



Report for the period
1 January 2015 – 31 December 2015

15th February 2016

Table of contents

1. General information about the Company	3
1.1 Company details	3
1.2 Company profile	3
1.3 Management Board	4
1.4 Shareholder structure	4
1.5 Persons employed	5
2. Condensed Financial Statements	6
3. The Board of Directors' report.	11
3.1 Comments to the financial results.	11
3.2 Description of the most important events of the 4 th quarter.	12
3.3 Situation in Ukraine.	13
Hryvna devaluation.	13
Raising capital in the foreign markets.	13
Changes in taxation.	13
Risk of military activity.	14
Decline in living standards and changing markets.	14
3.4 Developing of the strategy.	15
3.5 The Board's opinion about the achieved results and the forecasts.	16

1. General information about the Company

1.1 Company details

Company name:	Agroliga Group PLC
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www:	www.agroliga.com.ua

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. It was added to Group in August 2015.

1.3 Management Board

Aleksander Berdnyk - Chairman of the Board of Directors

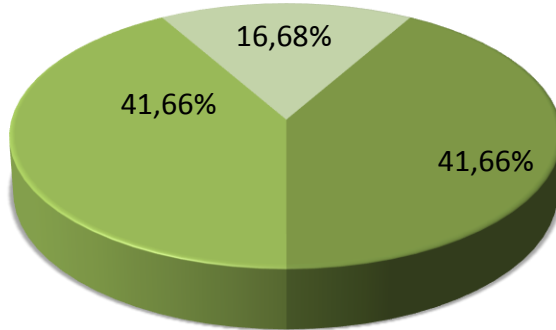
Bizserve Investments Limited – Member of the Board of Directors

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 15/02/2016)

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 239 persons employed by Agroliga group as at 15/02/2016 (FTE, including all the Group's companies)

CATEGORY	2015-08-14
ADMINISTRATION	34
PRODUCTION EMPLOYEES	145
SUPPORT	60
TOTAL	239

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 4Q2015 (period ended 31 December 2015).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 31/12 of 2015 year (with comparative data)

	01/01/2015 31/12/2015	01/01/2014 31/12/2014	01/10/2015 31/12/2015	01/10/2014 31/12/2014
	€000	€000	€000	€000
Continuing operations				
Sales revenue	22 890	16 081	6 944	5 847
Cost of sales	(19 555)	(13 646)	(5 606)	(4 882)
Income (expenses) from change in fair value of biological assets	0	0	0	0
Income from change in fair value of agricultural products	675	1 378	-177	239
Gross profit	4 011	3 813	1 160	1 204
Selling and distribution costs	(261)	(562)	(111)	(337)
Administrative expenses	(841)	(399)	(152)	(171)
Income from government grants	484	473	(123)	(146)
Other operating income/(expenses), net	542	157	628	(17)
Operating profit	3 934	3 483	1 403	533
Non-operational income/(expenses), net	0	0	-	0
Financial income/(expenses), net	(362)	(359)	(129)	(105)
Exchange rate differences, net	(176)	(238)	(25)	(79)
Profit before tax from continuing operations	3 396	2 886	1 248	349
Income tax expense	(3)	(123)	(1)	(123)
Profit for the year from continuing operations	3 393	2 763	1 248	226
			0	0
Profit for the year attributable to				
Equity holders of the parent	3 311	2 726	1 235	232
Non-controlling interest	82	37	13	(6)

Source: Issuer

Table 3

Condensed statement of financial position
as at 31 December 2015 and 31 December 2014 (with comparative data)

	31 December, 2015	31 December, 2014
Assets	€000	€000
Non-current assets		
Property, plant and equipment	3 618	2 683
Non-current biological assets	151	187
Other non-current assets	494	668
Total non-current assets	4 263	3 538
Current assets		
Current biological assets	682	476
Inventories	4 309	4 562
Trade and other receivables	3 494	3 880
Cash and cash equivalent	889	505
Total current assets	9 374	9 423
Total assets	13 637	12 960
Equity and liabilities		
Share capital	51	51
Additional paid-in capital	953	953
Retained earnings	17 638	14 418
Exchange rate effect	-7 157	-5 783
Equity attributable to equity holders of the parent	11 485	9 639
Non-controlling interests	314	230
Total equity	11 799	9 869
Non-current liabilities		
Other non-current liabilities	101	117
Deferred tax liability	72	91
Total non-current liabilities	173	208
Current liabilities		

Trade and other payables	922	1 564
Interest-bearing loans and borrowings	759	1 264
Provisions	-16	55
Total current liabilities	1 665	2 883
Total liabilities	1 839	3 091
Total equity and liabilities	13 637	12 960

Source: Issuer

Table 4

Condensed statement for changes in equity

for the period from 01/01 to 31/12 of 2015 year

	Attributable to equity holders of the Company					Total	
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests		
	€000	€000	€000	€000	€000		
Balance at 31 December 2013 /1 January 2014	51	953	-	598	11 692	193	12 291
Net profit for the period	-	-	-	2 726	37	2 763	
Issue of share capital	-	-	-	-	-	-	
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-	5 185	-	5 185	
Balance at 31 December 2014/1 January 2015	51	953	-	5 783	14 418	230	9 869
Net profit for the period	-	-	-	3 311	82	3 393	
Issue of share capital	-	-	-	-	-	-	
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-1 374	-85	-4	-1 463	
Balance at 31 December 2015	51	953	-7 157	17 644	308	11 799	

Source: Issuer

Table 5
Condensed statement of cash flows
for the period from 01/01 to 31/12 of 2015 year

€ '000	01/01/2015 - 31/12/2015	01/01/2014 - 31/12/2014
Cash flows from operating activities		
Profit before tax	3396	2 886
Adjustments for:		
Depreciation of property, plant and equipment	169	144
Exchange difference arising on the translation of assets on foreign currencies	-1750	-3095
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	0	0
Impairment charge of property, plant and equipment	0	0
Interest income	-5	-5
Interest expense	362	360
Cash flows from operations before working capital changes	2 172	290
Increase in inventories and work in progress	253	983
Increase in trade and other receivables	386	60
Decrease/(increase) in biological assets	-206	321
(Decrease)/increase in trade and other payables	-642	1 094
Cash flows from operations	1 963	2 748
Tax refunded	0	0
Net cash flows from operating activities	1 963	2 748
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	-1 104	-825
Proceeds from disposal of property, plant and equipment	0	0
Loans granted	0	-231
Interest received	2	5
Net cash flows used in investing activities	-1 102	-1 051
Cash flows from financing activities		
Proceeds from issue of share capital	1 736	

Proceeds of borrowings	-1 851	428
Interest paid	-362	-1367
Suspense account (pending correction of Depreciation, Minority interest and share capital)		-360
Net cash flows (used in)/from financing activities	-477	-1299
Net decrease in cash and cash equivalents	384	398
Cash and cash equivalents:		
At beginning of the year/period	505	109
At end of the year/period	889	505

Source: Issuer

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/15-31/12/15. 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.

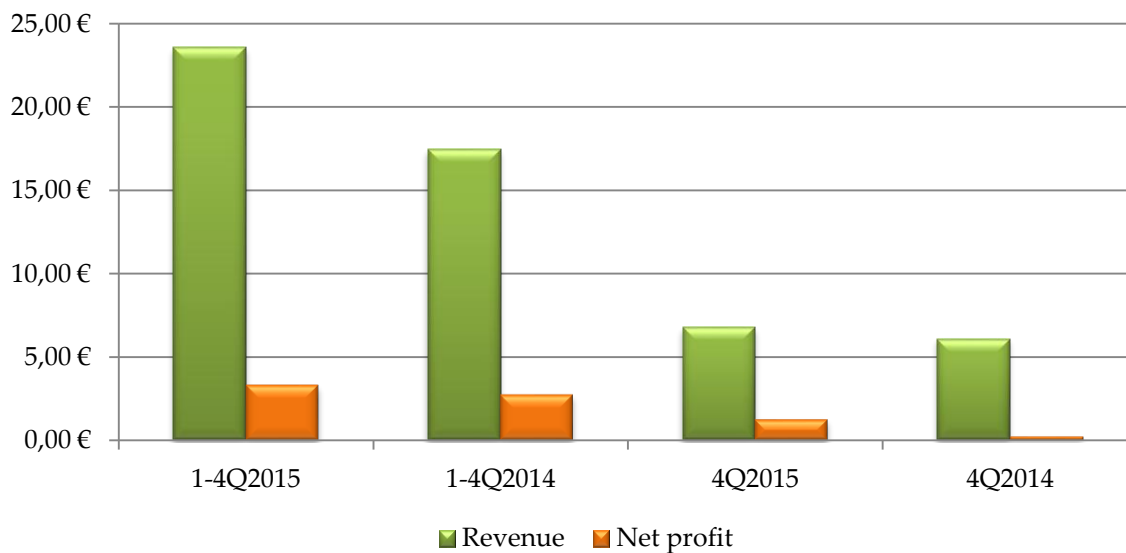
Statements based on annual audited report and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In 4 quarter of 2015 Agroliga noted EUR 6 767 thousand revenues and 1 248 thousand net profit. Compared to the same period of the previous year, revenues increased by EUR 681 thousand and net profit increased by EUR 1 016 thousand.

Chart 4 Selected financial data for the 4th quarter of 2015, together with data for 2014 [EUR M]



Source: Issuer

The Group's revenue in 4th quarter 2015 is about the same as in a previous year, and increasing of the net profit is a result of several export deals finished and currency exchange income calculated.

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

At the end of the year was published letter of the CEO of Agroliga group PLC to workers and shareholders.

Dear friends,

The year 2015 is coming to its completion. It is the time to sum up the results, share positive experience and analyze mistakes. The departing year was not easy for all of us but it opened new possibilities for some people and presented challenges for others.

The weather conditions of the year 2015 turned out to be the most severe for the Ukrainian agricultural business over the past few years. The autumn drought record in its duration led to the reduction of effective moisture in the soil and only due to the prompt decision about changing terms of sowing we managed to avoid its negative influence on the shoots of winter crops.

However the year that is now ending has been successful, full of achievements and bright moments.

To start with, in spite of all whims of nature, I think we got great yield including the cultivation of high oleic sunflower that is a new direction of our business development.

Secondly, we have successfully closed the deal on acquisition of corporate rights for LLC "Maiak", thus expanding the land bank and the geography of production.

The production facilities of the oil mill have been upgraded and the certification audit has been successfully carried out.

We also brought dairy products and bottled sunflower oil under our own brand to the retail market which increased the additional cost of our products and allowed us entering the European markets.

Looking back we can be impressed with the amount of work done and the results achieved.

I highly appreciate the hard work of all our employees and business partners. We were able to achieve these results owing to the joint efforts and commitment.

I would like to express our thanks to the shareholders of AGROLIGA GROUP PLC for your patience and hope for the improvement of the investment climate in Ukraine.

I can assure you, we do not stay still, on the contrary, we make efforts for the dynamic development of our business and demonstrate permanent growth to keep the leading position in the agricultural sector.

I believe this is only the beginning, and we are on the threshold of new discoveries and achievements.

I would like to congratulate you and wish you Merry Christmas and Happy New Year. Let the New Year bring peace, happiness, and prosperity.

Sincerely yours,
Aleksandr Berdnik

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.

Hryvna devaluation.

Despite significant rate shocks caused by political events and significant rising euro rate against hryvna for the last year, National Bank of Ukraine demonstrates the ability of to control the situation.

From 1 January 2015 and up to 31 December 2015, the Ukrainian Hryvnia (the «UAH») depreciated against EURO by approximately 30%. The NBU imposed certain restrictions on purchase of foreign currencies, cross border settlements (including repayment of dividends), and also mandated obligatory conversion of foreign currency proceeds into UAH.

Currently, all the Agroliga's loans are denominated in local currency, while the price of sales of agricultural products mainly tied to the euro or US dollar. Thus devaluation will reduce the finance and other costs in the cost structure.

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%

Risk of military activity.

Anti-terroristic operation in Donetsk and Lugansk regions paused after peace talks in Minsk under the auspices of the Organization for Security and Co-operation in Europe (OSCE), Ukraine, Russia, the DPR, and the LPR agreed to a ceasefire on 15 February.

In any event all the Group's land plots are located in the Kharkiv region, where there are no proposals for any territorial changes, and no military activity was held or planned at this region.

Decline in living standards and changing markets.

The main market for Agroliga's crops is export. Significant changes in the export market does not happen, the denomination of the hryvna will allow to speak of obtaining additional profits from exchange rate differences. Logistically main point of export for the partners of the group now is either Nikolaev or Odessa, both located in southern Ukraine. Changes in quotas or export rules are not announced by the new government.

The main sales market for crude sunflower oil is the East and Centre of Ukraine - confectioneries, manufacturers of mayonnaise, sauces and refined oil. They mainly produce low-end products, the demand for which varies only slightly with the worsening economic situation, so no significant change in the projected volumes and sales prices. Price and volume of oil going for export, similarly projected grain exports.

Milk is supplied to local dairies for processing. No significant change in the projected volumes of its sales estimated. But we should point, that Russia is a target market for large milk exporters, and with their difficulties milk prices going down. But milk revenue is less than 10% of total Group's revenue, and no significant influence connected with it estimated.

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.

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 2015 year.



Aleksandr Berdnyk
Chairman of the Board of Directors