Mriya Agro Holding Public Limited
(Under liquidation)

Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2017

Contents

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Joint Liquidators of Mriya Agro Holding Public Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Mriya Agro Holding Public Limited (the "Company") and its subsidiaries (together refered to as the "Group") as at 30 June 2017, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, (the "condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. We were unable to complete our review procedures over the trade and other payables amounting to USD 29,421 thousand and the advances received and other short-term liabilities amounting to USD 2,860 thousand as at 30 June 2017 (31 December 2016: USD 11,141 thousand and USD 3,385 thousand, respectively), because the Group has not maintained adequate accounting records regarding trade and other payables amounting to USD 2,627 thousand and advances received and other short-term liabilities to certain counterparties amounting to USD 1,103 thousand as at 30 June 2017 (31 December 2016: USD 2,666 thousand and USD 1,059 thousand, respectively), which originated before 1 July 2015. Had we been able to complete our review over the trade and other payables and the advances received and other short-term liabilities, matters might have come to our attention indicating that adjustments might be necessary in respect of the trade and other payables, the advances received and other short-term liabilities as at 30 June 2017 and 31 December 2016 and the elements making up condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity for the six months ended 30 June 2017.
2. The Group has not previously maintained adequate accounting records regarding guarantees issued for liabilities of third parties. Due to the change in management, as described in Notes 1(a) and 2(a), the Group might not have complete information over such guarantees issued as at 30 June 2017 and 31 December 2016. We were unable to complete our review procedures over completeness of provision for guarantees stated at USD 343,021 thousand as at 30 June 2017 (31 December 2016: USD 306,447 thousand) and completeness of disclosure of contingent liabilities for guarantees as at 30 June 2017 and 31 December 2016. Had we been able to complete our review of guarantees issued, matters might have come to our attention indicating that adjustments might be necessary in respect of provision for guarantees, retained earnings (accumulated deficit) and disclosure of contingent liabilities as at 30 June 2017 and 31 December 2016 and the elements making up condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity for the six months ended 30 June 2017.
3. Before 1 July 2015 the Group did not maintain adequate accounting records regarding the currency translation reserve and the revaluation reserve. We were unable to complete our review procedures over the currency translation reserve stated at USD 91,823 thousand and the revaluation reserve stated at USD 76,172 thousand as at 30 June 2017 (31 December 2016: USD 131,132 thousand and USD 76,172 thousand, respectively). Had we been able to complete our review of the currency translation reserve and the revaluation reserve, matters might have come to our attention indicating that adjustments might be necessary in respect of the currency translation reserve and the revaluation reserve and the elements making up condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity for the six months ended 30 June 2017.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Material uncertainly relating to going concern

Without further qualifying our conclusion, we draw attention to Note 2(b) to the condensed condolidated interim financial statements where it is indicated that on 30 June 2017 the Group's liabilities exceeded its assets by USD 1,611,083 thousand, which represents the Group's negative equity that is attributable to equity holders of the Group. These conditions, along with the other matters described in Note 2(b), indicate the existence of a material uncertainty that casts significant doubt about the Group's ability to continue as a going concern. Based on the above the Joint Liquidators resolved not to prepare financial statements on a going concern basis.

Furthermore, we draw attention to the fact that the Company is currently under liquidation. As indicated in Note 2(b) to the condensed consolidated interim financial statements, on 11 May 2016 the District Court of Nicosia, as a result of a winding up procedure filed against the Company, issued a winding up Order and by virtue of his office, the Official Receiver was appointed Liquidator. On 2 December 2016, the Court appointed Mr. Chris Iacovides and Ms. Andri Antoniou as Joint Liquidators substituting the Official Receiver.

KPMG Limited

KPMG Limited
Certified Public Accountants and Registered Auditors
Esperidon 14,
1087 Nicosia,
Cyprus

20 October 2017

(in thousands of US dollars)	Note	**30 June 2017** ***(unaudited)***	31 December 2016
Assets			
Property, plant and equipment	*8*	**132,186**	123,812
Intangible assets		**450**	404
Long-term biological assets		**338**	542
Long-term taxes recoverable and prepaid		**779**	1,370
Inventories	*9*	**10,962**	26,816
Biological assets	*10*	**51,579**	14,818
Short-term taxes recoverable and prepaid		**10,210**	11,966
Trade and other receivables		**770**	1,356
Prepayments made and other short-term assets		**4,127**	6,044
Cash and cash equivalents		**9,984**	19,351
Total assets		**221,385**	206,479

The condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 11 to 25.

(in thousands of US dollars)	Note	30 June 2017 *(unaudited)*	31 December 2016
Equity			
Share capital	*11*	**63**	63
Share premium		**86,245**	86,245
Foreign currency translation reserve		**91,823**	131,132
Revaluation reserve		**76,172**	76,172
Accumulated deficit		**(1,865,386)**	(1,767,120)
Total equity		**(1,611,083)**	(1,473,508)
Liabilities			
Deferred tax liabilities		**8,598**	7,229
Bonds issued	*12*	**618,557**	595,608
Other loans and borrowings	*12*	**773,697**	701,701
Working capital loans	*12*	**46,381**	46,396
Provision for guarantees	*13*	**343,021**	306,447
Trade and other payables		**29,421**	11,141
Advances received and other short-term liabilities		**2,860**	3,385
Finance lease liabilities		**6,564**	3,698
Taxes payable		**3,369**	4,382
Total liabilities		**1,832,468**	1,679,987
Total equity and liabilities		**221,385**	206,479

These condensed consolidated interim financial statements for the six months ended 30 June 2017 have been approved for issue by the Management on 20 October 2017.

....	....	....	....
Chris Iacovides	Andri Antoniou	Simon Cherniavskyy	[illegible]s
Joint Liquidator	**Joint Liquidator**	**Chief Executive Officer**	**Chief Financial Officer**

The condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 11 to 25.

(in thousands of US dollars)	Note	**For the six months ended 30 June 2017 *(unaudited)***	For the six months ended 30 June 2016 *(unaudited)*
Revenue	*14*	**23,148**	4,705
Cost of sales		**(19,418)**	(4,050)
Changes in fair value of biological assets and net gain on initial recognition of agricultural produce	*10*	**6,788**	4,101
Gross profit		**10,518**	4,756
Other income		**2,850**	592
Administrative expenses		**(4,366)**	(2,525)
Distribution expenses		**(1,985)**	(916)
Other expenses	*15*	**(8,342)**	(12,409)
Results from operating activities before restructuring costs		**(1,325)**	(10,502)
Administrative costs relating to debt restructuring	*16*	**(1,498)**	(4,390)
Results from operating activities		**(2,823)**	(14,892)
Finance income		**36**	18
Working capital loan and finance lease interest expenses		**(3,249)**	(1,398)
Foreign exchange gain (loss)		**14,800**	(15,232)
Finance costs, excluding working capital loan and finance lease interest expenses	*17*	**(105,980)**	(68,623)
Loss before income tax		**(97,216)**	(100,127)
Income tax expense	*18*	**(1,050)**	(1,757)
Loss for the period		**(98,266)**	(101,884)
Other comprehensive income:			
Items that may not be reclassified to profit or loss			
Foreign currency translation differences		**(39,309)**	10,764
Total comprehensive loss		**(137,575)**	(91,120)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 11 to 25.

(in thousands of US dollars)	Note	**Share capital**	**Share premium**	**Foreign currency translation reserve**	**Revaluation reserve**	**Retained earnings (accumulated deficit)**	**Total**
Balances as at 1 January 2016 as previously reported (unaudited)		63	86,245	82,342	-	(1,456,784)	(1,288,134)
Corection of error	6	-	-	(30.769)	-	30,769	-
Balances as at 1 January 2016 *(restated)*		63	86,245	51,573	-	(1,426,015)	(1,288,134)
Loss for the period		-	-		-	(101,884)	(101,884)
Other comprehensive income							
Foreign currency translation differences		-	-	10,764	-	-	10,764
Total comprehensive loss		-	-	10,764	-	(101,884)	(91,120)
Other movements							
Reclassification of revaluation reserve from prior period revaluations		-	-	-	76,172	(76,172)	-
Balances as at 30 June 2016		63	86,245	62,337	76,172	(1,604,071)	(1,379,254)
Balances as at 1 January 2017		**63**	**86,245**	**131,132**	**76,172**	**(1,767,120)**	**(1,473,508)**
Loss for the period		**-**	**-**	**-**	**-**	**(98,266)**	**(98,266)**
Other comprehensive income							
Foreign currency translation differences		**-**	**-**	**(39,309)**	**-**	**-**	**(39,309)**
Total comprehensive loss		**-**	**-**	**(39,309)**	**-**	**-**	**(39,309)**
Balances as at 30 June 2017 *(unaudited)*		**63**	**86,245**	**91,823**	**76,172**	**(1,865,386)**	**(1,611,083)**

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 11 to 25.

(in thousands of US dollars)	**For the six months ended 30 June 2017** ***(unaudited)***	For the six months ended 30 June 2016 *(unaudited)*
Cash flows from operating activities		
Cash receipts from customers	**25,260**	1,459
Cash paid to suppliers and employees	**(29,055)**	(18,728)
Cash used in operating activities	**(3,795)**	(17,269)
Interest paid	**(3,223)**	(990)
Interest received	**-**	24
Other income	**303**	75
Cash paid for taxes other than income tax	**(4,436)**	(1,947)
Cash reimbursed for taxes other than income tax	**6,755**	-
Net cash used in operating activities before cash paid for services related to debt restructuring	**(4,396)**	(20,107)
Cash paid for services related to debt restructuring	**(2,002)**	(4,167)
Net cash used in operating activities	**(6,398)**	(24,274)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**246**	1,220
Proceeds from sale of subsidiary	**153**	-
Acquisition of subsidiary, net of cash acquired	**-**	(18)
Acquisition of property, plant and equipment	**(2,934)**	(827)
Acquisition of intangible assets	**(65)**	(92)
Net cash (used in) from investing activities	**(2,600)**	283
Cash flows from financing activities		
Proceeds from loans and borrowings	**-**	16,861
Payment of finance lease liabilities	**(722)**	(2,030)
Net cash (used in) from financing activities	**(722)**	14,831
Net decrease in cash and cash equivalents	**(9,720)**	(9,160)
Cash and cash equivalents at beginning of period	**19,351**	14,629
Effect of exchange rate fluctuations on cash and cash equivalents	**353**	(118)
Cash and cash equivalents at the end of the period	**9,984**	5,351

The condensed consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 11 to 25.

1. Background

(a) Organisation and operations

Mriya Agro Holding Public Limited (hereinafter referred as the "Company", or collectively with its subsidiaries as the "Group") is a legal entity incorporated under the laws of the Republic of Cyprus on 8 November 2007.

The Company's registered office is 20 Nikis Avenue, Office 400, 1086 Nicosia, Cyprus.

The Group's principal activity is agricultural production and sale, including growing of wheat, soy, rape, corn, sunflower and potato in Western Ukraine.

As at 30 June 2017 and 31 December 2016, the Company's shareholders and their respective interests were as follows:

	Interest	**Number of shares**
HF Asset Management Limited (in liquidation)	80.00%	3,400,004
BNY (Nominees) Limited	20.00%	850,000
Other individuals	Less than 1%	6
	100%	**4,250,010**

On 12 June 2008, 20% of the Company's shares were accepted to trade on the Frankfurt Stock Exchange in the form of GDRs. The shares represented by GDRs are held by custodian for the benefit of BNY (Nominees) Limited acting as depository. The owners of GDRs are not entitled to vote at the shareholders meetings of the Company. They can, however, instruct BNY (Nominees) Limited to exercise voting rights attributable to the number of ordinary shares represented by GDRs.

Following the non-submission of annual financial statements and management reports for the period ended 31 December 2014, due to the events described in Note 2(b), the trading of the Company's securities on the Frankfurt Stock Exchange was suspended and the Company was delisted. Also, the trading of the Company's bonds on the Irish Stock Exchange was suspended.

As at 30 June 2017 and 31 December 2016, the Group's parent, HF Asset Management Limited was ultimately owned by four members of the Guta family, although in December 2014, the winding up procedure of HF Asset Management Limited was initiated at the BVI Court, giving the liquidator control of the parent company.

As described in detail in Note 2(b), in August 2014, the Group defaulted on its loans and borrowings. After months of intensive negotiations between the Company's main shareholders, management and representatives of the creditors, which remained without an agreement on debt restructuring, the creditors decided, in January 2015, to apply to the Court for the liquidation of the Company and the appointment of a Provisional Liquidator. On 26 January 2015, the District Court of Nicosia, Cyprus, appointed Mr. Chris Iacovides as Provisional Liquidator, upon which the powers of the Company's directors ceased. Mr. Iacovides, in consultation with the creditors, appointed new management in Ukraine to manage and operate the Company's activities.

On 11 May 2016 the District Court of Nicosia issued a winding up Order and by virtue of his office, the Official Receiver was appointed Liquidator upon the making of the Order, terminating the appointment of Mr Iacovides as Provisional Liquidator. Due to the complexity of the liquidation of the Company, the time and resources that would be required on the part of the Official Receiver, and Mr Iacovides' existing involvement, the Official Receiver applied to the District Court of Nicosia for the appointment of Mr Iacovides as Special Manager and the Court granted the Order for his appointment on 19th May 2016, giving Mr Iacovides as Special Manager all the powers that the

Official Receiver had as Liquidator. On 2 December 2016, the Court appointed Mr. Chris Iacovides and Mrs. Andri Antoniou as Joint Liquidators.

Following the default of the Group, the Group has not prepared consolidated financial statements and was not subject to audit for the period from 1 January 2014 to 30 June 2015. The Group prepared its first consolidated financial statements under International Financial Reporting Standards (IFRS), as adopted by the European Union for the year ended 31 December 2016.

Whilst the Guta family retains legal ownership over the immediate parent of the Group, HF Asset Management Limited, they do not exercise any operational control, which is undertaken, at the level of HF Asset Management Ltd by the BVI Liquidator and in relation to the Group by the Joint Liquidators of the Company.

(b) Business environment

The Group conducts its business primarily in Cyprus and Ukraine.

Cyprus business environment

The Cyprus economy following the financial support from European Institutions in March 2013, has been positively rated since then and eventually exited the creditors program at the end of March 2016. On 17 March 2017 the credit reporting of the country rose from BB to BB+. Based on this the Group’s management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current business and economic environment and that no adverse impact on the Group’s operations is expected.

Ukrainian business environment

Ukraine’s political and economic situation has deteriorated significantly since 2014. Following political and social unrest, which started in November 2013, various events in Crimea in March 2014, 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 condensed consolidated interim 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. As the Group’s operations are concentrated in the western part of Ukraine, at a significant distance from the above mentioned regions, the Group’s business is not directly impacted by this situation, however, the Group is exposed to the political and economic risks raised from this conflict.

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 substantial part of foreign currency proceeds to local currency, restrictions on payment of dividends abroad, a ban on early repayment of foreign loans and restrictions on cash withdrawals from banks. Starting from 2016, the National Bank of Ukraine started to gradually relax the abovementioned restrictions. These events had a negative effect on Ukrainian companies and banks, significantly limiting their ability to obtain financing on domestic and international markets.

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 condensed consolidated interim 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.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual concolidated financial statements as at and for the year ended 31 December 2016. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). However, selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in Group's financial position and performance from the last consolidated financial statements.

(b) Going concern

As at 30 June 2017 the Group's liabilities exceed its assets and the Group has negative equity of USD 1,611,083 thousand that is attributable to equity holders of the Company.

In August 2014, the Company went into default on its current loans and borrowings. As a result, in October 2014, bondholders demanded early settlement of liabilities for bonds amounting USD 400,000 thousand. These events triggered a cross default on all the other loans and borrowings. After the default in August 2014, the Group stopped any payments of interest and principal, which resulted in breach of contractual terms of the Group's loans and borrowings. As a result, all loans and borrowings became payable on demand and are classified as short-term liabilities in these condensed consolidated interim financial statements. The aggregate debt of the Group companies as at 30 June 2017 amounts to USD 1,438,635 thousand (31 December 2016: USD 1,343,705 thousand), and consists of eurobonds issued by the Company, bank loans, working capital loans, commercial notes, equipment supplier credits and structured debt instruments from both Ukrainian and offshore lenders. After extensive but unsuccessful negotiations between the Group's controlling parties and the creditors, on 22 January 2015 a winding up petition was filed against the Company by BNY Mellon Corporate Trustee Services Limited, on behalf of the bondholders of the Group. Pursuant to an application filed on the same day, on 26 January 2015 the District Court of Nicosia (Cyprus) granted the petition and appointed Mr. Chris Iacovides as Provisional Liquidator of the Company, with his main role being the protection of the assets of the Group for the benefit of its creditors.

The creditors of the Group formed two coordinating committees (CoComs), the Bondholders CoCom and the Banks CoCom in order to represent, respectively, the noteholders and the lenders in the debt restructuring negotiations with the Company. A number of banks have not joined the Banks CoCom, and seek to defend their interests on their own. In February 2015, the Provisional Liquidator at the recommendation of the CoComs appointed Mr. Simon Cherniavsky as the Chief Executive Officer (CEO), Mr. Ton Huls as the Chief Financial Officer (CFO).

As at 30 June 2017, the Group has guaranteed the liabilities under loan facilities available to third parties, which were previously under common control, in amount of USD 343,021 thousand. As at

30 June 2017 and 31 December 2016, the financial covenants and other provisions in relation to loans obtained by third parties have been breached, as a result of which they became payable on demand. As at 30 June 2017 the Group has recognised a provision amounting to USD 343,021 thousand (31 December 2016: USD 306,447 thousand) for these guarantees.

The current debt level is unsustainable, and the Group is not able to service such debt, therefore the new management jointly with the CoComs and the Provisional Liquidator were working on developing the terms of restructuring plan to be approved by the creditors and at the same time to ensure the long-term survival of the Group.

On 11 May 2016 the District Court of Nicosia issued a winding up Order and by virtue of his office, the Official Receiver was appointed Liquidator upon the making of the Order, terminating the appointment of Mr. Iacovides as Provisional Liquidator. Due to the complexity of the liquidation of the Company, the time and resources that would be required on the part of the Official Receiver, and Mr Iacovides' existing involvement, the Official Receiver applied to the District Court of Nicosia for the appointment of Mr. Iacovides as Special Manager and the Court granted the Order for his appointment on 19th May 2016, giving Mr Iacovides as Special Manager all the powers that the Official Receiver had as Liquidator. On 2 December 2016, the Court appointed Mr. Chris Iacovides and Mrs. Andri Antoniou as Joint Liquidators.

The abovementioned circumstances indicated a material uncertainty that created a significant threat to the Group's ability to continue as a going concern. Furthermore, the Nicosia District Court ordered the liquidation of the Company in accordance with the Company Law, Cap.113, Sections 209, 211(e), 212 (a) and (c) 213 and 214. In the event of the Company's restructuring a new company will take over its assets and liabilities and this fact led to applying the break-up basis for the condensed consolidated interim financial statements for the six months ended 30 June 2017.

Management undertakes the following measures in order to address these risks:

- Previous management of the Group was discharged, new management was appointed by the Provisional Liquidator, upon consent of the CoComs, and subsequently reconfirmed by the Joint Liquidators;
- The Group together with the CoComs and the Joint Liquidators have developed the terms of restructuring proposal that is planned to be approved by the creditors and would enable the long-term survival of the Group. The aim of the restructuring is to reduce the overall Group's debt to a sustainable level, enabling the Group to recommence servicing its debts, while treating all unsecured creditors equally. The plan includes conversion of the portion of the current debt above the sustainable level into equity or quasi equity instruments of the Group, resulting in legal ownership of the Group being transferred to its creditors. The principal terms of the restructuring are expected to be agreed between the creditors in the near future, which is expected to be followed by the signing of a restructuring agreement;
- It is planned that there will be a reorganisation of the Group, which will result in the transfer of all the assets of the Company to a newly created company, which will be fully owned by the creditors.
- Focusing on innovation in the field of primary agricultural production;
- In June 2015 and May 2016, the Group received working capital financing from bondholders, which enabled it to carry out the harvesting campaign;
- The Group implements a number of cost cutting policies through decreasing the number of employees, decreasing other non-operational expenses and disposing non-core assets.

Management acknowledges that uncertainty remains over the Group's ability to meet its funding requirements and to refinance or repay its credit facilities. However, as described above, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, provided the restructuring will be successfully resolved.

(c) Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, Management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the six months ended 31 December 2016.

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

Currency	**As at 30 June 2017**	Average for the six months ended 30 June 2017	As at 31 December 2016
US dollar (USD)	**26.10**	26.76	27.19

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further statements about the assumptions made in measuring fair values is included in the following notes:

- Note 8(b) – property, plant and equipment;
- Note 10 – biological assets;

3. Operating segments

Management believes that the Group is operating in one segment relating to agricultural production and sales.

4. Significant accounting policies

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

5. Seasonality of operations

The Group is subject to seasonal fluctuations as a result of cyclicity of agricultural operations. In particular, for winter crops the crop growing cycle takes place during September-June and for spring crops during May-October, with harvesting occurring during July-November. The Group attempts to minimise the seasonal impact by managing inventories to meet demand during the period.

6. Corresponding figures - correction of errors and changes in presentation

During the six months ended 30 June 2017, the Group's management identified and corrected prior period misstatement related to classification of foreign exchange loss for the six months ended 31 December 2015. International Financial Reporting Standard IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires that prior period errors are corrected by restating the opening balances of equity for the earliest period presented. Management corrected this misstatement by adjusting the respective equity balances as at 1 January 2016.

(a) Summary of quantitative impacts

The effect of the correction of misstatement on the consolidated statement of financial position as at 1 January 2016 is as follows:

(in thousands of Ukrainian hryvnias)	1 January 2016, as previously reported	Impact of correction and change in presentation Forex loss	1 January 2016, restated
Equity and Liabilities			
Foreign currency translation reserve	82,342	(30,769)	51,573
Accumulated deficit	(1,456,784)	30,769	(1,426,015)

The correction of misstatement resulted in reclassification between accumulated deficit and foreign currency translation reserve, and has no impact on total equity as at 1 January 2016.

7. Acquisition and disposal of subsidiaries

(a) Disposal of subsidiaries

During the six months ended 30 June 2017 the Group disposed its investments in PE Agro-Vita, LLC Fruitful Prykarpattya, LLC Halych Ahrostar, LLC Bahata Rillya, LLC Ivane Zolote, LLC Agronika-1, LLC Ahrarni Novaciyi Mriya, LLC Prykarpatsky Lany, Mriya (Switzerland) AG and LLC Agro-TIM-Proskuriv.

As at the date of disposal, stand-alone total assets and negative net assets of these subsidiaries amount to USD 8,578 thousand and USD 1,701 thousand, respectively.

(b) Establishment of subsidiaries

During the six months ended 30 June 2017, the Group established the following subsidiaries:

Subsidiary name:	**% of ownership**
LLC Mriya Elevator Kozova	100.00%
LLC Mriya Krokhmalnyi Zavod	100.00%

The effect of establishment of these subsidiaries is not material.

(c) Obtaining control over subsidiary

During the six months ended 30 June 2017, as a result of legal actions, the Group re-established control over the following subsidiary:

Subsidiary name:	**% of ownership**
LLC Novagros	100.00%

The Group is unable to estimate the total assets and net assets of this subsidiary as it did not maintain accounting records in accordance with IFRS.

8. Property, plant and equipment

Movements in property, plant and equipment for the six months ended 30 June are as follows:

(in thousands of US dollars)	**30 June 2017** _**(unaudited)**_	**31 December 2016 (audited)**	30 June 2016 _(unaudited)_
**Revalued amount**			
As at 1 January/1 July	**123,812**	**135,241**	145,369
Additions	**6,559**	**5,793**	3,404
Disposals	**(3,438)**	**(5,563)**	-
Impairment	**-**	**-**	(9,670)
Effect of movements in exchange rates	**5,253**	**(11,659)**	(3,862)
As at 30 June/31 December	**132,186**	**123,812**	135,241

During the six months ended 30 June 2017 depreciation was not charged due to the fact that the financial statements are prepared on the break up basis, as described in Note 2(b) and thus items of property, plant and equipment are measured at lower of cost or net realizable value. As at 30 June 2017 management determined that the carrying value of property, plant and equipment did not materially differ from the lower of revalued amount determined as at 1 July 2015 and its fair value less cost to sell.

(a) Determination of lower of carrying value and fair value less cost to sell of property, plant and equipment as at 30 June 2016

Management engaged an independent appraiser to appraise items of property, plant and equipment of the Group as at 30 June 2016 in order to determine its fair value less cost to sell.

The fair value less cost to sell of property, plant and equipment was primarily determined using the depreciated replacement cost and market approach.

The depreciated replacement cost method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economical depreciation, and obsolescence. Economical obsolescence was determined using the discounted cash flow method.

The depreciated replacement cost is estimated based on internal sources and analysis of the Ukrainian and international markets for similar property, plant and equipment. Various market data was collected from published information, catalogues, statistical data etc., and industry experts and suppliers of property, plant and equipment were contacted both in Ukraine and abroad.

The market approach was based upon the analysis of the results of comparable sales of similar items of property, plant and equipment.

As at 30 June 2016, the Group performed an economical obsolescence test based on the discounted cash flow method in the process of determination of the depreciated replacement cost and market approach for its property, plant and equipment for three consolidated cash generating units of the Group – Crop Production, Grain Silos and Starch Production. The discounted cash flow testing was performed based on cash flows as included in the five-year business plan.

For cash generating unit of Grain Silos, Crop Production and Starch Production economic obsolescence test, based on the key assumptions of discount rates, sales growth rate and EBITDA margin, resulted in excess of the estimated discounted amount of future cash flows over the carrying value. The carrying amount of property, plant and equipment forming part of cash generating unit Grain Silos, Crop Production and Starch Production amounted to USD 78,064 thousand, USD 53,864 thousand and USD 3,313 thousand as at 30 June 2016, respectively.

Impairment losses arising on devaluation of individual assets and amounting to USD 9,670 thousand relate to Crop Production cash generating unit and represent a decrease in fair value less cost to sell compared to revalued amount determined as at 1 July 2015 or date of acquisition, if later. Impairment losses were included in other expenses.

(b) Pledged assets

As at 30 June 2017, property, plant and equipment with a carrying amount of USD 83,777 thousand (31 December 2016: USD 78,299 thousand) are pledged to secure Group’s bank loans and notes (Note 12).

As at 30 June 2017, property, plant and equipment with a carrying amount of USD 7,680 thousand (31 December 2016: USD 11,735 thousand) are pledged to secure Group’s suppliers’ credit (Note 12).

As at 30 June 2017, property, plant and equipment with a carrying amount of USD 11,170 thousand (31 December 2016: USD 7,362 thousand) are pledged to secure Group’s obligations under finance lease agreements.

9. Inventories

During the six months ended 30 June 2017, the Group harvested 14,042 tonnes (2016: nil) of crops (corn, sunflower) with fair value on initial recognition amounting to USD 2,947 thousand (2016: nil).

As at 30 June 2017, inventory mainly includes raw materials amounting to USD 5,210 thousand (31 December 2016: USD 3,048 thousand) and spare parts amounting to USD 2,767 thousand (31 December 2016: USD 2,356 thousand).

As at 30 June 2017 inventories with a carrying amount of USD 340 thousand (31 December 2016: 10,037 thousand) are pledged to secure Group’s bank loans and borrowings (Note 12).

10. Biological assets

(a) Movements in biological assets

During the six months ended 30 June 2017, the Group capitalised USD 38,542 thousand (2016: USD 37,198 thousand) to crops and harvested agricultural produce with fair value at the date of harvesting amounting to USD 2,947 thousand (2016: nil). As at 30 June 2017 biological assets are represented by crops amounting to USD 51,198 (31 December 2016: USD 14,171 thousand) thousand and livestock amounting to USD 381 thousand (31 December 2016: USD 647 thousand).

(b) Gain arising from re-measurement of agricultural produce and biological assets to fair value

Management estimates the fair value of agricultural produce at the point of harvest by reference to the quoted prices in the market, as defined by International Financial Reporting Standard IAS 41 *Agriculture*. In addition, point-of-sale costs at the point of harvest are estimated and deducted from the fair value.

(c) Fair value measurement and significant unobservable inputs

The following table shows the valuation techniques and significant unobservable inputs used in measuring fair values of crops:

Valuation technique and key assumption	**Valuation technique and key assumption**	**Inter-relationship between unobservable inputs and fair value measurement**
Discounted cash flows: The valuation model considers the present value of net cash flows expected to be generated by crops. Cash inflows are projected based on the estimated prices for crops and crops' yields, which are determined based on several factors including location of farmland, environmental conditions, historical yields and other restrictions and growth at the time of measurement. In particular, the cash flow projections include specific downward adjustment in respect of the estimated stage of growth of a biological asset which results in the recognition of the fair value gains in line with the asset's biological transformation. The expected fair value losses are recognised immediately.	Estimated net yields for different crops range from 1.7 to 40 tonnes per hectare (31 December 2016: from 1.38 to 6 tonnes per hectare).	The higher the crop yields, the higher the fair value.
Prices for crops are obtained from state statistical reports or other public sources and reflect market expectations regarding such prices at the point of harvest.	Estimated future market prices for different crops range from 142 to 402 USD per tonne (31 December 2016: from 140 to 520 USD per tonne).	The higher the market prices, the higher the fair value.
The expected net cash flows are discounted using a risk-adjusted discount rate. The period of discounting is less than one year and corresponds to the vegetative period of each crop.	Discount rate of 30.00% is applied in determining the fair value of crops as at 30 June 2017 (31 December 2016: 30.00%).	The higher the discount rate, the lower the fair value.

Another significant unobservable input used in measuring fair value of crops is represented by the future production costs and costs to sell, which are projected based on actual operating costs. The higher the future production costs, the lower is the fair value of biological assets.

(d) Security

As at 30 June 2017 biological assets with a carrying amount of USD 23,950 thousand (31 December 2016: USD 14,171 thousand) are pledged to secure Group's bank loans and borrowings (Note 12).

11. Equity

(a) Share capital

The authorised, issued and fully paid share capital of the Company was as follows:

	30 June 2017	31 December 2016
Number of shares authorised for issue	**4,363,525**	4,363,525
Number of shares issued and fully paid	**4,250,010**	4,250,010

The issued and fully paid share capital of the Company as at 30 June 2017 and 31 December 2016 was USD 63 thousand represented by 4,250,010 ordinary shares with a nominal value of EUR 0.01 per one share. All shares are ordinary, have equal voting, dividend and capital repayment rights.

12. Loans and borrowings and working capital loan

Changes in loans and borrowings are mainly represented by accrued interest, recognised guarantees and fines and penalties which are included in finance costs.

Bank loans and notes are secured by the following:

- property, plant and equipment with a carrying amount of USD 83,777 thousand (31 December 2016: USD 78,299 thousand), see Note 8(b);
- inventories with a carrying amount of USD 340 thousand (31 December 2016: USD 10,037 thousand), see Note 9;
- biological assets with a carrying amount of USD 23,950 thousand (31 December 2016: USD 14,171 thousand), see Note 10(d);
- cash and cash equivalents with a carrying amount of USD 7,774 thousand (30 June 2016: USD 15,083 thousand);
- pledge of corporate rights in respect of subsidiaries, stand-alone total assets and negative net assets of which amount to USD 63,698 thousand and USD 76,962 thousand, respectively, as at 30 June 2017 (31 December 2016: USD 82,429 thousand and USD 77,230 thousand respectively).

Suppliers' credit is secured by property, plant and equipment with a carrying amount of USD 7,680 thousand as at 30 June 2017 (31 December 2016: USD 11,735 thousand), see Note 8(b).

(a) Breach of loan covenants and other provisions of loan agreements

As described in Note 2(b), in August 2014 the Group has defaulted on its current loans and borrowings. As a result, in October 2014, bondholders demanded early settlement of liabilities for bonds amounting USD 400,000 thousand. Following these events, the remaining banks and other bondholders have claimed early settlement of the Group's liabilities and all the Group's loans and borrowings became payable on demand.

No new loans were received during the period.

13. Provisions for guarantees

As described in Note 2(b), the Group has provided financial guarantees for the companies, which were previously under common control of Guta family. Because of the insolvency of these companies, as at 30 June 2017 the Group recognised a provision in amount of USD 343,021 thousand (31 December 2016: USD 306,447 thousand). As these companies failed to fulfil their obligations, the banks initiated court claims against the Company and its subsidiaries acting as guarantors on these loans. Provision for guarantees, for which legal actions have been initiated, was recognised in the amount, claimed by the lenders in the court. Provision for other guarantees was recognised in the nominal amount of loans guaranteed, including interest and penalties accrued.

14. Revenue

Revenue is mainly represented by sales of agricultural production amounting to USD 21,348 thousand (30 June 2016: USD 3,194 thousand).

The Group has a certain level of non-cash transactions as is common with many Ukrainian companies. These transactions primarily involve sale of agricultural products in exchange for land lease services. Prices are usually fixed in contracts with the mutual settlement transactions valued and recorded at the market prices for the land lease services involved in the transaction. Non-cash sales and purchases are accounted for on an accrual basis in the same manner as traditional transactions satisfied in cash and cash equivalents.

15. Other expenses

Other expenses mainly comprise loss from disposal of property, plant and equipment amounting to USD 2,303 thousand (30 June 2016: nil), expenses for land property amounting to USD 1,346 thousand (30 June 2016: USD 830 thousand), VAT receivable write-off amounting to USD 1,000 thousand (30 June 2016: nil) and loss of biological assets amounting USD 980 thousand (30 June 2016: USD 2,395 thousand).

16. Administrative costs relating to debts restructuring

Administrative costs relating to debt restructuring of USD 1,498 thousand (2016: USD 4,390 thousand) are represented by fees paid to professional consultants and lawyers in connection with debt restructuring process.

17. Finance costs, excluding working capital loan and finance lease interest expenses

(in thousands of US dollars)	**For the six months ended 30 June 2017** *(unaudited)*	For the six months ended 30 June 2016 *(unaudited)*
Interest expenses on defaulted loans and borrowings	**43,311**	38,145
Fines and penalties on loans and borrowings	**39,502**	72,232
Increase (decrease) in provisions for guarantees	**23,167**	(41,754)
	105,980	68,623

18. Income tax (expense) benefit

The Group is subject to taxation in several tax jurisdictions depending on the residence of its entities. During the six months ended 30 June 2017 the nominal tax rate for the Group's Cyprus and

Switzerland companies were 12.50% and 17.92%, respectively. Ukrainian income tax was levied on taxable income of the Group's Ukrainian entities subject to income tax at the rate of 18.00% in 2017.

The Group recognises income tax expense based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective rate for the six months ended 30 June 2017 was 0.16%.

The ordinary corporate companies involved in agricultural production pay unified income tax and are exempt from ordinary corporate income tax in accordance with the Ukrainian Tax Code.

On 24 December 2015, amendments to the Tax Code of Ukraine were adopted by the Parliament of Ukraine. In accordance with the amendments, the special VAT regime for agricultural companies involved in production of grain and oilseeds was discontinued from 1 January 2017, with a transitionary period during 2016, during which the companies subject to the regime retained 15% of their VAT liabilities arising on crops and oil seeds farming operations, and paid 85% to the state authorities. From 1 January 2016, the refund of VAT on export of all agricultural commodities has been reinstated.

19. Fair values and risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the six months ended 31 December 2016.

Management believes that for all the financial assets and liabilities the carrying value is estimated to approximate the fair value as at 30 June 2017. Such fair value was estimated by discounting the expected future cash flows under the market interest rates for similar financial instruments that prevail as at the reporting date.

20. Contingencies

(a) Litigation

As at 30 June 2017, the Group has numerous legal proceedings brought against it by banks and creditors on repayment of overdue loans and borrowings for the amount of USD 333,240 thousand (31 December 2016: USD 360,621 thousand), see Note 12, which were primarily caused by the default of the Group, as described in Note 2(b).

The Group is also involved in litigation on the matter of issued guarantees related to credit obtained by companies, which were previously under the common control of the Guta family. As these companies failed to fulfil their obligations, the banks initiated court proceedings against the Company and its subsidiaries acting as guarantors on these loans. Due to the insolvency of these companies, as at 30 June 2017 the Group recognised a provision in the amount of USD 343,021 thousand (2016: USD 306,447 thousand), see Note 13.

As at 30 June 2017, the Group has several legal proceedings pending in relation to the bankruptcy of Group companies filed by banks. As at 30 June 2017, stand-alone total assets and negative net assets of those companies amount to USD 52,451 thousand and USD 390,587 thousand, respectively (31 December 2016: USD 43,884 and USD 244,733 thousand respectively).

On 26 January 2015, the District Court of Nicosia, Cyprus, appointed Mr. Chris Iacovides as Provisional Liquidator, upon which the powers of the Company's directors were suspended. Mr. Iacovides, in consultation with the creditors, appointed new management in Ukraine to manage and operate the Company's activities. Forthwith on 11 May 2016 the District Court of Nicosia issued a winding up Order and by virtue of his office, the Official Receiver was appointed Liquidator upon the making of the Order, terminating the appointment of Mr Iacovides as Provisional Liquidator. Due to the complexity of the liquidation of the Company, the time and resources that would be required on the part of the Official Receiver, and Mr Iacovides' existing involvement, the Official Receiver applied to the District Court of Nicosia for the appointment of Mr Iacovides as Special Manager and the Court granted the Order for his appointment on 19th May 2016, giving Mr Iacovides as Special Manager all the powers that the Official Receiver has as Liquidator. On 2 December 2016, the Court has appointed Mr Chris Iacovides and Mrs Andri Antoniou as Joint Liquidators.

As at 30 June 2017 the Group was involved in a number of legal proceedings with tax authorities. As a result, there is a risk that the Group may be charged with additional taxes and penalties amounting to USD 2,490 thousand (31 December 2016: USD 1,037 thousand). No provision for such potential charges is made in these condensed consolidated interim financial statements as Management believes that the court proceedings will be resolved in favour of the Group.

The Group is involved in various other legal proceedings in the ordinary course of business. Management does not believe the result of any such actions will have a material effect on the financial position or results of operations.

(b) Taxation contingencies

The Group performs most of its operations in Ukraine and therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation which may be applied retroactively, open to wide interpretation and in some cases are conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and between the Ministry of Finance and other state authorities are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These facts create tax risks substantially more significant than typically found in countries with more developed systems. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these condensed consolidated interim financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

As at 30 June 2017 there is a risk that the Group may be charged with additional taxes and penalties relating to certain transactions amounting to USD 2,490 thousand (31 December 2016: USD 1,037 thousand), which are subject to litigation as at 30 June 2017 (Note 20(a)). No provisions for such potential charges are made in these condensed consolidated interim financial statements as management believes that it is not probable that the currently applied tax treatment will be challenged by the tax authorities.

21. Related party transactions

(a) Parent and ultimate controlling party

The Group's immediate parent and the ultimate controlling party are disclosed in Note 1(a).

(b) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

(i) Key management remuneration

Remuneration of key management personnel is represented by short-term employee benefits amounting to USD 907 thousand for the six months ended 30 June 2017.

(c) Transactions with other related parties

The Group's other related party balances and transactions are disclosed below.

(in thousands of USD)	**30 June 2017**	31 December 2016
Statement of financial position:		
Trade and other payables	**16**	38

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances are secured.

22. EBITDA

IFRSs provide no rules of estimation of EBITDA and, therefore, this index may not be treated as an alternative profit indicator assessed under IFRS. The Group's management believes it be practicable to disclose EBITDA whereas this index gives extra information potentially valuable for the users of the financial statements. Given the lack of uniform rules of estimation of EBITDA, other entities might assess this index applying another technique and, therefore, the indices computed by different companies may be incommensurable.

The Group defines and calculates EBITDA as a result from operating activities before restructuring cost, net finance cost, income tax and depreciation and amortisation, if any.

The Group's EBITDA for the six months ended 30 June is as follows:

(in thousands of US dollars)	**For the six months ended 30 June 2017** ***(unaudited)***	For the six months ended 30 June 2016 *(unaudited)*
Loss before income tax	**(97,220)**	(100,127)
Net finance cost	**94,397**	85,235
Administrative costs relating to debt restructuring	**1,498**	4,390
EBITDA	**(1,325)**	(10,502)

23. Events subsequent to the reporting date

(a) Restructuring

Subsequent to the reporting date, the Group has been in the process of negotiating a draft restructuring proposal with CoComs of creditors and bondholders. According to the proposed terms, the creditors will convert the portion of the current debt exceeding the sustainable level into equity or quasi equity instruments of the Group, resulting in legal ownership of the Group by its creditors.

As at the date these condensed consolidated interim financial statements were authorised for issue, the restructuring agreement has not yet been signed.

(b) Establishing and obtaining control over subsidiaries

Subsequent to the reporting date, the Group established the following subsidiaries:

Subsidiary name:	% of ownership
LLC Mriya Finance Centr	100.00%
LLC Mriya Elevator Derenivka	100.00%
LLC Mriya Nasinnevyi Zavod	100.00%

The effect of establishment of these subsidiaries is not material.

(c) Disposal of subsidiaries

Subsequent to the reporting date, the Group disposed its investments in LLC Alkor Kyiv, LLC Beautiful Harvests, PE Sad Urozhay-20111, PAE Kap, LLC Romaniv-Ahro and LLC Ukrplasttorg. As at 30 June 2017, stand-alone total assets and negative net assets of these subsidiaries amounted to USD 144 thousand and USD 229 thousand, respectively.

(d) Settlement agreement with PJSC Alfa Bank

Subsequent to the reporting date, the Group implemented the settlement agreement with PJSC Alfa Bank, under which the bank took possession of the silo in Krasyliv (property of LLC Proskuriv Zagotzerno) as partial debt repayment, and took possession of the silo in Kozova (property of LLC Elagri Kozova) and Tovstenkivskiy starch plant (property of LLC Tovstenkivskiy Starch Plant), which were further leased back to the Group under a finance lease agreement. As the result of implementation of the settlement:

- all outstanding loan obligations to PJSC Alfa bank amounting to USD 63,021 thousands as at 30 June 2017 are settled;

- the Group recognises finance lease obligations under new finance lease agreement for lease of silo in Kozova and Tovstenkivskiy starch plant. Total lease payments under the agreement amount to USD 19,000 thousand, the duration of the lease is till 1 August 2020.

(e) Settlement agreement with JSB Ukrgasbank

Subsequent to the reporting date, the Group has agreed the settlement procedure with JSB Ukrgasbank on partial settlement of obligations under guarantee agreement. As a result of the agreement, the bank took possession of silo Gorodenko, owned by LLC Shchedroty Zemli, and silo Novoselitsya, owned by LLC AMG Agroholding, and settled obligations relating to the principal amount and accrued interest of the guaranteed loan.