



Report for the period
1 January 2016 – 31 December 2016

14th February 2017

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1. General information about the Company

1.1 Company details

Company name:	Agroliga Group PLC
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Source: Issuer

1.2 Company profile

Agroliga Group (“Group”) is Ukraine based company conducting food and agricultural business. The Group produces sunflower oil, grain and breeds milk cows. The Group consists of six companies:

- Agroliga Group PLC – the holding company based in Cyprus;
- Agroliga operating in Ukraine. It conducts plant production;
- Mechnikovo operating in Ukraine. It specializes in milk cows breeding and plant production;
- Agrokom Novaj Vodolaga operating in Ukraine. It conducts sunflower oil production;
- PLC Liga A operating in Ukraine. It focuses on sales and trading services for other companies in the Group.
- Group of Companies Agroliga LLC– the holding company based in Ukraine.
- VostokAgroKontrakt operating in Ukraine. It conducts plant production;
- Mayak operating in Ukraine and conducts plant production.
- Agroliga Polska operating in Poland as a trader for foreign operations.

1.3 Management Board

Aleksander Berdnyk - Chairman of the Board of Directors

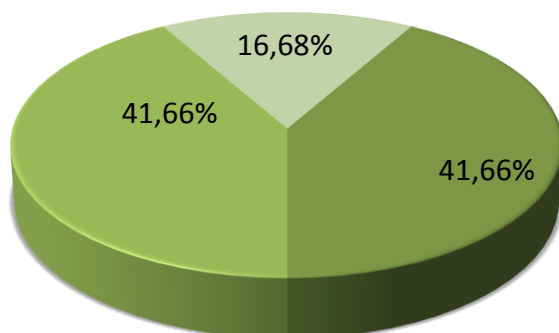
Bizserve Investments Limited – Member of the Board of Directors

Bizserve Management Limited – Member of the Board of Directors

1.4 Shareholder structure

Table 1 - The Shareholding structure of the Issuer, indicating shareholders holding at least 5% of the votes at the date of report (as of 14/02/2017)

Stockholder	Number of shares	Number of votes at the general meeting	Participation in share capital	Participation in the total number of votes at the general meeting
Alexandr Berdnyk	640 750	640 750	41,66%	41,66%
Irina Poplavskaya	640 750	640 750	41,66%	41,66%
Free float	256 300	256 300	16,68%	16,68%
ALL	1 537 800	1 537 800	100,00%	100,00%



■ Irina Poplavskaya ■ Alexandr Berdnyk

■ Others

1.5 Persons employed

There are 283 persons employed by Agroliga group as at 14/02/2017 (FTE, including all the Group's companies)

CATEGORY	2017-02-14
ADMINISTRATION	36
PRODUCTION EMPLOYEES	182
SUPPORT	65
TOTAL	283

2. Condensed Financial Statements

Tables below provides data from condensed and unaudited financial statements of Agroliga Group PLC, prepared in accordance with International Accounting Standard 34 for 4Q2016 (period ended 31 December 2016).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 31/12 of 2016 year (with comparative data)

	01/01/2016 31/12/2016	01/01/2015 31/12/2015	01/10/2016 31/12/2016	01/10/2015 31/12/2015
	€000	€000	€000	€000
Continuing operations				
Sales revenue	20 795	20 631	6 369	4 685
Cost of sales	-17 620	(17 447)	(4 377)	(3 499)
Income (expenses) from change in fair value of biological assets	3	0	0	0
Income from change in fair value of agricultural products	1 356	399	-687	-454
Gross profit	4 533	3 583	1 304	732
Selling and distribution costs	(176)	(532)	(20)	(381)
Administrative expenses	(613)	(357)	(274)	332
Income from government grants	160	898	144	291
Other operating income/(expenses), net	(182)	(265)	-158	(179)
Operating profit	3 720	3 327	997	796
Non-operational income/(expenses), net	-	-	-	-
Financial income/(expenses), net	(128)	(360)	(20)	(127)
Exchange rate differences, net	185	221	(96)	372
Profit before tax from continuing operations	3 778	3 188	880	1 040
Income tax expense	(5)	94	(1)	96
Profit for the year from continuing operations	3 773	3 282	879	1 136
Profit for the year attributable to				
Equity holders of the parent	3 655	3 223	848	1 146
Non-controlling interest	118	59	31	(10)

Source: Issuer

Table 3

Condensed statement of financial position
as at 31 December 2016 and 31 December 2015 (with comparative data)

	31 December, 2016	31 December, 2015
	€000	€000
Assets		
Non-current assets		
Property, plant and equipment	3 323	3 575
Non-current biological assets	112	152
Other non-current assets	737	699
Total non-current assets	4 172	4 426
Current assets		
Current biological assets	533	681
Inventories	7 160	4 192
Trade and other receivables	5 572	2 853
Cash and cash equivalent	542	890
Total current assets	13 806	8 616
Total assets	17 978	13 042
Equity and liabilities		
Share capital	31	31
Additional paid-in capital	953	953
Retained earnings	21 296	17 641
Exchange rate effect	-9 331	-7 473
Equity attributable to equity holders of the parent	12 949	11 152
Non-controlling interests	407	289
Total equity	13 356	11 441
Non-current liabilities		
Other non-current liabilities	1 874	43
Deferred tax liability	0	162
Total non-current liabilities	1 874	205
Current liabilities		

Trade and other payables	2 035	579
Interest-bearing loans and borrowings	692	750
Provisions	21	67
Total current liabilities	2 748	1 396
Total liabilities	4 622	1 601
Total equity and liabilities	17 978	13 042

Source: Issuer

Table 4

Condensed statement for changes in equity

for the period from 01/01 to 31/12 of 2016 year

	Attributable to equity holders of the Company					
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests	Total
	€000	€000	€000	€000	€000	€000
Balance at 31 December 2014 /1 January 2015	51	953	- 5 783	14 418	230	9 869
Net profit for the period	-	-	-	3 223	59	3 282
Issue of share capital	-	-	-	-	-	-
Change of status Vostokagrocontract from combined to consolidated	- 20	-	-	-	-	-20
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-1 690	-	-	-1 690
Balance at 31 December 2015/1 January 2016	31	953	-7 473	17 641	289	11 441
Net profit for the period	-	-	-	3 655	118	3 773
Issue of share capital	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-1 858			-1 858
Balance at 31 December 2016	31	953	-9 331	21 296	407	13 356

Source: Issuer

Table 5

Condensed statement of cash flows
for the period from 01/01 to 31/12 of 2016 year

€ '000	01/01/2016 - 31/12/2016	01/01/2015 - 31/12/2015
Cash flows from operating activities		
Profit before tax	3 778	3 188
Adjustments for:		
Depreciation of property, plant and equipment	294	163
Exchange difference arising on the translation of assets on foreign currencies	460 -	1 178
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	-	-
Impairment charge of property, plant and equipment	-	-
Interest income	-	277
Interest expense	149	336
Cash flows from operations before working capital changes	4 681	2 232
Increase in inventories and work in progress	- 2 968	370
Increase in trade and other receivables	- 2 719	1 282
Decrease/(increase) in biological assets	148 -	170
(Decrease)/increase in trade and other payables	1 456 -	985
Cash flows from operations	598	2 729
Tax refunded	- -	106
Net cash flows from operating activities	598	2 835
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	- 1 112 -	1 953
Proceeds from disposal of property, plant and equipment	-	210
Loans granted	- -	60
Interest received	2	277
Net cash flows used in investing activities	- 1 110 -	1 526
Cash flows from financing activities		
Proceeds from issue of share capital		

Proceeds of borrowings		868		38
Repayment of borrowings	-	554	-	588
Interest paid	-	149	-	375
Suspense account (pending correction of Depreciation, Minority interest and share capital)				
Net cash flows (used in)/from financing activities		165	-	925
Net decrease in cash and cash equivalents	-	347		384
Cash and cash equivalents:				
At beginning of the year/period		889		505
At end of the year/period		542		889

Source: Issuer

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/16-31/12/16. More detailed Group's accounting policy is described in audited annual report of the Group.

Exchange rate effect was noted in Statement of financial position.

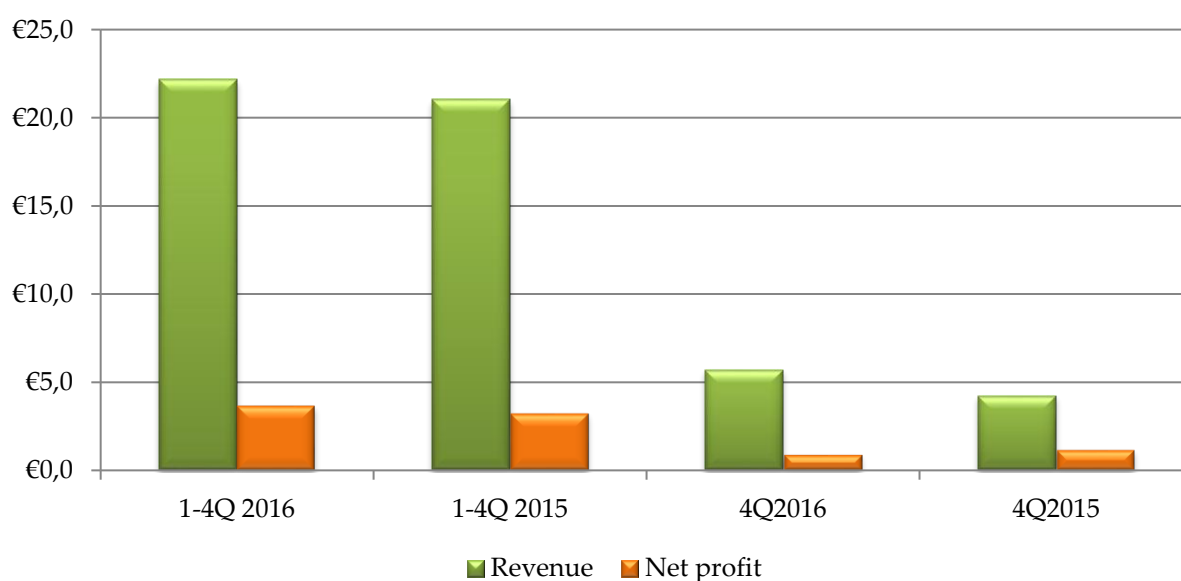
Statements based on annual audited report and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In 4 quarters of 2016 Agroliga noted EUR 22 150 thousand revenues and 3 655 thousand net profit. Compared to the same period of the previous year, revenues increased by EUR 1 120 thousand and net profit increased by EUR 432 thousand.

Chart 4 Selected financial data for the 4th quarter of 2016, together with data for 2015 [EUR M]



Source: Issuer

The Group's income in 4 quarters 2016 is better with in a previous year, because of good sunflower harvest in Ukraine this year and subsequently low prices for raw materials.

3.2 Description of the most important events of the 4th quarter.

Harvesting of the early grain crops

By August 15 the Production Units of AGROLIGA had finished harvesting of the early grain crops. More than 21,725 tons of grain were harvested from the area of 3950 thousand hectares, that is 44% of the total area of the processed fields.

Company got the gross yield of winter wheat (one of the key crops in the rotation) 56 t / ha, which is 8% more comparatively to the last year. In addition, the favorable weather conditions and integrated agro-technical measures allowed getting the grain of the highest class, with the protein and gluten content that corresponds to the characteristics of 2 – 3 class.

Also, the balance of the results of barley harvesting was drawn up. The winter variety of the intensive type “Lura” of Czech breeding with the distinguishing feature of high frost resistance gave the gross yield of 62.9 c / ha. Agroliga harvested 52.1 c / ha of the spring mid-season barley “Helios”.

In general, the grain yield of early harvesting meets the expectations of the Company’s management and exceeds by 15-20% the average data for Ukraine.

The Company achieves such results due to the persistent work on skills development for engineers and agronomists, technological improvements of the fertilizers applying, as well as paying special attention to minimization of losses during harvesting.

With the financial support of Raiffeisen Bank, the modern combine harvester - JohnDeereW660 with the header of 625R series has been added to the park of agricultural machinery in the current year.

This equipment makes it possible to adapt automatically to the changing topography of the field and change the cutting height that minimizes the losses during harvesting, and the possibility to adjust the pressure on the ground allows harvesting, regardless of weather conditions.

Modern plant construction.



Agroliga Group starts construction of a modern sunflower crushing plant with extraction capacity. The crushing capacity is planned for 170 000 t sunflower seed per year. The first phase of the plant provides processing of 100 000 tons of sunflower seed per year. It will be put into operation in September -October 2017. After extensive analyses and business tests " Raiffeisen Bank " Aval " (member of the Raiffeisen Bank International Holding AG group, Austria) has decided to finance Agroliga Group for the implementation of a new project. The structure of the project financing comprises of the Company's funds and long term loans. The project finance structuring is completed. As of today, general construction plan is fixed, tenders for the supply of equipment, construction and installation works were carried out.

3.3 Situation in Ukraine.

In connection with recent changes in Ukraine's political and economic situation, there is a need to comment on their impact on the operations of the Group companies.

Raising capital in the foreign markets.

The group planned to raise additional financing on the WSE in the 1st quarter of 2014, simultaneously with the transition to the upper market. Due to the stock prices instability of Ukrainian companies associated with the dynamic political situation in Ukraine, these plans has been postponed, but not canceled. Once the market calms down, Group will return to this issue.

The initial stage of development program 2013-2015 does not require substantial investments, and the Group is proceeding with his own funds.

Changes in taxation.

According memorandum with IMF, Ukraine government bring the agriculture sector under the VAT regime, effective January 2016. The amounts of VAT declared by the taxpayers applying special VAT regime in special VAT returns remain at disposal of such taxpayers depending on specialization of agricultural production as follows:

Production specialization	VAT share remaining at disposal of a taxpayer
Grain	15%
Cattle breeding and diary industry	80%
Other	50%

According preliminary results, there are no significant changes for the Group's business profitability with new tax regime.

3.4 Developing of the strategy.

Strategy of the Group for 2013-2015 years was published 12/06/13 and is conducting conduct in three areas:

1) One of the main part of this strategy is developing oil refinery and significant increasing this segment in result of company. Agroliga Group will be conduct this task by increasing capacity from 55 000 tons to 70 000 tons in 2015 and - up to 100 000 tons until 2017 accordingly. Agroliga plans to be produce more profitable products through implementation of new technology of oil extraction and in the long term perspective starting of bottling oil.

As implementation of this strategy in September 2016 started construction of the modern oil refining factory.

2) Agroliga Group plans to be mostly use own sunflower seeds for production what allow to better control prices of raw material and finally to achieve a better margin. For this Company

will be expand land bank to 12,3 thousand ha and will be actively working for significant increasing of efficiency and yields crops.

As a part of realization of this strategy in August 2015 Group obtained another agricultural company with land plot 1,8 thousand ha.

3) Company will be also develop dairy farm. Besides significant increasing of cowherd to 1400 cows Agroliga will be establish production of processing products. In plan of company is a starting dry milk and soft cheese.

As a step to realization of this point was opened retail dairy shop during August 2015.

Because of significant changes in Ukraine, the Group is working on adjusting forecasts and Group's development strategy. There are no major changes planned, but terms of realization and details will be reviewed.

3.5 The Board's opinion about the achieved results and the forecasts.

Because of changes in prices, exchange rates and overall situation in Ukraine Group cannot make any long-term financial forecasts for 2016 year.

A handwritten signature in blue ink, appearing to read "Aleksandr Berdnyk", is placed above the printed name.

Aleksandr Berdnyk
Chairman of the Board of Directors