

**AGROTON PUBLIC LIMITED**

UNAUDITED FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June  
2020

# **AGROTON PUBLIC LIMITED**

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## **UNAUDITED FINANCIAL STATEMENTS**

For the period from 1 January 2020 to 30 June 2020

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# AGROTON PUBLIC LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Iurii Zhuravlov (Chief Executive Officer) Tamara Lapta (Deputy Chief Executive Officer) Larysa Orlova (Chief Financial Officer) Borys Supikhanov (Non-Executive Director) Volodymyr Kudryavtsev (Non-Executive Director)
<b>Company Secretary:</b>	Inter Jura Cy (Services) Limited
<b>Independent Auditors:</b>	KPMG Limited
<b>Legal Advisers:</b>	K. Chrysostomides & Co LLC
<b>Registered office:</b>	1 Lampousas Street 1095 Nicosia Cyprus
<b>Registration number:</b>	HE255059

# AGROTON PUBLIC LIMITED

## UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 January 2020 to 30 June 2020

	Note	2020 US\$	2019 US\$
Loan interest income		<b>1.566.465</b>	3.308.020
Net fair value gains on financial assets at fair value through profit or loss	15	<b>590.272</b>	301.452
Coupon Interest		<b>86.544</b>	125.058
Interest expense		<b>(1.539.593)</b>	(3.113.095)
<b>Gross profit</b>		<b>703.688</b>	621.435
Administration expenses	8	<b>(44.414)</b>	(111.540)
Net impairment profit/(loss) on financial and contract assets		<b>-</b>	(790.000)
<b>Operating profit/(loss)</b>	9	<b>659.274</b>	(280.105)
Finance income		<b>(279)</b>	154
Finance costs		<b>(10.780)</b>	(20.947)
Net finance costs	10	<b>(11.059)</b>	(20.793)
<b>Profit/(loss) before tax</b>		<b>648.215</b>	(300.898)
Tax	11	<b>-</b>	(164.151)
<b>Net profit/(loss) for the period/year</b>		<b>648.215</b>	(465.049)
<b>Other comprehensive income</b>		<b>-</b>	-
<b>Total comprehensive income for the period/year</b>		<b>648.215</b>	(465.049)

The notes on pages 6 to 17 form an integral part of these financial statements.

# AGROTON PUBLIC LIMITED

## UNAUDITED STATEMENT OF FINANCIAL POSITION 30 June 2020

	Note	2020 US\$	2019 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	4.818	4.818
Loans receivable	13	<u>67.257.130</u>	62.690.664
		<u><b>67.261.948</b></u>	<u>62.695.482</u>
<b>Current assets</b>			
Receivables	14	153.980	152.782
Loans receivable	13	944.760	1.084.760
Financial assets at fair value through profit or loss	15	9.338.084	9.263.435
Cash and cash equivalents	16	<u>8.430.127</u>	<u>10.769.744</u>
		<u><b>18.866.951</b></u>	<u>21.270.721</u>
<b>Total assets</b>		<u><b>86.128.899</b></u>	<u>83.966.203</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	661.128	661.128
Share premium	17	88.531.664	88.531.664
Accumulated losses		<u>(80.349.610)</u>	<u>(80.997.825)</u>
<b>Total equity</b>		<u><b>8.843.182</b></u>	<u>8.194.967</u>
<b>Non-current liabilities</b>			
Borrowings	18	-	75.241.008
		-	<u>75.241.008</u>
<b>Current liabilities</b>			
Trade and other payables	19	17.357	42.470
Borrowings	18	76.780.601	-
Current tax liabilities	20	<u>487.759</u>	<u>487.758</u>
		<u><b>77.285.717</b></u>	<u>530.228</u>
<b>Total liabilities</b>		<u><b>77.285.717</b></u>	<u>75.771.236</u>
<b>Total equity and liabilities</b>		<u><b>86.128.899</b></u>	<u>83.966.203</u>

On ..... 2020 the Board of Directors of AGROTON PUBLIC LIMITED authorised these financial statements for issue.

..... signed  
Director

..... signed  
Director

The notes on pages 6 to 17 form an integral part of these financial statements.

# AGROTON PUBLIC LIMITED

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2020 to 30 June 2020

	Share capital US\$	Share premium US\$	Accumula- ted losses US\$	Total US\$
<b>Balance at 1 January 2019</b>	<b>661.128</b>	<b>88.531.664</b>	<b>(80.532.776)</b>	<b>8.660.016</b>
<b>Comprehensive expense</b>				
Net loss for the year	-	-	(465.049)	(465.049)
<b>Balance at 31 December 2019/ 1 January 2020</b>	<b>661.128</b>	<b>88.531.664</b>	<b>(80.997.825)</b>	<b>8.194.967</b>
<b>Comprehensive income</b>				
Net profit for the period	-	-	648.215	648.215
<b>Balance at 30 June 2020</b>	<b>661.128</b>	<b>88.531.664</b>	<b>(80.349.610)</b>	<b>8.843.182</b>

In accordance with the Cyprus Companies Law, Cap. 113, Section 55 (2) the share premium reserve can only be used by the Company in (a) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares; (b) writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and (c) providing for the premium payable on redemption of any redeemable preference shares or of any debentures of the Company.

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate owners at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the owners.

The notes on pages 6 to 17 form an integral part of these financial statements.

# AGROTON PUBLIC LIMITED

## UNAUDITED STATEMENT OF CASH FLOWS

For the period from 1 January 2020 to 30 June 2020

	Note	2020 US\$	2019 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(loss) before tax</b>		<b>648.215</b>	(300.898)
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		<b>492.890</b>	-
Unrealised exchange loss/(profit)		<b>248</b>	(154)
Fair value gains on financial assets at fair value through profit or loss		<b>(590.272)</b>	(3.308.452)
Impairment charge - loans to related parties	21	-	790.000
Interest income		<b>(1.566.465)</b>	(3.308.020)
Interest expense	10	<b>1.539.593</b>	3.096.105
Coupon Interest		<b>(86.543)</b>	(125.058)
		<b>437.666</b>	(149.477)
<b>Changes in working capital:</b>			
Increase in receivables		<b>(1.199)</b>	(4.824)
Increase in financial assets at fair value through profit or loss		<b>(492.890)</b>	-
Decrease in trade and other payables		<b>(25.354)</b>	(4.396)
<b>Cash used in operations</b>		<b>(81.777)</b>	(158.697)
Interest received		<b>140.000</b>	465.919
<b>Net cash generated from operating activities</b>		<b>58.223</b>	307.222
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted		<b>(3.000.000)</b>	-
Loans repayments received		-	2.431.366
Payment for purchase of financial assets at fair value through profit or loss		-	(8.827.808)
Proceeds from sale/redemption of available-for-sale financial assets		<b>500.000</b>	-
Coupon Interest received		<b>102.167</b>	132.256
<b>Net cash used in investing activities</b>		<b>(2.397.833)</b>	(6.264.186)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		-	(7.759.510)
<b>Net cash used in financing activities</b>		-	(7.759.510)
<b>Net decrease in cash and cash equivalents</b>		<b>(2.339.610)</b>	(13.716.474)
Cash and cash equivalents at beginning of the period/year		<b>10.769.744</b>	24.486.187
Effect of exchange rate fluctuations on cash held		<b>(7)</b>	31
<b>Cash and cash equivalents at end of the period/year</b>	16	<b>8.430.127</b>	10.769.744

The notes on pages 6 to 17 form an integral part of these financial statements.

# AGROTON PUBLIC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 1. Incorporation and principal activities

#### Country of incorporation

Agroton Public Limited (the "Company") was incorporated in Cyprus on 21 September 2009 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. The Company was listed at the main market of Warsaw Stock Exchange on 8 November 2010. Its registered office is at 1 Lampousas Street, 1095 Nicosia, Cyprus.

The principal activities of the Company, which are unchanged from last year, are those of an investment holding company and the provision of financing to related parties. The Company is the holding company of a group of companies of agriculture producers in Ukraine. The principal activities of the Group which remained the same as in the previous year, are grain and oil crops growing, agricultural products storage and sale, cattle breeding (milk cattle-breeding, poultry farming) and milk processing. The poultry farming business has been temporarily abandoned due to the military clashes and armed conflict in Eastern Ukraine.

### 2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss.

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (together with the Company, the "Group"). The consolidated financial statements can be obtained from the Company's registered office.

### 3. Adoption of new or revised standards and interpretations

As from 1 January 2020, the Company adopted all the following IFRSs and International Accounting Standards (IAS), which are relevant to its operations. The adoption of these Standards did not have a material effect on the financial statements.

### 4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Finance expenses

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

# AGROTON PUBLIC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 4. Significant accounting policies (continued)

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

#### Tax

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

#### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

### 5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

The Board of Directors expects that the adoption of these standards or interpretations in future periods will not have a material effect on the financial statements of the Company.

### 6. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk, liquidity risk, market risk, and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 6.1 Credit risk

Credit risk arises when failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

##### (i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

<u>Bank group based on credit ratings by Moody's</u>	<u>No of banks</u>	<b>2020</b> <b>US\$</b>	2019 US\$
A- to A+	2	<b>8.427.805</b>	10.767.737
Lower than A-	1	<b>2.322</b>	2.007
		<b><u>8.430.127</u></b>	<u>10.769.744</u>

#### 6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>30 June 2020</b>	Carrying amounts US\$	Contractual cash flows US\$	3 months or less US\$	3-12 months US\$	1-5 years US\$	More than 5 years US\$
Trade and other payables	17.360	17.360	-	17.360	-	-
Loans from subsidiaries	<u>76.780.601</u>	<u>78.345.572</u>	-	<u>78.345.572</u>	-	-
	<b><u>76.797.961</u></b>	<b><u>78.362.932</u></b>	<b><u>-</u></b>	<b><u>78.362.932</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

<b>31 December 2019</b>	Carrying amounts US\$	Contractual cash flows US\$	3-12 months US\$	1-5 years US\$
Trade and other payables	1.805	1.805	1.805	-
Loans from subsidiaries	<u>75.241.008</u>	<u>78.354.078</u>	-	<u>78.354.078</u>
	<b><u>75.242.813</u></b>	<b><u>78.355.883</u></b>	<b><u>1.805</u></b>	<b><u>78.354.078</u></b>

#### 6.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### 6.3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 6. Financial risk management (continued)

#### 6.3. Market risk (continued)

##### 6.3.1 Interest rate risk (continued)

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2020 US\$	2019 US\$
<b>Fixed rate instruments</b>		
Financial assets	49,768,635	64,565,424
Financial liabilities	<u>(51,601,754)</u>	<u>(75,241,008)</u>
	<u>(1,833,119)</u>	<u>(10,675,584)</u>

##### 6.3.2 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

### 7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

# AGROTON PUBLIC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 7. Critical accounting estimates and judgments (continued)

*Critical judgements in applying the Company's accounting policies*

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 8. Administration expenses

	2020	2019
	US\$	US\$
Municipality taxes	215	-
Annual levy	396	394
Subscriptions and contributions	-	3.333
Auditors' remuneration for the statutory audit of annual accounts	-	40.571
Accounting fees	3.184	12.143
Legal fees	-	1.013
Legal and professional	340	337
Secretarial fees	1.019	1.012
Registered office fees	1.019	1.012
Fines	-	2.187
Irrecoverable VAT	4.414	6.044
Professional fees	12.493	16.243
Custodian fees	21.334	27.251
	<u>44.414</u>	<u>111.540</u>

### 9. Operating profit/(loss)

	2020	2019
	US\$	US\$
Operating profit/(loss) is stated after the following items:		
Auditors' remuneration for the statutory audit of annual accounts	-	40.571
	<u>-</u>	<u>40.571</u>

### 10. Finance income/(costs)

	2020	2019
	US\$	US\$
Exchange profit	(279)	154
<b>Finance income</b>	<u>(279)</u>	<u>154</u>
Net foreign exchange losses	(310)	(1.481)
Sundry finance expenses	(10.470)	(19.466)
<b>Finance costs</b>	<u>(10.780)</u>	<u>(20.947)</u>
<b>Net finance costs</b>	<u>(11.059)</u>	<u>(20.793)</u>

### 11. Tax

	2020	2019
	US\$	US\$
Corporation tax	-	164.151
<b>Charge for the period/year</b>	<u>-</u>	<u>164.151</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 12. Investments in subsidiaries

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Balance at 1 January	<b>4.818</b>	4.818
<b>Balance at 30 June/31 December</b>	<b>4.818</b>	4.818

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2020 Holding %	2019 Holding %	2020 US\$	2019 US\$
"Living" LLC	Ukraine	Agricultural activities	99.99	99.99	<b>4.718</b>	4.718
Agroton (BVI) Limited	British Virgin Islands	Trading in Agriculture products	100	100	<b>100</b>	100
LLC "Gefest"	Ukraine	Owner of land lease rights		100	-	-
LLC "Lugastan"	Ukraine	Owner of land lease rights	99.99	99.99	-	-
					<b>4.818</b>	4.818

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

The ownership of land lease rights previously held by subsidiary companies LLC Gefest and LLC Lugastan have been transferred to Agroton PJSC and PE Agricultural Production Firm Agro. Subsidiary company LLC Gefest was liquidated on July 25, 2019. LLC Lugastan is under liquidation procedures.

### 13. Loans receivable

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Balance at 1 January	<b>63.775.424</b>	64.154.688
New loans granted	<b>3.000.000</b>	-
Repayments	<b>(140.000)</b>	(2.897.284)
Interest charged	<b>1.566.466</b>	3.308.020
Expected credit loss	-	(790.000)
<b>Balance at 30 June/31 December</b>	<b>68.201.890</b>	63.775.424
	<b>2020</b>	2019
	<b>US\$</b>	US\$
Loans to own subsidiaries (Note 21.1)	<b>68.991.890</b>	64.565.424
Loss allowance on loans receivable	<b>(790.000)</b>	(790.000)
	<b>68.201.890</b>	63.775.424
Less current portion	<b>(944.760)</b>	(1.084.760)
Non-current portion	<b>67.257.130</b>	62.690.664

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 13. Loans receivable (continued)

The loans are repayable as follows:

	2020 US\$	2019 US\$
Within one year	944.760	1.084.760
Between one and five years	<u>67.257.130</u>	<u>62.690.664</u>
	<u><b>68.201.890</b></u>	<u>63.775.424</u>

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

### 14. Receivables

	2020 US\$	2019 US\$
Other receivables	-	160
Refundable VAT	<u>153.980</u>	<u>152.622</u>
	<u><b>153.980</b></u>	<u>152.782</u>

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 6 of the financial statements.

### 15. Financial assets at fair value through profit or loss

	2020 US\$	2019 US\$
<b>Listed securities</b>		
Bank of Cyprus Holdings Plc	107.247	107.247
US Treasury notes	9.230.837	8.647.550
Other short term notes	<u>-</u>	<u>508.638</u>
	<u><b>9.338.084</b></u>	<u>9.263.435</u>
	<u><b>9.338.084</b></u>	<u>9.263.435</u>
	2020	2019
	US\$	US\$
Balance at 1 January	9.263.435	141.373
Additions	-	8.820.610
Changes in coupon rate	(15.623)	-
Change in fair value	590.272	301.452
Redemption	<u>(500.000)</u>	<u>-</u>
<b>Balance at 30 June/31 December</b>	<u><b>9.338.084</b></u>	<u>9.263.435</u>

#### Bank of Cyprus Shares:

Bank of Cyprus shares, designated at fair value through profit or loss represented equity securities of Bank of Cyprus converted into shares after the decree issued by Central Bank of Cyprus on 29 March 2013. Based on that decree and the measurements for recapitalization of Bank of Cyprus, 47,5% of the uninsured deposits of the affected deposits have been converted into Bank of Cyprus shares.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 15. Financial assets at fair value through profit or loss (continued)

The Company held 1.591.105 shares with fair value €0,140 cents. In January 2017, the shares in Bank of Cyprus Public Company Limited were exchanged with new shares of Bank of Cyprus Holdings Plc listed in both London Stock Exchange and in Cyprus Stock Exchange with nominal value of €0,10 cents each. As at 31 December 2019 the Company held 79.556 shares in Bank of Cyprus Holdings Plc with fair value €1,20 (2018: €1,55) each.

### UBS Switzerland AG and Bank Vontobel AG:

In 2019 the Company acquired US Treasury bonds and other short-term investment held in both UBS Switzerland AG and Bank Vontobel AG for a total consideration of US\$8.827.808. All instruments are publicly traded, recognizing a fair value gain of US\$590.272 as presented on the Statement of Profit or loss.

The exposure of the Company to market risk in relation to financial assets is reported in note 6 of the financial statements.

### 16. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2020 US\$	2019 US\$
Cash at bank	<u>8.430.127</u>	<u>10.769.744</u>
	<u>8.430.127</u>	<u>10.769.744</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

### 17. Share capital and share premium

	2020 Number of shares	2020 US\$	2019 Number of shares	2019 US\$
<b>Authorised</b>				
Ordinary shares of €0,021 each	<u>47.619.048</u>	<u>1.321.500</u>	47.619.048	1.321.500
<b>Issued and fully paid</b>	Number of shares	Share capital US\$	Share premium US\$	Total US\$
Balance at 1 January 2019	<u>21.670.000</u>	<u>661.128</u>	<u>88.531.664</u>	<u>89.192.792</u>
<b>Balance at 31 December 2019</b>	<u>21.670.000</u>	<u>661.128</u>	<u>88.531.664</u>	<u>89.192.792</u>
<b>Balance at 31 December 2019/ 1 January 2020</b>	<u>21.670.000</u>	<u>661.128</u>	<u>88.531.664</u>	<u>89.192.792</u>
<b>Balance at 30 June 2020</b>	<u>21.670.000</u>	<u>661.128</u>	<u>88.531.664</u>	<u>89.192.792</u>

### Authorised share capital

On 31 December 2016 the authorised share capital of the Company amounted to 47.619.048 ordinary shares of nominal value €0,021 each.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 17. Share capital and share premium (continued)

#### Issued share capital

Upon incorporation on 21 September 2009 the Company issued to the subscribers of its Memorandum of Association 12.000.000 ordinary shares of value €0,021 each, amounting to €252.000 (US\$ equivalent of US\$ 370.591).

On 4 November 2009, the Company issued 4.000.000 additional ordinary shares of nominal value €0,021 each amounting to €84.000 (US\$ equivalent of US\$ 123.715), at a premium of €6,93 per share, amounting to a total share premium of €27.720.000 (US\$ equivalent of US\$38.791.285).

Global depository Receipts "GDRs" were issued against the 4.000.000 new shares by "The Bank of New York Mellon" for US\$9,72875 per each new share. The total consideration of the share capital issued was US \$38.915,000 out of which US\$123.715 is the total nominal value credited to the share capital account and US\$ 38.791.285 is the share premium reserve. Share issue expenses of US\$317.154 were deducted from the share premium reserve.

The members of the Company held an Extraordinary General Meeting on 25 June 2010 where they authorised and approved the increase of the issued share capital of the Company from 16.000.000 ordinary shares of €0,021 each amounting to €336.000 (US\$ equivalent of US\$ 494.306) to 21.670.000 ordinary shares of nominal value €0,021, by the creation of 5.670.000 ordinary shares of a nominal value of €0,021 each, ranking pari pasu with the existing shares of the Company.

On 29 October 2010 the Company proceeded and issued the 5.670.000 ordinary shares of nominal value €0,021 each, amounting to €119.070 (equivalent to US\$ 166.822) at a premium of €6,7595 per share amounting to a total share premium of €38.326.365 (equivalent to US\$54.222.634). The issue price of the shares in the Company's public offering was set at PLN 27 per share. The Company raised a total gross proceeds of PLN153.090.000 (equivalent to US\$54.389.456) from the public offering. Share issue expenses of US\$4.165.101 were deducted from the share premium reserve.

Listing of the Company to the Warsaw Stock Exchange

During the year 2010, the Board of Directors of the Company resolved to proceed with the initial public offering of 5.670.000 new ordinary shares of the Company and the application for the admission of the entire issued share capital of the Company, including the Offer Shares to trading on the regulated market of the Warsaw Stock Exchange.

### 18. Borrowings

	2020 US\$	2019 US\$
Balance at 1 January	75.241.008	79.904.412
Repayments	-	(7.759.510)
Interest payable	<u>1.539.593</u>	<u>3.096.106</u>
<b>Balance at 30 June/31 December</b>	<b><u>76.780.601</u></b>	<b><u>75.241.008</u></b>
	2020 US\$	2019 US\$
<b>Current borrowings</b>		
Loans from subsidiaries (Note 21.2)	76.780.601	-
<b>Non-current borrowings</b>		
Loans from subsidiaries (Note 21.2)	<u>-</u>	<u>75.241.008</u>
<b>Total</b>	<b><u>76.780.601</u></b>	<b><u>75.241.008</u></b>

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 18. Borrowings (continued)

Maturity of borrowings:

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Within one year	<b>76.780.601</b>	-
Between one and five years	<u>-</u>	<u>75.241.008</u>
	<b><u>76.780.601</u></b>	<b><u>75.241.008</u></b>

The exposure of the Company to liquidity risk in relation to loans and borrowings is reported in note 2 to the financial statements.

### 19. Trade and other payables

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Accruals	<b>17.357</b>	40.665
Other creditors	<u>-</u>	<u>1.805</u>
	<b><u>17.357</u></b>	<b><u>42.470</u></b>

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 22.2 to the financial statements.

### 20. Current tax liabilities

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Corporation tax	<b>375.548</b>	375.547
Special contribution for defence	<u>112.211</u>	<u>112.211</u>
	<b><u>487.759</u></b>	<b><u>487.758</u></b>

The above amounts are payable within one year.

### 21. Related party transactions

The Company is controlled by Mr. Iurii Zhuravlov, who holds directly 74,01% of the Company's share capital. The remaining 25,99% of the shares is widely held.

# AGROTON PUBLIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June 2020

### 21. Related party transactions (continued)

The transactions and balances with related parties are as follows:

#### 21.1 Loans to own subsidiaries (Note 13)

	2020 US\$	2019 US\$
PE Agricultural Production Firm Agro	<u>68.201.890</u>	<u>64.565.424</u>
	<u><b>68.201.890</b></u>	<u><b>64.565.424</b></u>

During 2010, the Company has entered into several loan agreements with subsidiary company PE Agricultural Production Firm Agro for a total amount of US\$20.000.000. The loans bear interest at a rate of 10% per annum and expired in 31 July 2014. During 2014 the two parties agreed to postpone the repayment date.

Additionally, during the same period (2010), the Company has entered into several loan agreements with subsidiary company PE Agricultural Production Firm Agro for a total amount of US\$65.000.000. The loans bear interest at rates of 2,5% , 5% and 8% per annum. During 2019 year, the Company has re-negotiated maturity of the loan to 31 December 2021.

On 19 June 2019, the Company entered into an additional loan agreement with PE Agricultural Production Firm Agro, where the Company makes available a loan facility of up to US\$5.000.000. The loan carries interest at the rate of 2.5% and is due for repayment no later than 31 December 2024. As of the date of these financial statements a total of US\$3.000.000 has been disbursed.

#### 21.2 Loans from own subsidiaries (Note 18)

	2020 US\$	2019 US\$
Agroton BVI Limited	<u>76.780.601</u>	<u>75.241.008</u>
	<u><b>76.780.601</b></u>	<u><b>75.241.008</b></u>

On 25 July 2011 the Company has entered into a loan agreement with its subsidiary company Agroton BVI Limited amounting to US\$10.000.000. During 2012 the amount of the loan was extended to US\$60.000.000. The loan was originally provided interest free. From 1 January 2013 onwards the loan bears interest at a rate of 6% per annum and with expiry date on 1 January 2020. On 28 December 2019, the maturity of loan was extended to 1 January 2021.

### 22. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2020.

### 23. Events after the reporting period

Late in 2019 news first emerged from China about the COVID 19 (Coronavirus). The situation at year end, was that a limited number of cases of an unknown virus had been reported to the World Health Organisation. In the first few months of 2020 the virus had spread globally and its negative impact has gained momentum. This is still an evolving situation at the time of issuing these financial statements. The specific effects cannot be assessed at its early stages, but actions will be taken when appropriate to ensure operations and performance are not disturbed.

Other than the above there were no material events after the reporting period, which have a bearing on the understanding of the financial statements.