with all requirements of effective tax legislation and currently is assessing the possible impact of the introduced amendments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2018
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13. Contingencies and contractual commitments *(continued)*

Taxation and legal issues *(continued)*

The Group exports vegetable oil, chicken meat and related products, and performs intercompany transactions, which may potentially be in the scope of the Ukrainian transfer pricing ("TP") regulations. The Group has submitted the controlled transaction report for the year ended 31 December 2016 within the required deadline, and has prepared all necessary documentation on controlled transactions for the year ended 31 December 2017 as required by legislation and plans to submit report.

As of 30 September 2018, the Group's management assessed its possible exposure to tax risks for a total amount of USD 4,356 thousand related to corporate income tax (31 December 2017: USD 4,392 thousand). No provision was charged of such possible tax exposure.

As of 30 September 2018, companies of the Group were engaged in ongoing litigation with tax authorities for the amount of USD 2,132 thousand (31 December 2017: USD 2,273 thousand), including USD 1,485 thousand (31 December 2017: USD 1,534 thousand) of litigations with the tax authorities related to disallowance of certain amounts of VAT refunds and deductible expenses claimed by the Group. Out of this amount, USD 1,220 thousand as of 30 September 2018 (31 December 2017: USD 1,457 thousand) relates to cases where court hearings have taken place and where the court in either the first or second instance has already ruled in favour of the Group.

Management believes that based on the past history of court resolutions of similar lawsuits by the Group, it is unlikely that a significant settlement will arise out of such lawsuits and no provision is required in the Group's financial statements as of the reporting date.

Contractual commitments on purchase of property, plant and equipment

During the nine-month period ended 30 September 2018, the companies of the Group entered into a number of contracts with foreign suppliers for the purchase of property, plant and equipment for development of agricultural operations. As of 30 September 2018, purchase commitments on such contracts were primarily related to expansion of the Vinnytsya poultry complex and amounted to USD 19,559 thousand (31 December 2017: USD 17,412 thousand).

14. Fair value of financial instruments

Fair value disclosures in respect of financial instruments are made in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosure" and IFRS 13 "Fair value measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value is estimated to be the same as the carrying value for cash and cash equivalents, short-term bank deposits, trade accounts receivables, and trade accounts payable due to the short-term nature of the financial instruments.

Set out below is the comparison by category of carrying amounts and fair values of all the Group's financial instruments, excluding those discussed above, that are carried in the consolidated statement of financial position:

	Carrying amount		*Fair value*	
	30 September 2018	*31 December 2017*	*30 September 2018*	*31 December 2017*
Financial liabilities				
Bank borrowings *(Note 10)*	245,678	178,312	238,283	168,627
Senior Notes due in 2020, 2024, 2026 *(Note 11)*	1,127,630	985,465	1,100,083	1,085,693
Finance lease obligations	12,755	11,450	12,905	11,691

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14. Fair value of financial instruments *(continued)*

The carrying amount of Bank borrowings and Senior Notes issued includes interest accrued at each of the respective dates.

The fair value of bank borrowings and finance lease obligations was estimated by discounting the expected future cash outflows by a market rate of interest for bank borrowings 7.8% (31 December 2017: 7.7%) and for finance lease obligations 8.5% (31 December 2017: 9.3%), and is within Level 2 of the fair value hierarchy.

The fair value of Senior Notes was estimated based on market quotations and is within Level 1 of the fair value hierarchy.

15. Risk management policy

During the nine-month period ended 30 September 2018 there were no changes to the Group's objectives, policies and processes for managing credit risk, capital risk, liquidity risk, currency risk, interest rate risk, livestock diseases risk and commodity price and procurement risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group undertakes certain transactions denominated in foreign currencies.

The Group does not use any derivatives to manage foreign currency risk exposure, Group management sets limits on the level of exposure to foreign currency fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of 30 September 2018 and 31 December 2017 were as follows:

	30 September 2018		*31 December 2017*	
	USD	*EUR*	*USD*	*EUR*
Total assets	137,902	15,300	133,197	10,504
Total liabilities	1,270,385	68,706	1,132,935	44,411

The table below details the Group's sensitivity to strengthening/(weakening) of the Ukrainian Hryvnia against USD and EUR. This sensitivity range represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for possible change in foreign currency rates.

	Change in foreign currency exchange rates	*Effect on profit before tax*
2018		
Increase in USD exchange rate	10%	(113,248)
Increase in EUR exchange rate	10%	(5,341)
Decrease in USD exchange rate	5%	56,624
Decrease in EUR exchange rate	5%	2,670
2017		
Increase in USD exchange rate	10%	(99,974)
Increase in EUR exchange rate	10%	(3,391)
Decrease in USD exchange rate	5%	49,987
Decrease in EUR exchange rate	5%	1,695

The effect of foreign currency sensitivity on shareholders' equity is equal to that reported in the interim condensed consolidated statement of profit or loss and other comprehensive income.

During the nine-month period ended 30 September 2018, the Ukrainian Hryvnia appreciated against the EUR by 1.1% and depreciated against the USD by 0.8%, (nine-month period ended 30 September 2017: depreciated against the EUR by 9.0% and appreciated by 2.5% against the USD). As a result, during the nine-month period ended 30 September 2018 the Group recognized a net foreign exchange loss in the amount of USD 16,482 thousand (nine-month period ended 30 September 2017: foreign exchange gain in the amount of USD 25,690 thousand) in the consolidated statement of profit or loss and other comprehensive income.

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16. Dividends

On 6 March 2018, the Board of Directors of MHP SE approved payment of interim dividends of USD 0.7492 per share, equivalent to approximately USD 80,000 thousand, on 26 April 2018 to shareholders on the register as of 20 April 2018. The Board of Directors approved that no dividend will be paid on the Company's shares held in treasury.

The Board of Directors of MHP SE also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) to be paid later than on the declared dividend payment date (but not later than 1 November 2018), with no interest accrued on the amount of dividend paid later (Note 12).

During the nine-month period ended 30 September 2018, MHP SE paid dividends to shareholders of USD 77,044 thousand.

17. Subsequent events

There are no subsequent events to mention.

18. Authorization of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors of MHP SE on 13 November 2018.