

AGROTON PUBLIC LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2017

AGROTON PUBLIC LIMITED

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AGROTON PUBLIC LIMITED**OFFICERS AND PROFESSIONAL ADVISORS**

Board of Directors	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
Audit Committee	Borys Supikhanov (Head of the Committee) Volodymyr Kudryavtsev
Remuneration Committee	Borys Supikhanov (Head of the Committee) Volodymyr Kudryavtsev
Secretary	Inter Jura Cy (Services) Limited
Independent Auditors	KPMG Limited
Legal Advisors	K. Chrysostomides & Co LLC
Registered office	1 Lampousas Street 1095 Nicosia Cyprus




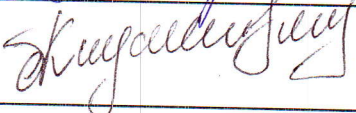
AGROTON PUBLIC LIMITED

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY
OFFICIAL RESPONSIBLE FOR THE DRAFTING OF THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

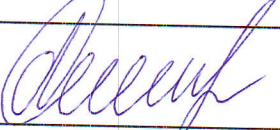
In accordance with article 9(3)(c) and (7) of the Transparency Requirements (Securities Listed for Trading on a Regulated Market) Law of 2007 (the "Law"), as amended from time to time, we, the Members of the Board of Directors and the Company official responsible for the drafting of the condensed consolidated interim financial statements of Agroton Public Limited (the "Company") for the six months ended 30 June 2017, confirm that to the best of our knowledge:

- a) the condensed consolidated interim financial statements presented on pages 3 to 29:
- i) have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and the provisions of article (9), section (4) of the Law, and
 - ii) give a true and fair view of the assets and liabilities, the financial position and the profits or losses of Agroton Public Limited and of the entities included in the condensed consolidated interim financial statements, as a whole and
- b) position of Agroton Public Limited and of the entities included in the condensed consolidated interim financial statements, as a whole, together with a description of the major risks and uncertainties that they face.

Members of the Board of Directors:

Iurii Zhuravlov	
Tamara Lapta	
Larysa Orlova	
Borys Supikhanov	
Volodymyr Kudryavtsev	

Company official responsible for the drafting of the condensed consolidated interim financial statements of the Company for the six months ended 30 June 2017:

Larysa Orlova	
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Nicosia, 29 August 2017

AGROTON PUBLIC LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

	Note	<u>30 June 2017</u>	<u>30 June 2016</u>
Continuing operations			
Revenue	4	16 543	17 349
Cost of sales	5	(16 862)	(16 066)
Net change in fair value less cost to sell of biological assets and agricultural produce		7 452	7 753
Gross profit		7 133	9 036
Other operating income	6	74	1 063
Administrative expenses		(942)	(786)
Distribution expenses		(335)	(132)
Other operating expenses	7	(1 632)	(1 302)
Operating profit		4 298	7 879
Finance income	8	4 021	1 254
Finance costs	8	(270)	(3 946)
Net finance costs		3 751	(2 692)
Profit/(Loss) before taxation		8 049	5 187
Taxation		-	-
Profit/(Loss)		8 049	5 187
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Effect of translation into presentation currency		(562)	1 363
Total comprehensive income/(expense)		7 487	6 550
Profit/(Loss) attributable to:			
Owners of the Company		8 043	5 183
Non-controlling interests		6	4
		8 049	5 187
Total comprehensive income/(expense) attributable to:			
Owners of the Company		7 477	6 549
Non-controlling interests		10	1
		7 487	6 550
Profit/(loss) per share			
Basic and fully diluted profit/(loss) per share (USD)		0,35	0,30
Profit/(loss) per share – continuing operations			
Basic and fully diluted profit/(loss) per share (USD)		0,35	0,30

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

AGROTON PUBLIC LIMITED

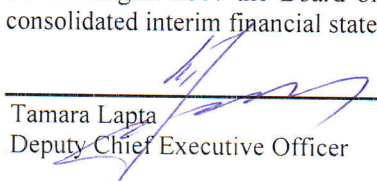
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

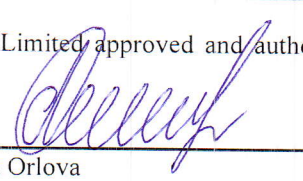
As at 30 June 2017

(in USD thousand, unless otherwise stated)

	Note	30 June 2017	31 December 2016
Assets			
Property, plant and equipment	9	8 079	6 056
Intangible assets		5 669	6 261
Biological assets	10	2 289	1 840
Total non-current assets		16 037	14 157
Inventories	12	15 824	29 010
Biological assets	10	28 409	5 775
Investments designated at fair value through profit or loss		235	235
Trade and other receivables	13	3 484	4 204
Loans receivable	11	17 885	16 762
Assets held for sale	15	18	17
Cash and cash equivalents	14	14 178	11 674
Total current assets		80 033	67 677
Total assets		96 070	81 834
Equity			
Share capital		661	661
Share premium		88 532	88 532
Retained earnings		(18 721)	(26 764)
Foreign currency translation reserve		7 865	8 431
Total equity attributable to owners of the Company		78 337	70 860
Non-controlling interests		225	215
Total equity		78 562	71 075
Liabilities			
Loans and borrowings	16	9 621	9 357
Total non-current liabilities		9 621	9 357
Loans and borrowings	16	79	74
Trade and other payables	17	7 686	1 207
Income tax liability		112	112
Liabilities held for sale	15	10	9
Total current liabilities		7 887	1 402
Total liabilities		17 508	10 759
Total equity and liabilities		96 070	81 834

On 29 August 2017 the Board of Directors of Agroton Public Limited approved and authorised these condensed consolidated interim financial statements for issue.


 Tamara Lapta
 Deputy Chief Executive Officer


 Larysa Orlova
 Chief Financial Officer

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

AGROTON PUBLIC LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Foreign currency translation reserve			
Balance at 1 January 2016	661	88 532	(48 519)	5 147	45 821	200	46 021
Total comprehensive income							
Profit for the period	-	-	5 183	-	5 183	4	5 187
Other comprehensive income/(expense)	-	-	-	1 366	1 366	(3)	1 363
Other comprehensive income/(expense)	-	-	5 183	1 366	6 549	1	6 550
Balance at 30 June 2016	661	88 532	(43 336)	6 513	52 370	201	52 571
Balance at 1 January 2017	661	88 532	(26 764)	8 431	70 860	215	71 075
Total comprehensive income							
Profit for the period	-	-	8 043	-	8 043	6	8 049
Other comprehensive income/(expense)	-	-	-	(566)	(566)	4	(562)
Total comprehensive income/(expenses) for the year	-	-	8 043	(566)	7 477	10	7 487
Balance at 30 June 2017	661	88 532	(18 721)	7 865	78 337	225	78 562

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

AGROTON PUBLIC LIMITED**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont.)**

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

- 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 owners (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. 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 above requirement of the Law is not applied in the case of the Company due to the fact that its owners are not residents in Cyprus for tax purposes.

AGROTON PUBLIC LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

	Note	<u>30 June 2017</u>	<u>30 June 2016</u>
Cash flows from operating activities:			
Profit/(Loss) for the period		8 049	5 187
Adjustments for:			
Depreciation		513	452
Amortisation		577	780
Impairment of inventories	7	973	947
(Gain)/Loss from changes in fair value less cost to sell of biological assets and agriculture produce		(7 452)	(7 753)
Impairment of trade and other receivables	7	657	109
Impairment of property, plant and equipment		-	7
Reversal of provision for bad debts		(487)	(193)
Reversal of impairment of inventories		-	(425)
Interest income	8	(1 234)	(1 249)
Income from reversal of impairment of PPE	8	(44)	-
Interest expense	8	270	777
Trade payables written-off	6	(1)	(2)
Loss on disposal of property, plant and equipment	7	25	1
Loss on disposal of intangible assets		256	163
Foreign exchange (gain)/ loss	8	(2 787)	3 169
Cash flow from operations before working capital changes		(685)	1 970
Decrease in inventories		13 071	11 846
Increase in biological assets		(14 750)	(11 858)
Decrease/(Increase) in trade and other receivables		697	2 046
(Decrease)/Increase in trade and other payables		6 481	3 147
Net cash from operating activities		4 814	7 151
Cash flow from investing activities			
Acquisition of property, plant and equipment		(2 219)	(614)
Loans repayment		110	-
Interest received	8	-	4
Net cash used in investing activities		(2 109)	(610)
Net decrease in cash and cash equivalents		2 705	6 541
Cash and cash equivalents at the beginning of the period		11 674	8 575
Effect from translation into presentation currency		(201)	(348)
Cash and cash equivalents at the end of the period	14	14 178	14 768

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

1. GENERAL INFORMATION

Country of incorporation

Agroton Public Limited (the “Company”) was incorporated in Cyprus on 21 September 2009 as a public company with limited liability under the Cyprus Companies Law, Cap. 113. The Company was listed at the main market of Warsaw Stock Exchange on 8 November 2010.

The Company’s registered office is at 1 Lampousas Street, 1095 Nicosia, Cyprus.

Principal activities

The principal activities of the Group 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.

The Group's subsidiaries, country of incorporation, and effective ownership percentages are disclosed below:

Company name	Country of incorporation	Ownership Interest 30.06.2017	Ownership Interest 31.12.2016
Living LLC	Ukraine	99,99 %	99,99 %
PE Agricultural Production Firm Agro	Ukraine	99,99 %	99,99 %
Agroton PJSC	Ukraine	99,99 %	99,99 %
LLC Belokurakinskiy Elevator	Ukraine	99,99 %	99,99 %
Agro Meta LLC (i)	Ukraine	99,99 %	99,99 %
Rosinka-Star LLC	Ukraine	99,99 %	99,99 %
Etalon-Agro LLC (i)	Ukraine	99,99 %	99,99 %
ALLC Noviy Shlyah	Ukraine	99,99 %	99,99 %
ALLC Shiykivske	Ukraine	94,59 %	94,59 %
Agro-Chornukhinski Kurchata LLC	Ukraine	99,89 %	99,89 %
Agro-Svinprom LLC (ii)	Ukraine	99,89 %	99,89 %
Agroton BVI Limited	British Virgin Islands	100,00 %	100,00 %
Gefest LLC (i)	Ukraine	100,00 %	100,00 %
LLC Lugastan	Ukraine	99,99 %	99,99 %

(i) Agro Meta LLC, Etalon-Agro LLC, and Gefest LLC are in the process of liquidation.

(ii) In July 2011 the management of Living LLC resolved to dispose subsidiary of the Group namely Agro-Svinprom LLC engaged in the pig-breeding.

The parent company of the Group is Agroton Public Limited with an issued share capital of 21 670 000 ordinary shares with nominal value € 0,021 per share.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

1. GENERAL INFORMATION (cont.)

The shares at 30 June 2017 and as at the date of issue of these condensed consolidated interim financial statements were distributed as follows:

Shareholder	30 June 2017		29 August 2017	
	Number of Shares	Ownership interest, %	Number of Shares	Ownership interest, %
Mr. Iurii Zhuravlov	16 038 746	74,01 %	16 038 746	74,01 %
Others	5 631 254	25,99 %	5 631 254	25,99 %
	<u>21 670 000</u>	<u>100,00 %</u>	<u>21 670 000</u>	<u>100,00 %</u>

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2017 comprise the financial statements of the Company and its subsidiaries (together with the Company, the "Group").

2.1 Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and were not audited by the external independent auditors of the Group. These condensed consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention except for the following:

- biological assets and agricultural produce, which are stated at fair value less costs to sell (agricultural produce is measured at fair value at the point of harvest)
- debt securities which are stated at amortised cost
- Investments designated at fair value through profit or loss.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

2. BASIS OF PREPARATION (cont.)

2.3 Functional and presentation currency

The functional currencies of the companies of the Group are the Ukrainian Hryvnia (UAH) and United States Dollar (USD). The currency of Cyprus is Euro, but the principal exposure of the parent undertaking is in US dollars, therefore the functional currency of the Company is considered to be USD. Transactions in currencies other than the functional currency of the Group's companies are treated as transactions in foreign currencies. The Group's management decided to use US dollar (USD) as the presentation currency for financial and management reporting purposes. Exchange differences arising are classified as equity and transferred to the translation reserve.

The exchange rates used in preparation of these condensed consolidated interim financial statements, are as follows:

Currency	30 June 2017	Average for the six months ended 30 June 2017	31 December 2016	Average for the six months ended 30 June 2016	31 December 2015
US dollar - UAH	26,0990	26,7602	27,1909	25,4578	24,0007

2.4 Going concern basis

These condensed consolidated interim financial statements have been prepared under the going concern basis, which assumes the realisation of assets and settlement of liabilities in the course of ordinary economic activity. Renewals of the Group's assets, and the future activities of the Group, are significantly influenced by the current and future economic environment in Ukraine. The Board of Directors and Management are closely monitoring the events in the current operating environment of the Group as described in note 21 to the condensed consolidated interim financial statements and has assessed the current situation and there is no indication of adverse effects while at the same time are taking all the steps to secure Group's short and long term viability. To this effect, they consider that the Group is able to continue its operations as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2016.

4. REVENUE

	<u>30 June 2017</u>	<u>30 June 2016</u>
Sales of goods	16 244	17 006
Rendering of services	299	343
Total	<u>16 543</u>	<u>17 349</u>

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

4. REVENUE (cont.)

Revenue generated from sale of goods was as follows:

	<u>30 June 2017</u>	<u>30 June 2016</u>
Livestock and related revenue	1 937	1 406
Winter wheat	1 715	1 856
Sunflower	5 587	13 560
Corn in grain	302	158
Sunflower oil	6 500	-
Other agricultural crops	203	26
Total	<u><u>16 244</u></u>	<u><u>17 006</u></u>

Sales volume for main agricultural products in tonnes was as follows:

	<u>30 June 2017</u>	<u>30 June 2016</u>
	<u>tonnes</u>	<u>tonnes</u>
Winter wheat	12 332	14 968
Sunflower	17 646	40 013
Corn in grain	2 358	1 179
Total	<u><u>32 336</u></u>	<u><u>56 160</u></u>

Sales volume for milk yield for the six months ended 30 June 2017 was 5 834 thousand tonnes (30 June 2016: 5 995 thousand tonnes).

Revenue generated from rendering of services relates to storage and handling services provided to third parties.

Livestock and related revenue includes revenue from poultry and other livestock related products.

5. COST OF SALES

	<u>30 June 2017</u>	<u>30 June 2016</u>
Livestock and related operations	1 736	1 785
Plant breeding and related operations	14 646	14 129
Other activities	480	152
Total	<u><u>16 862</u></u>	<u><u>16 066</u></u>

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

6. OTHER OPERATING INCOME

	<u>30 June 2017</u>	<u>30 June 2016</u>
Government grants	22	-
VAT grant	-	441
Reversal of provision for bad debts	-	193
Reversal of impairment of inventories	-	425
Income from reversal of impairment of PPE	44	-
Trade payables written-off	1	2
Other income	7	2
Total	<u><u>74</u></u>	<u><u>1 063</u></u>

7. OTHER OPERATING EXPENSES

	<u>30 June 2017</u>	<u>30 June 2016</u>
Depreciation charge	5	6
Impairment of trade and other receivables	170	109
Loss on disposal of property, plant and equipment	25	1
Loss on disposal of land lease rights	256	163
Impairment of inventories	973	947
Fines and penalties	166	1
Other expenses	37	75
Total	<u><u>1 632</u></u>	<u><u>1 302</u></u>

8. NET FINANCE COSTS

	<u>30 June 2017</u>	<u>30 June 2016</u>
Interest income	1 234	1 254
Profit on foreign exchange differences	2 787	-
Finance income	<u><u>4 021</u></u>	<u><u>1 254</u></u>
Interest on bank loans	(5)	-
Interest on non-bank loans	-	(191)
Interest on notes	(265)	(586)
Bank charges	-	-
Loss on foreign exchange differences	-	(3 169)
Finance costs	<u><u>(270)</u></u>	<u><u>(3 946)</u></u>
Net finance costs	<u><u>3 751</u></u>	<u><u>(2 692)</u></u>

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with a cost of USD 2 219 thousand (the six months ended 30 June 2016: USD 614 thousand).

10. BIOLOGICAL ASSETS

Biological assets were presented as follows:

	30 June 2017	31 December 2016
Crops under cultivation	27 010	4 395
Animals in growing and fattening	1 399	1 380
Total current biological assets	28 409	5 775
Cattle	2 285	1 838
Other	4	2
Total non-current biological assets	2 289	1 840
Total	30 698	7 615

10.1 Crops under cultivation

At 30 June 2017 and 31 December 2016 the crops under cultivation were presented as follows:

	30 June 2017		31 December 2016	
	Thousands of hectares	Carrying values	Thousands of hectares	Carrying values
Winter wheat plantings	37	8 955	36	4 355
Corn plantings	3	693	-	-
Sunflower plantings	36	16 858	-	-
Other plantings	3	504	1	40
Total	79	27 010	37	4 395

The main crops harvested and the fair value at the time of harvesting was as follows:

	30 June 2017		30 June 2016	
	Volume, tonnes	Amount, USD thousand	Volume, tonnes	Amount, USD thousand
Winter wheat	-	-	-	-
Other sowing	17 068	321	22 858	361
Total	17 068	321	22 858	361

Other sowing mainly includes grass plants for production of animal feed.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

10. BIOLOGICAL ASSETS (cont.)

10.1 Crops under cultivation (cont.)

Expenses capitalised in biological assets mainly include fertilisers, fuel, seeds, labour and the operating lease rentals.

10.2 Non-current biological assets and animals in growing and fattening

Non-current biological assets:

	30 June 2017		31 December 2016	
	Number, heads	Fair value	Number, heads	Fair value
Cattle	2 385	2 285	2 431	1 838
Horses	5	4	3	2
Total		2 289		1 840

Animals in growing and fattening:

	30 June 2017		31 December 2016	
	Number, heads	Fair value	Number, heads	Fair value
Cattle	2 961	1 399	3 067	1 380
Total		1 399		1 380

Expenses capitalised in biological assets of animals include mixed fodder, electricity, labour, depreciation and other.

11. LOANS RECEIVABLE

	Note	30 June 2017	31 December 2016
<i>Current assets</i>			
Loans to related parties	18	13 442	12 594
Loans to third parties		4 443	4 168
Total		17 885	16 762

- On 29 June 2012, the Company has entered into a loan agreement with Stimi Agri Limited amounting to USD 2 million. The loan bears interest of 20% per annum and expired on 29 June 2013. On 28 June 2013 the two parties agreed to postpone the repayment date to 31 December 2014. During 2014 the two parties agreed to further postpone the repayment date to 31 December 2015. During 2015 the two parties agreed to further postpone the repayment date to 31 December 2016. During 2016 the two parties agreed to further postpone the repayment date to 31 December 2017. The above loan is unsecured.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

11. LOANS RECEIVABLE (cont.)

- On 29 June 2012, the Company has entered into a loan agreement with Stiom Agri Limited amounting to USD 2 million. The loan bears interest at a rate of 10% per annum and expired on 29 December 2013. On 28 June 2013 the two parties agreed to postpone the repayment dates to 31 December 2014. During 2014 the two parties agreed to further postpone the repayment to 31 December 2015. During 2015 the two parties agreed to further postpone the repayment date to 31 December 2016. During 2016 the two parties agreed to further postpone the repayment date to 31 December 2017. The above loan is unsecured.
- On 4 March 2013, the Company has entered into a loan agreement with Agriland Trading Limited amounting to USD 10 million. The loan bears interest at a rate of 20% and expired on 4 March 2014. During 2014 the two parties agreed to further postpone the repayment to 31 December 2015. During 2015 the two parties agreed to further postpone the repayment date to 31 December 2016. During 2016 the two parties agreed to further postpone the repayment date to 31 December 2017. The above loan is unsecured.
- On 1 October 2013, the Company has entered into a loan agreement with Hoyt Network Limited amounting to USD 10 million. The loan bears interest at a rate of 10% and expired on 1 October 2014. During 2014 the two parties agreed to further postpone the repayment to 1 October 2015. During 2015 the two parties agreed to further postpone the repayment date to 31 December 2016. During 2016 the two parties agreed to further postpone the repayment date to 31 December 2017. The above loan is unsecured.

12. INVENTORIES

	30 June 2017	31 December 2016
Raw materials	1 408	1 988
Work-in-progress	3 606	2 352
Agricultural produce	4 051	23 433
Finished goods	5 267	4
Other	1 492	1 233
Total	15 824	29 010

Work-in-progress

Work in progress includes expenditure capitalised in respect of 16 thousand hectares (31 December 2016: 58 thousand hectares) of plough land prepared for sowing in the current or following year and sunflower processing in sunflower oil in amount of USD 907 thousand (for the six months ended 30 June 2016: nil).

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2017

(in USD thousand, unless otherwise stated)

12. INVENTORIES (cont.)

Agricultural produce

The main agricultural produce was as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Winter wheat	1 123	2 807
Sunflower	2 334	19 068
Corn	210	633
Other agricultural crops	384	925
Total	<u>4 051</u>	<u>23 433</u>

The main agricultural produce volume in tonnes was as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Winter wheat	8 633	22 488
Sunflower	7 093	60 432
Corn	1 606	5 034
Total	<u>17 332</u>	<u>87 954</u>

Inventories were impaired due to the military conflict in Eastern Ukraine. As a result, the Group has tested the related product lines for impairment and recognised an impairment loss for inventories of USD 15 thousand (for the six months ended 30 June 2016: USD 21 thousand).

13. TRADE AND OTHER RECEIVABLES

	Note	<u>30 June 2017</u>	<u>31 December 2016</u>
Trade receivables		1 053	673
Provision for impairment of receivables		(361)	(332)
Trade receivables, net		692	341
Prepayments to suppliers		921	2 692
Other receivables		34 248	34 017
Provision for impairment of prepayments and other receivables		(33 393)	(33 227)
VAT recoverable		1 016	381
Total		<u>3 484</u>	<u>4 204</u>

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13. TRADE AND OTHER RECEIVABLES (cont.)

On 29 June 2012, the Company entered into a preliminary agreement with Stiomi Agri Limited ('Seller') for the acquisition of 100% of the issued share capital of Private Enterprise 'Peredilske'. The parties agreed that the price for transfer of the company's shares amounting to USD 23 080 000.

On 26 December 2012, the Company entered into a preliminary agreement with Stiomi Agri Limited ('Seller') for the acquisition of 100% of the issued share capital of Limited Liability Company 'Skhid Potencial-Resurs'. The parties agreed that the price for transfer of the company's shares shall amount to USD 10 000 000.

On 3 September 2013 both agreements for the acquisition of PE "Peredilske" and of LLC "Skhid-Potencial-Resurs" have been cancelled. The parties agreed that the whole amount paid should be returned to the Company within twelve months of the signing of the cancellation agreements, either in cash and/or an equivalent market value's worth of agricultural goods.

Due to political and economic developments and military conflict in Eastern Ukraine, Stiomi Agri Limited is currently unable to repay this amount to the Group. It is highly probable that this amount will never be recovered, therefore an impairment loss for USD 33 080 thousand was recognised in 2014.

14. CASH AND CASH EQUIVALENTS

	30 June 2017	31 December 2016
Cash at bank - USD	13 952	11 133
Cash at bank - UAH	172	503
Cash at bank - Euro	7	8
Cash in hand	47	30
Total	14 178	11 674

15. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

Discontinued operations

The assets and liabilities of subsidiary company Agro-Svinprom LLC, operating in pig-breeding, have been presented as held for sale following the Management decision in July 2011 to dispose the company.

In this respect the Management of the Group has advertised their intention for the sale of the subsidiary to the public media, for attraction of prospective new investors.

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15. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (cont.)

Held for sale

At 30 June 2017 the disposal group comprised the following assets and liabilities:

	30 June 2017	30 June 2016
Assets classified as held for sale		
Property, plant and equipment	18	19
Total	18	19
Liabilities classified as held for sale		
Trade and other payables	(10)	(11)
Total	(10)	(11)
Net assets	8	8

16. LOANS AND BORROWINGS

	30 June 2017	31 December 2016
<i>Non-current liabilities</i>		
Notes	9 621	9 357
	9 621	9 357
<i>Current liabilities</i>		
Loan from owner	79	74
	79	74
Total loans and borrowings	9 700	9 431

Notes

On 14 July 2011, the Company's issued USD 50 000 000 12,50% Notes due on 14 July 2014, have been admitted to the official list of the UK Listing authority and to the London Stock Exchange Plc and trading on the London Stock Exchange's regulated market.

The Notes bear interest at a rate of 12,50% per annum payable semi-annually in arrears on 14 January and 14 July in each year, commencing on 14 January 2012.

The Notes are recognised initially at fair value USD 50 000 000 net of issue costs equal to USD 2 777 014. The difference between the proceeds (net of issue costs) and the redemption value as at 14 July 2014 is recognised in the consolidated statement of profit or loss over the period of the issue.

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16. LOANS AND BORROWINGS (cont.)

Notes (cont.)

On 8 August 2013 with the consent of the Noteholders the Company has amended the terms and conditions of the Notes as follow:

- Extend the maturity of the Notes by 60 months to 14 July 2019 in order to lengthen the average maturity of the Groups funding sources;
- Postpone the interest payment that was due for payment to Noteholders on 14 July 2013 to 14 January 2014;
- Decrease the interest rate with effect from 14 January 2013 from 12,5% to 8% per annum;
- Amend the definition of Leverage Ratio Exception so that the maximum Consolidated Leverage Ratio would be 4,0 rather than 3,0; and
- Amend the definition of Permitted Indebtedness so that Additional Indebtedness is not to exceed USD 20 million (rather than USD 5 million) at any time outstanding.

On 18 December 2013 the Company has secured a second consent of the Noteholders to amend the terms and conditions of the Notes as follow:

- Postpone to 14 January 2015 the interest payments that was due for payment to Noteholders on 14 January 2014 (including the postponed 14 July 2013 Interest Payment) and the one that would be due for payment to Noteholders on 14 July 2014;
- Further decrease the interest rate with effect from 14 January 2013 from 8% to 6%;
- Permit the Issuer, the Sureties and any of their respective subsidiaries to re-purchase Notes, which they may at their option hold, re-sell or surrender for cancellation;
- Remove the augmented quorum requirement for any Noteholders' meeting the business of which includes any Reserved Matter(s), so that the quorum requirement for any Noteholders' meeting for passing an Extraordinary Resolution (whether or not the business of such meeting includes any Reserved Matter(s) shall henceforth be two or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate more than half of the principal amount of the Notes for the time being outstanding;
- Reduce the proportion of votes required to pass an Extraordinary Resolution from not less than three-quarters in principal amount of the Notes owned by the Noteholders who are present in person or represented by proxy or representative at the relevant Noteholders' meeting to more than half of the principal amount of such Notes;
- Reduce the principal amount of Notes required to be held by Noteholders in order to pass an Extraordinary Resolution by way of electronic consent or written resolution from not less than three-quarters in principal amount of the Notes outstanding to more than half of such principal amount; and
- Remove restrictions on the Issuer's ability to declare or pay dividends to shareholders.

On 19 April 2014 the Company has purchased Notes in an aggregate principal amount of USD 22 100 000.

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16. LOANS AND BORROWINGS (cont.)**Notes (cont.)**

On 15 December 2014 the Company has secured a third consent of the Noteholders to amend the terms and conditions of the Notes as follow:

- Postpone to 14 January 2016 the interest payments that was due for payment to Noteholders on 14 January 2015 (including the postponed 14 July 2013, 14 January 2014 and 14 July 2014 Interest Payments) and the interest payment that will be due for payment to Noteholders on 14 July 2015; and
- Waive any Event of Default or Potential Event of Default arising as a result of the Issuer's failure to deliver and publish its audited annual financial statements and accompanying certificate for the financial year ended 31 December 2014 within the period stipulated therefor in breach of Condition 3.2(n) (Financial Information) of the terms and conditions of the Notes.

On 28 October 2015 the Company has purchased Notes in an aggregate principal amount of USD 10 350 000.

On 12 January 2016 the Company has secured a fourth consent of the Noteholders to amend the terms and conditions of the Notes as follow:

- Postpone to 14 January 2017 the interest payments that was due for payment to Noteholders on 14 January 2016 (including the postponed 14 July 2013, 14 January 2014 and 14 July 2014 Interest Payments) and the interest payment that will be due for payment to Noteholders on 14 July 2016; and
- Waive any Event of Default or Potential Event of Default arising as a result of the Issuer's failure to deliver and publish its audited annual financial statements and accompanying certificate for the financial year ended 31 December 2015 within the period stipulated therefor in breach of Condition 3.2(n) (Financial Information) of the terms and conditions of the Notes.

On 26 October 2016 the Company has purchased Notes in an aggregate principal amount of US\$10 000 000.

On 17 January 2017 the Company has secured a fifth consent of the Noteholders to postpone to 14 January 2018 the interest payments that was due for payment to Noteholders on 14 January 2017.

The following subsidiaries are acting as surety providers:

- Living LLC
- PE Agricultural Production Firm Agro
- Agroton PJSC
- Agro Meta LLC
- ALLC Noviy Shlyah
- ALLC Shiykivske
- Agro Ssynprom LLC
- Agro Chornukhinski Kurchata LLC
- Rosinka-Star LLC
- AF named by Shevchenko

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17. TRADE AND OTHER PAYABLES

	<u>30 June 2017</u>	<u>31 December 2016</u>
Trade payables	640	454
Payroll and related expenses accrued	450	330
Advances received	4 692	196
Liabilities for other taxes and mandatory payments	55	85
VAT payable	12	45
Payable for operating lease of land	1 796	11
Accrued expenses	10	32
Other provisions	8	12
Other liabilities	23	42
Total	<u><u>7 686</u></u>	<u><u>1 207</u></u>

18. RELATED PARTY BALANCES AND TRANSACTIONS

As at 30 June 2017 and the date of this report, 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.

For the purposes of these condensed consolidated interim financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise 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.

According to these criteria the related parties of the Group are divided into the following categories:

- a. Companies in which Group's companies have an equity interest;
- b. Companies in which key management personnel has an equity interest;
- c. Key management personnel;
- d. Companies and individuals significantly influencing the Group and having an interest in equity of Group's companies.

Salary costs of key management personnel for the six months ended 30 June 2017 and 30 June 2016 were as follows:

	<u>30 June 2017</u>	<u>30 June 2016</u>
Wages and salaries	131	20
Contributions to social funds	29	5
Total	<u><u>160</u></u>	<u><u>25</u></u>

Key management personnel include Directors (Executive and Non-Executive), the Chief Financial Officer, the Chief Agronomist, the Head of the Food Production Division and the Head of the Livestock Division.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTSFor the six months ended 30 June 2017*(in USD thousand, unless otherwise stated)***18. RELATED PARTY BALANCES AND TRANSACTIONS (cont.)**

	<u>30 June 2017</u>	<u>30 June 2016</u>
<i>Number of key management personnel, persons</i>	12	12
<i>Outstanding balances with related parties:</i>		
Loans receivable	<u>30 June 2017</u>	<u>31 December 2016</u>
d. Companies and individuals significantly influencing the Group and having an interest in equity of Group's companies		
Mr Iurii Zhuravlov - Chief Executive Officer	13 442	12 594
Total	<u><u>13 442</u></u>	<u><u>12 594</u></u>
Loans payable		
d. Companies and individuals significantly influencing the Group and having an interest in equity of Group's companies		
Mr Iurii Zhuravlov - Chief Executive Officer	79	74
Total	<u><u>79</u></u>	<u><u>74</u></u>
<i>The Group's transactions with related parties:</i>		
Finance income	<u>30 June 2017</u>	<u>30 June 2016</u>
d. Companies and individuals significantly influencing the Group and having an interest in equity of Group's companies		
Mr Iurii Zhuravlov - Chief Executive Officer	842	1 249
Total	<u><u>842</u></u>	<u><u>1 249</u></u>
Expenses		
c. Key management personnel	160	25
Total	<u><u>160</u></u>	<u><u>25</u></u>

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19. OPERATING SEGMENTS

A reportable segment is a separable component of a business entity that produces goods or provides services to individuals (or groups of related products or services) in a particular economic environment that is subject to risks and generates revenues other than risks and income of those components that are peculiar to other reportable segments.

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All reportable segments' results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

For the six months ended 30 June 2017 the Group identified the following reportable segments, which include products and services, that differ by levels of risk and conditions of generation of income:

- (i) Plant breeding segment raises and sells agricultural products and renders accompanying services. The main types of agricultural produce which are sold in this reportable segment are wheat, rye, barley, sunflowers, rape and sunflower oil. The main services which are sold in this reportable segment are ploughing, handling and grain storage services.
- (ii) Livestock segment raises and sells biological assets and agricultural products of cattle breeding. The main biological assets and agricultural products which are sold in this reportable segment are poultry, cattle, pigs and milk.

No operating segments have been aggregated to form the above reportable operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Management monitors the operating results of each of the unit separately for the purpose of making decisions about resources allocation and evaluation of operating results.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the condensed consolidated interim financial statements. Group financing (including finance expense and finance income) and income taxes, are managed on a group basis and are not allocated to operating segments.

The Group carries out its core financial and economic activities in the territory of Ukraine. Accordingly, the Group selects one geographical reportable segment.

AGROTON PUBLIC LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTSFor the six months ended 30 June 2017*(in USD thousand, unless otherwise stated)***19. OPERATING SEGMENTS (cont.)**

Information by reportable segment is presented as follows:

For the six months ended 30 June 2017	Livestock	Plant breeding	Other	Group level	Total
Total revenue	2 043	14 332	340	-	16 715
Inter-segment sales	(106)	(25)	(41)	-	(172)
External revenues	1 937	14 307	299	-	16 543
Net change in fair value less cost to sell of biological assets and agricultural produce	(298)	7 750	-	-	7 452
Expenses (excluding depreciation and amortisation)	(1 561)	(13 092)	(203)	-	(14 856)
(Loss)/profit for the period (excluding depreciation and amortisation)	78	8 965	96	-	9 139
Depreciation and amortisation	(68)	(761)	(261)	-	(1 090)
(Loss)/profit before taxation from continuing operations	10	8 204	(165)	-	8 049
Reportable segment assets	7 769	68 077	2 339	17 885	96 070
Reportable segment liabilities	901	6 656	138	9 813	17 508
For the six months ended 30 June 2016	Livestock	Plant breeding	Other	Group level	Total
Total revenue	1 475	15 612	990	-	18 077
Inter-segment sales	(69)	(12)	(647)	-	(728)
External revenues	1 406	15 600	343	-	17 349
Net change in fair value less cost to sell of biological assets and agricultural produce	(25)	7 781	(3)	-	7 753
Expenses (excluding depreciation and amortisation)	(2 030)	(16 496)	(157)	-	(18 683)
Loss for the period (excluding depreciation and amortisation)	(649)	6 885	183	-	6 419
Depreciation and amortisation	(67)	(1 135)	(30)	-	(1 232)
Loss before taxation from continuing operations	(716)	5 750	153	-	5 187

Information by reportable segments for the year ended 31 December 2016 is presented as follows:

Reportable segment assets	5 876	54 844	4 122	16 992	81 834
Reportable segment liabilities	76	990	150	9 543	10 759

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20. SEASONALITY OF OPERATIONS

The Group's operations are subject to seasonal fluctuations as a result of weather conditions. In particular, the cultivation of crops is adversely affected by winter weather conditions, which occur primarily from January to March. The first half of the year typically results in lower revenues and results for cultivations.

As a result of the annual cycle of crops producing and the Group's attempts to take an advantage of seasonal price changes by managing inventory in its storage facilities, the Group's Plant breeding segment is subject to seasonal fluctuations. Profits of this segment tend to be higher in the first half of a year.

21. OPERATING ENVIROMENT*Cyprus economic environment*

According to the Cyprus Statistical Service, economic growth for 2016 was estimated at + 2,8% compared to 2015. Even though the financial services sector showed negative growth, there has been an increase in the Gross Domestic Product which is mainly attributed to the hotels, construction, manufacturing and the wholesale and retail trade sectors. The economic growth was mainly driven by the increase in private consumption, which benefited from the reduction in unemployment and the consequent increase in disposable income. The growth was also supported by the slower pace of reductions in public spending and the increase in investments. On 17 March 2017 the credit rating of the country rose from BB to BB +.

Ukrainian economic and political environment

The Group conducts its operations mainly in Ukraine. Ukraine's political and economic situation has deteriorated significantly since 2014. Following political and social unrest in early 2014, in March 2014, various events in Crimea led to the accession of the Republic of Crimea to the Russian Federation, which was not recognised by Ukraine and many other countries. This event resulted in a significant deterioration of the relationship between Ukraine and the Russian Federation. Following the instability in Crimea, regional tensions have spread to the Eastern regions of Ukraine, primarily Donetsk and Lugansk regions. In May 2014, protests in those regions escalated into military clashes and armed conflict between supporters of the self-declared republics of the Donetsk and Lugansk regions and the Ukrainian forces, which continued throughout the date of these financial statements. As a result of this conflict, part of the Donetsk and Lugansk regions remains under control of the self-proclaimed republics, and Ukrainian authorities are not currently able to fully enforce Ukrainian laws on this territory.

Political and social unrest combined with the military conflict in the Donetsk and Lugansk regions has deepened the ongoing economic crisis, caused a fall in the country's gross domestic product and foreign trade, deterioration in state finances, depletion of the National Bank of Ukraine's foreign currency reserves, significant devaluation of the national currency and a further downgrading of the Ukrainian sovereign debt credit ratings. Following the devaluation of the national currency, the National Bank of Ukraine introduced certain administrative restrictions on currency conversion transactions, which among others included restrictions on purchases of foreign currency by individuals and companies, the requirement to convert 65% (2015: 75%) of foreign currency proceeds to local currency, a ban on payment of dividends abroad, a ban on early repayment of foreign loans and restrictions on cash withdrawals from banks. These events had a negative effect on Ukrainian companies and banks, significantly limiting their ability to obtain financing on domestic and international markets.

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21. OPERATING ENVIROMENT (cont.)

The final resolution and the effects of the political and economic crisis are difficult to predict but may have further severe effects on the Ukrainian economy.

Whilst management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances, a continuation of the current unstable business environment could negatively affect the Group's results and financial position in a manner not currently determinable. These consolidated financial statements reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Going concern basis

The dangers which may arise from unexpected external factors such as competition, and the further deterioration of the market conditions cannot be ignored. In addition the current financial position of the Group, the uncertain economic conditions in Cyprus and Ukraine, the unavailability of finance, the blockage of funds, together with the current instability of the banking system and the anticipated overall future economic recession may hinder the management's effort to sustain the group as a going concern. However having regard to the fact that with the consent of the Noteholders, the Company has amended the terms and conditions of the Notes with an extension of maturity date and postponement of interest payments, the Board of Directors believes that the Company will remain a going concern and that no indications of any kind of threat of liquidation exists in the foreseeable future.

The condensed consolidated interim financial statements do not include any adjustments that would be necessary in case the Group was not able to continue operating as a going concern which could include:

1. The ability of the Group to repay its Noteholders
2. The ability of the Group's trade and other debtors to repay the amounts due to the Group
3. The cash flow forecasts of the Group and the assessment of impairment of other financial and non-financial assets
4. The ability to realize the current assets held for sale
5. The ability of the Group to repay its loans
6. The ability of the Group to meet its obligations towards its customers

22. CONTINGENT AND CONTRACTUAL LIABILITIES

Economic environment

The exposure of the Group to the economic environment and possible impact is disclosed in note 21 to the condensed consolidated interim financial statements.

Taxation

As a result of unstable economic enviroment in Ukraine, tax authorities in Ukraine pay more and more attention to the business cycles. In connection with this, tax laws in Ukraine are subject to frequent changes. Furthermore, there are cases of their inconsistent application, interpretation and execution. Non-compliance with laws and regulations may lead to severe fines and penalties.

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22. CONTINGENT AND CONTRACTUAL LIABILITIES (cont.)

Taxation (cont.)

The Company operates in the Cypriot tax jurisdiction and its subsidiaries in tax jurisdiction of the respective countries of incorporation. The Group's management must interpret and apply existing legislation to transactions with third parties and its own activities. Significant judgment is required in determining the provision for direct and indirect taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group 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. The Group's uncertain tax positions are reassessed by management at every reporting period end. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities.

The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the reporting period.

The Group considers that it operates in compliance with tax laws of Ukraine, although, a lot of new laws about taxes and transactions in foreign currency have been adopted recently, and their interpretation is rather ambiguous.

Since 1 January 2017 new procedure of VAT rules for agricultural producers has been implemented: special VAT treatment was changed to distribution of government grants by State Treasure Service.

Legal matters

In the course of its economic activities, the Group is involved in legal proceedings with third parties. In most cases, the Group is the initiator of such proceedings with the purpose of preventing or mitigating of economic losses.

The Group's management considers that as at the reporting period end, active legal proceedings on such matters will not have any significant influence on its financial position.

Pension and other liabilities

Most employees of the Group receive pension benefits from the Pension Fund, a Ukrainian Government organisation in accordance with the applicable laws and regulations of Ukraine. The Group is obliged to deduct and contribute a certain percentage of salaries to the Pension Fund to finance the benefits. The only obligation of the Group with respect to this pension plan is to make the specified contributions from salaries.

At 30 June 2017 and 31 December 2016 the Group's entities had no liabilities for any supplementary pensions, health care, insurance benefits or retirement indemnities to its current or former employees.

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22. CONTINGENT AND CONTRACTUAL LIABILITIES (cont.)

Leases

The Group had the following contractual obligations under land operating lease agreements as at 30 June 2017 and 31 December 2016:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Less than 1 year	2 816	3 570
Between 1 to 5 years	8 442	8 794
More than 5 years	5 525	3 774
Total	<u>16 783</u>	<u>16 138</u>

Plough-land is leased by the Group from individuals. The total size of leased plough-land at 30 June 2017 is 97 thousand hectares (31 December 2016: 116 thousand hectares). The average rental payment for leased plough-land in the six months ended 30 June 2017 ranges between 3% - 7% (year ended 31 December 2016: 3% - 4%) from the normative value of land.

23. EVENTS AFTER THE REPORTING PERIOD

Events referred to in note 21 to the condensed consolidated interim financial statements will continue to influence the Group's operations in 2017. While management believes it is taking all necessary measures to maintain the sustainability of the business in the current circumstances, a further deterioration of economic and political conditions in Ukraine could adversely affect the Group's results and financial position, so that it is currently impossible to predict.

On 29 August 2017 the Board of Directors of Agroton Public Limited approved and authorised these condensed consolidated interim financial statements for issue.