AGROTON PUBLIC LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS
For the year ended 31 December 2020

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AGROTON PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

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

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIAL RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with article 9(3)(c) and (7) of the Transparency Requirements (Securities Listed for Trading on a Regulated Market) Law of 2007 (the "Law"), as amended from time to time, we, the Members of the Board of Directors and the Company official responsible for the preparation of the financial statements of Agroton Public Limited (the "Company") for the year ended 31 December 2020, confirm that to the best of our knowledge:

a) the annual financial statements presented on pages 8 to 11:

i) have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the provisions of article (9), section (4) of the Law, and

ii) give a true and fair view of the assets and liabilities, the financial position and the profits or losses of Agroton Public Limited and of the entities included in the financial statements, as a whole and

b) the Management Report provides a fair review of the developments and performance of the business as well as the position of Agroton Public Limited, as a whole, together with a description of the major risks and uncertainties that they face.

Members of the Board of Directors:

Iurii Zhuravlov
Tamara Lapta
Larysa Orlova
Borys Supikhanov
Volodymyr Kudryavtsev

Company official responsible for the preparation of the financial statements of the Company for the year ended 31 December 2020:

Larysa Orlova: signed

Nicosia, 30 April 2021

MANAGEMENT REPORT

The Board of Directors of Agroton Public Limited (the "Company") presents to the members its Annual Report together with the unaudited financial statements of the Company for the year ended 31 December 2020.

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

Principal activities
The principal activities of the Group which remained the same as in the previous year, are grain and oil crops growing, agricultural products storage and sale, cattle breeding (milk cattle-breeding, poultry farming). The poultry farming business has been temporarily abandoned due to the military clashes and armed conflict in Eastern Ukraine.

Examination of the development, position and performance of the activities of the company

The current financial position as presented in the financial statements is not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 20 of the financial statements.

Political and social events of the beginning of 2014 resulted in the loss of control by Ukraine over the territory of the Crimea and part of the Donetsk and Lugansk regions and triggered an economic crisis causing a fall in the country's gross domestic product (GDP) and foreign trade, deterioration in state finances, depletion of the National Bank of Ukraine's (NBU) 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, NBU 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 large 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.

During 2015 and 2016 the anti-crisis measures undertaken by the Ukrainian government and NBU as well as financing through the extended fund facilities (EFF) agreed with International Monetary Fund (IMF) enabled the country to achieve a certain level of economic and political stability and provided the basis for economic recovery on the territory controlled by Ukraine. In 2016 and 2017 Ukraine's GDP grew by 2.3% and 2.5% respectively. This allowed NBU to ease some foreign exchange restrictions imposed since 2014, including a decrease in the share of the mandatory foreign currency conversion and permission of dividends remittance. However, certain other restrictions were prolonged.

Signs of economic recovery demonstrated in prior year continued in 2018, with inflation reducing to 9.8% from 13.7% in 2017 and GDP showing a gradual growth of 3.4% (2017: 2.5%), level of deposits in the banking sector growing, losses of the corporate and banking sectors decreasing. During 2019 the Ukrainian economy continued its growth with GDP increasing by 3.2% , inflation being 4.1% and Ukrainian Hryvnia appreciating against US Dollar by 14.5% on annual average basis. In view of these developments and in order to support international investments and trade, NBU withdrew all its requiements on mandatory sale of foreign currency proceeds and removed all its restrictions on remittance of dividends.

The presidential and parliamentary elections held in Ukraine in 2019 brought a new team of leaders to power, who declare liberal economic views and recognize the need to continue reforms. Further economic development depends on the successful implementation of planned reforms and cooperation with IMF.

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down both the broader Cyprus and world economies and the operations of the Group. As at the date of release of the consolidated financial statements the Group continues its operating activities without major disruptions: preparations for sowing compaign are performed as planned, new volumes of agroproduce have been contracted with customers. Therefore, unless the situation changes, the Group does not plan any significant adjustments to its annual budgeted numbers for the year ended 31 December 2020.

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

Future developments of the Company
The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future

Branches

During the year ended 31 December 2020 the Company did not operate any branches.

Financial Results

The Company's results for the year are set out on page 8.
The net profit for the period attributable to the owners of the Company amounted to US$395,146 (2019: US$465,049). On 31 December 2020 the total assets of the Company were US$87,463,852 (2019: US$83,966,203) and the net assets of the Company were US$8,590,113 (2019: US$8,194,967).

Dividends

The Board of Directors does not recommend the payment of a dividend.

Share Capital

The Company lost over 50% of its issued share capital during the reporting period. According to the provisions of Section 169F of the Companies Law, Cap. 113, the Board of Directors is expected to convene an extraordinary general meeting in order to consider whether the Company should continue its operations for the achievement of its objectives or take any other measures to the contrary.

Statement on Corporate Governance

The Board of Directors has adopted the Code of Corporate Governance (the "Code") of the Warsaw Stock Exchange ("WSE") which is available in the WSE website.

At present, the Corporate Governance Code is not fully implemented. There are specific provisions of the Code which cannot be adopted since they are either contrary to and/or do not accord with the provisions of the Articles of Association of the Company, or they cannot be adopted due to the recent developments in Eastern Ukraine. The Board of Directors will endeavour to remedy these as soon as practicable.

The Board of Directors ensures through effective internal audit and risk management procedures the collection of the necessary items for the preparation of the periodic reporting required for listed companies.

The Company is governed by the Board of Directors. Companies formed under the Cyprus Companies Law, Cap. 113, do not have supervisory board and management board. Cyprus companies have a Board of Directors, members of which are appointed to fill certain executive and non-executive positions. The management of the business and the conduct of the affairs of the Company are vested in the Board of Directors. The Board of Directors comprises five members, three of which are non-independent and the remaining two are independent. This is in compliance with the provisions of the Articles of Association of the Company, which requires that the Board of Directors comprise by at least two Directors, two of which shall be independent.

Directors are appointed at general meetings. There is no requirement in the Articles of Association for the retirement of Directors by rotation, thus all Directors continue in office, unless they resign or following an ordinary resolution from the Company shareholders.

The Company has an Audit Committee and a Remuneration Committee. Both committees comprise two members, both of which are non-executive. Analysis of their responsibilities is disclosed separately in this report.

No benefits or emoluments were paid to Directors by the Company.

The interest in the Company's share capital held directly or indirectly by each member of the Board of Directors at 31 December 2020 and 31 December 2019 are disclosed below.

The owners holding directly or indirectly more than 5% interest in the Company's share capital at 31 December 2020 and at 31 December 2019 are disclosed below.

There are currently no shares in issue holding special or limited rights.

The Board of Directors can proceed with the issue of shares following an ordinary resolution from the Company owners. For the repurchase of the Company shares a special resolution from the Company's owners is required, in accordance with the provisions of Section 57 of Cyprus Companies Law.

The Report on Corporate Governance has been prepared in accordance with the provisions of the Code and includes the above mentioned explanations, as well as the information required by the relevant Article of the Directive.

Owners holding more than 5% of the Company's share capital

The owners holding directly or indirectly more than 5% interest in the Company's share capital at 31 December 2020 and at 31 December 2019 were as follows:

	31 December 2020	**31 December 2019**
	%	**%**
Iurii Zhuravlov	77.77	77.77
Other	22.23	22.23

Board of Directors

The members of the Company's Board of Directors as at 31 December 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2020.

There is no requirement in the Company's Articles of Association for the retirement of Directors by rotation, thus all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Audit committee and remuneration committee

The Directors are responsible for formulating, reviewing and approving the Company's and its subsidiary companies strategies, budgets, certain items of capital expenditures and senior personnel appointments. Being a company listed on the Warsaw Stock Exchange, the Directors have established audit and remuneration committees to improve corporate governance.

The Audit Committee and Remuneration Committee, were established on 4 May 2010 both of which were in force during the year ended 31 December 2020 and continued in force at the date of this report.

The Audit Committee assists the Company's Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the annual consolidated financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual consolidated financial statements and the half yearly financial statements remains with the Board of Directors. The Audit Committee of the Company, comprising of Mr. Borys Supikhanov and Mr. Volodymyr Kudryavstev and is chaired by Mr. Borys Supikhanov.

The Remuneration Committee assists the Board of Directors in discharging its responsibilities in relation to remuneration, including making recommendations to the Board of Directors and/or the general meeting of the shareholders of the Company on the policy on executive remuneration, determining the individual remuneration and benefits package of each of the Executive Directors and recommending and monitoring the remuneration of senior management below Board level. The Remuneration Committee of the Company, comprising of Mr. Borys Supikhanov and Mr. Volodymyr Kudryavtsev (both Non-Executive Directors), and is chaired by Mr. Borys Supikhanov and sets and review the scale and structure of the Executive Directors' remuneration packages, including share options and the terms of their service contracts.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 25 to the financial statements.

Related party transactions

Disclosed in note 21 of the financial statements.

By order of the Board of Directors,

Larysa Orlova signed
Director

Nicosia, 30 April 2021

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	**2020 US$**	2019 US$
Loan interest income	14	**3,025,472**	3,308,020
Net fair value gains on financial assets at fair value through profit or loss	14	**416,277**	301,452
Coupon Interest		**196,878**	125,058
Interest expense	19	**(3,096,105)**	(3,113,095)
Gross profit		**542,522**	621,435
Administration expenses	8	**(105,484)**	(111,540)
Net impairment profit/(loss) on financial and contract assets		**-**	(790,000)
Operating profit/(loss)		**437,038**	(280,105)
Finance income		**-**	154
Finance costs		**(41,892)**	(20,947)
Net finance expenses	9	**(41,892)**	(20,793)
Profit/(loss) before tax		**395,146**	(300,898)
Tax	10	**-**	(164,151)
Net profit/(loss) for the year		**395,146**	(465,049)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**395,146**	(465,049)

The notes on pages 12 to 30 form an integral part of these financial statements.

UNAUDITED STATEMENT OF FINANCIAL POSITION
31 December 2020

	Note	2020 US$	2019 US$
Assets			
Non-current assets			
Investments in subsidiaries	11	**4,818**	4,818
Loans receivable	12	**3,544,877**	62,690,664
Total non-current assets		**3,549,695**	62,695,482
Current assets			
Receivables	13	**154,576**	152,782
Loans receivable	12	**45,588,365**	1,084,760
Financial assets at fair value through profit or loss	14	**15,195,189**	9,263,435
Cash and cash equivalents	15	**22,976,027**	10,769,744
Total current assets		**83,914,157**	21,270,721
Total assets		**87,463,852**	83,966,203
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**661,128**	661,128
Share premium	16	**88,531,664**	88,531,664
Accumulated losses		**(80,602,679)**	(80,997,825)
Total equity		**8,590,113**	8,194,967
Non-current liabilities			
Borrowings	17	**-**	75,241,008
Total non-current liabilities		**-**	75,241,008
Current liabilities			
Trade and other payables	18	**29,718**	42,470
Borrowings	17	**78,337,113**	-
Current tax liabilities	19	**506,908**	487,758
Total current liabilities		**78,873,739**	530,228
Total liabilities		**78,873,739**	75,771,236
Total equity and liabilities		**87,463,852**	83,966,203

On 30 April 2021 the Board of Directors of Agroton Public Limited authorised these financial statements for issue.

.... Director

.... Director

UNAUDITED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital US$	Share premium US$	Accumula-ted losses US$	Total US$
Balance at 1 January 2019	**661,128**	**88,531,664**	**(80,532,776)**	**8,660,016**
Comprehensive expense				
Net loss for the year	-	-	(465,049)	(465,049)
Balance at 1 January 2020	**661,128**	**88,531,664**	**(80,997,825)**	**8,194,967**
Comprehensive income				
Net profit for the year	-	-	395,146	395,146
Balance at 31 December 2020	**661,128**	**88,531,664**	**(80,602,679)**	**8,590,113**

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

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

UNAUDITED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	Note	**2020 US$**	2019 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**395,146**	(300,898)
Adjustments for:			
Unrealised exchange loss/(profit)		**20,240**	(154)
Fair value gains on financial assets at fair value through profit or loss		**(416,277)**	(301,452)
Impairment charge - loans to related parties	21	**-**	790,000
Interest income	12	**(3,025,472)**	(3,308,020)
Interest expense	17	**3,096,105**	3,096,105
Coupon interest		**(196,878)**	(125,058)
		(127,136)	(149,477)
Changes in working capital:			
Increase in receivables		**(1,794)**	(4,824)
Increase in financial assets at fair value through profit or loss	17	**-**	-
Decrease in trade and other payables		**(13,925)**	(4,396)
Cash used in operations		**(142,855)**	(158,697)
Interest received		**4,299,019**	465,919
Net cash generated from operating activities		**4,156,164**	307,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		**(3,500,000)**	-
Loans repayments received	15	**16,868,635**	2,431,366
Payment for purchase of financial assets at fair value through profit or loss		**(6,030,873)**	(8,827,808)
Proceeds from sale/ redemption of financial assets at fair value through profit or loss		**500,000**	-
Coupon Interest received		**212,274**	132,256
Net cash generated from/(used in) investing activities		**8,050,036**	(6,264,186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings	19	**-**	(7,759,510)
Unrealised exchange loss		**-**	-
Net cash used in financing activities		**-**	(7,759,510)
Net increase/(decrease) in cash and cash equivalents		**12,206,200**	(13,716,474)
Cash and cash equivalents at beginning of the year		**10,769,744**	24,486,187
Effect of exchange rate fluctuations on cash held		**83**	31
Cash and cash equivalents at end of the year	15	**22,976,027**	10,769,744

The notes on pages 12 to 30 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

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

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

2. Basis of preparation

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

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

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

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period ended 31 December 2020 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

Going concern basis

The financial statements are prepared on a going concern basis.

3. Adoption of new or revised standards and interpretations

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

4. Significant accounting policies

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

Subsidiary companies

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

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

4. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance expenses

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

Foreign currency translation

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

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

Tax

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

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

4. Significant accounting policies (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Loan interest income and Coupon Interest. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within Fair value gain/(loss) in financial assets measured at FVPL in the period in which it arises.

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in Fair value gain/(loss) in financial assets measured at FVPL in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade and loans issued, the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

4. Significant accounting policies (continued)

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Financial assets at amortised cost

These amounts generally arise from transactions from the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

The Company has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.At initial recognition, the Company measures a financial liability at its fair value plus transaction costs that are directly attributable to the issuance of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

4. Significant accounting policies (continued)

Share capital

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

5. New accounting pronouncements

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

6. Financial risk management

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

6.1 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(ii) Impairment of financial assets

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

The Company has significant concentration of credit risk in relation to cash and other current investments since nearly all short-term investments and cash balances are held in one financial institution. Management of the Company believes that overall credit risk for these financial instruments is low as this bank institution had Aa2 and A3 credit ratings by Moody's as at 31 December 2020.

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

Bank group based on credit ratings by Moody's	No of banks	**2020** **US$**	2019 US$
Aa2 and A3	2	**22,975,506**	10,767,737
B1	1	**521**	2,007
		22,976,027	10,769,744

6. Financial risk management (continued)

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

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

31 December 2020	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$
Trade and other payables	29,720	29,720	-	29,720	-
Loans from subsidiaries	78,337,113	78,345,572	-	-	78,345,572
	78,366,833	**78,375,292**	**-**	**29,720**	**78,345,572**

31 December 2019	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$
Trade and other payables	1,805	1,805	-	1,805	-
Loans from subsidiaries	75,241,008	78,354,078	-	-	78,354,078
	75,242,813	78,355,883	-	1,805	78,354,078

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

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

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

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

	2020 US$	2019 US$
Fixed rate instruments		
Financial assets	**49,923,242**	64,565,424
Financial liabilities	**(78,337,113)**	(75,241,008)
	(28,413,871)	(10,675,584)

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

6. Financial risk management (continued)

As at 31 December 2020 the Company was not exposed to significant currency risk.

6.4 Fair value estimation

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

	Carrying amounts		Fair values	
	2020	2019	**2020**	2019
	US$	US$	**US$**	US$
Financial assets				
Cash and cash equivalents	**22,976,027**	10,769,744	**22,976,027**	10,769,744
Fair value through profit or loss	**15,195,189**	9,263,435	**15,195,189**	9,263,435
Loans receivables from related parties	**49,133,242**	63,775,424	**47,695,917**	59,976,599
Financial liabilities				
Amortised cost				
Loans from related parties	**(78,337,113)**	(75,241,008)	**(78,328,902)**	(66,410,335)
	8,967,345	8,567,595	**7,538,231**	13,599,443

The fair value of financial instruments traded in active markets, such as publicly traded trading and available-for-sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

6. Financial risk management (continued)

Fair value measurements recognised in statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2020	Designated at fair value US$	At amortised cost US$	Other financial liabilities US$	**Total US$**	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets								
Investments designated at fair falue through profit or loss	15,195,188	-	-	**15,195,188**	15,195,188	-	-	15,195,188
Loans receivables from related parties	-	47,695,917	-	**47,695,917**	-	-	47,695,917	47,695,917
Cash and cash equivalents	-	22,976,027	22,976,027	**22,976,027**	22,976,027	-	-	22,976,027
Total	**15,195,188**	**70,671,944**	**22,976,027**	**85,867,132**	**38,171,215**	**-**	**47,695,917**	**85,867,132**
Financial liabilities								
Loans payable to related parties related parties	-	78,328,902	-	**78,328,902**	-	-	78,328,902	234,986,706
Other payables	-	-	536,629	**536,629**	-	-	536,629	1,609,887
Total	**-**	**78,328,902**	**536,629**	**78,865,531**	**-**	**-**	**78,865,531**	**236,596,593**

6. Financial risk management (continued)

31 December 2019	Designated at fair value US$	At amortised cost US$	Other financial liabilities US$	**Total US$**	Level 1 US$	Level 2 US$	Level 3 US$	**Total US$**
Financial assets								
Investments designated at fair falue through profit or loss	9,263,435	-	-	**9,263,435**	9,263,435	-	-	**9,263,435**
Loans receivables from related parties	-	63,775,424	-	**63,775,424**	-	-	63,775,424	**63,775,424**
Cash and cash equivalents	-	10,769,744	-	**10,769,744**	10,769,744	-	-	**10,769,744**
Total	9,263,435	74,545,168	-	83,808,603	20,033,179	-	63,775,424	83,808,603
Financial liabilities								
Loans payable to related parties related parties	-	75,241,008	-	**75,241,008**	-	-	75,241,008	**75,241,008**
Other payables	-	-	530,230	**530,230**	-	-	530,230	**530,230**
Total	-	75,241,008	530,230	75,771,238	-	-	75,771,238	75,771,238

7. Critical accounting estimates and judgments

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

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

Critical accounting estimates and assumptions

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

- **Income taxes**

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

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

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

- **Impairment of investments in subsidiaries**

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

- **Impairment of loans receivable**

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

7. Critical accounting estimates and judgments (continued)

- **Impairment of financial assets**

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

8. Administration expenses

	2020	2019
	US$	US$
Municipality taxes	**215**	-
Annual levy	**396**	394
Subscriptions and contributions	**-**	3,333
Auditors' remuneration for the statutory audit of annual accounts	**2,700**	40,571
Accounting fees	**11,968**	12,143
Legal fees	**-**	1,013
Legal and professional	**340**	337
Secretarial fees	**1,019**	1,012
Registered office fees	**1,019**	1,012
Fines	**-**	2,187
Irrecoverable VAT	**4,764**	6,044
Professional fees	**16,184**	16,243
Custodian fees	**54,817**	27,251
Brokerage Fees	**12,062**	-
	105,484	111,540

9. Finance income/(costs)

	2020	2019
	US$	US$
Exchange profit	**-**	154
Finance income	**-**	154
Net foreign exchange losses	**(20,659)**	(1,481)
Sundry finance expenses	**(21,233)**	(19,466)
Finance costs	**(41,892)**	(20,947)
Net finance costs	**(41,892)**	(20,793)

10. Tax

	2020	2019
	US$	US$
Corporation tax	**-**	164,151
Charge for the year	**-**	164,151

10. Tax (continued)

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2020	2019
	US$	US$
Profit/(loss) before tax	**489,102**	(300,898)
Tax calculated at the applicable tax rates	**61,138**	(37,612)
Tax effect of expenses not deductible for tax purposes	**-**	125,791
Tax effect of allowances and income not subject to tax	**(61,148)**	61,679
Tax effect of tax loss for the year	**10**	-
10% additional charge	**-**	14,293
Tax charge	**-**	164,151

The corporation tax rate is 12,5%.

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

11. Investments in subsidiaries

	2020	2019
	US$	US$
Balance at 1 January	**4,818**	4,818
Balance at 31 December	**4,818**	4,818

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2020 Holding %	2019 Holding %	**2020 US$**	2019 US$
"Living" LLC	Ukraine	Agricultural activities	99.99	99.99	**4,718**	4,718
Agroton (BVI) Limited	British Virgin Islands	Trading in Agriculture products	100	100	**100**	100
LLC "Gefest"	Ukraine	Owner of land lease rights	-	-	**-**	-
LLC "Lugastan"*1	Ukraine	Owner of land lease rights	30,9	30,9	**-**	-
					4,818	4,818

*1 The Company holds effectively 99.99% holding in LLC Lugastan, through its holding in other subsidiaries.

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

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

12. Loans receivable

	2020	2019
	US$	US$
Balance at 1 January	63,775,424	64,154,688
New loans granted	3,500,000	-
Repayments	(21,167,654)	(2,897,284)
Interest charged	3,025,472	3,308,020
Expected credit loss	-	(790,000)
Balance at 31 December	49,133,242	63,775,424

	2020	2019
	US$	US$
Loans to own subsidiaries (Note 21.1)	49,923,242	64,565,424
Loss allowance on loans receivable	(790,000)	(790,000)
	49,133,242	63,775,424
Less current portion	(45,588,365)	(1,084,760)
Non-current portion	3,544,877	62,690,664

The loans are repayable as follows:

	2020	2019
	US$	US$
Within one year	-	1,084,760
Between one and five years	49,133,242	62,690,664
	49,133,242	63,775,424

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

13. Receivables

	2020	2019
	US$	US$
Other receivables	-	160
Refundable VAT	154,576	152,622
	154,576	152,782

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

14. Financial assets at fair value through profit or loss

	2020	2019
	US$	US$

	2020	2019
	US$	US$

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

	2020 US$	2019 US$
Listed securities		
Bank of Cyprus Holdings Plc	**107,247**	107,247
US Treasury notes	**15,236,417**	8,647,550
Other short term notes	**-**	508,638
	15,343,664	9,263,435
	15,343,664	9,263,435

	2020 US$	2019 US$
Balance at 1 January	**9,263,435**	141,373
Additions	**6,015,477**	8,820,610
Disposals	**(500,000)**	-
Change in fair value	**416,277**	301,452
Balance at 31 December	**15,195,189**	9,263,435

Bank of Cyprus Shares:

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

The Company held 1.591.105 shares with fair value €0,140 cents. In January 2017, the shares in Bank of Cyprus Public Company Limited were exchanged with new shares of Bank of Cyprus Holdings Plc listed in both London Stock Exchange and in Cyprus Stock Exchange with nominal value of €0,10 cents each. As at 31 December 2020 the Company held 79.556 shares in Bank of Cyprus Holdings Plc with fair value €0,733 (2019: €1,20) each.

UBS Switzerland AG and Bank Vontobel AG:

In 2019 the Company acquired US Treasury bonds and other short-term investment held in both UBS Switzerland AG and Bank Vontobel AG for a total consideration of US$8.827.808. All instruments are publicly traded, recognizing a fair value gain of US$451.967 (2019:US$335.578) as presented on the Statement of Profit or loss.

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

15. Cash and cash equivalents

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

	2020 US$	2019 US$
Cash at bank	**22,976,027**	10,769,744
	22,976,027	10,769,744

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

16. Share capital and share premium

	Number of shares	Share capital US$	Share premium US$	Total US$
Issued and fully paid	**21,670,000**	**661,128**	**88,531,664**	**89,192,792**
Balance at 31 December 2018/2019	**21,670,000**	**661,128**	**88,531,664**	**89,192,792**

The Company lost over 50% of its issued share capital during the reporting period. According to the provisions of Section 169F of the Companies Law, Cap. 113, the Board of Directors is expected to convene an extraordinary general meeting in order to consider whether the Company should continue its operations for the achievement of its objectives or take any other measures to the contrary.

Listing of the Company to the Warsaw Stock Exchange

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

17. Borrowings

	2020 US$	2019 US$
Balance at 1 January	**75,241,008**	79,904,412
Repayments	**-**	(7,759,510)
Interest payable	**3,096,105**	3,096,106
Balance at 31 December	**78,337,113**	75,241,008

	2020 US$	2019 US$
Current borrowings		
Loans from subsidiaries (Note 21.2)	**78,337,113**	-
Non-current borrowings		
Loans from subsidiaries (Note 21.2)	**-**	75,241,008
Total	**78,337,113**	75,241,008

Notes

On 14 July 2011, the Company issued US$50.000.000 12,50% Notes due on 14 July 2014. The Notes had been admitted to the official list of the UK Listing authority and to the London Stock Exchange Plc and were traded on the London Stock Exchange's regulated market.

On the 14 of January 2019 the outstanding principal amount of the Notes issued, as well as the accrued interest was fully settled.

17. Borrowings (continued)

Maturity of borrowings:

	2020	2019
	US$	US$
Within one year	**78,337,113**	-
Between one and five years	**-**	75,241,008
	78,337,113	75,241,008

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

18. Trade and other payables

	2020	2019
	US$	US$
Accruals	**24,722**	40,665
Other creditors	**4,996**	1,805
	29,718	42,470

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

19. Current tax liabilities

	2020	2019
	US$	US$
Corporation tax	**403,859**	375,547
Special contribution for defence	**103,049**	112,211
	506,908	487,758

The above amounts are payable within one year.

20. Operating Environment of the Company

Cyprus economic environment

The Cyprus economy has been adversely affected during the last few years by the economic crisis. The negative effects have to some extent been resolved, following the negotiations and the relevant agreements reached with the European Commission, the European Central Bank and the International Monetary Fund (IMF) for financial assistance which was dependent on the formulation and the successful implementation of an Economic Adjustment Program. The agreements also resulted in the restructuring of the two largest (systemic) banks in Cyprus through a "bail in".

The Cyprus Government has successfully completed earlier than anticipated the Economic Adjustments Program and exited the IMF program on 7 March 2016, after having recovered in the international markets and having only used €7,25 of the total €10 billion earmarked in the financial bailout. Under the new Euro area rules, Cyprus will continue to be under surveillance by its lenders with bi-annual postprogramme visits until it repays 75% of the economic assistance it received.

Although there are signs of improvement, especially in the macroeconomic environment of the country's economy, significant challenges remain that could affect the estimates of the Company's cash flows and its assessment of impairment of financial and non-financial assets.

20. Operating Environment of the Company (continued)

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

Ukrainian economic and political environment

The political and economic situation in Ukraine has been subject to significant turbulence in recent years. Consequently, operations in the country involve risks that do not typically exist in other markets.

An armed conflict in certain parts of Lugansk and Donetsk regions, which started in spring 2014, has not been resolved and 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. Various events 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.

After economic crisis in 2014-2015, the Ukrainian economy recovered considerably in the last couple of years, with a slowed down inflation, stable Hryvnia exchange rate, growing GDP and general revival in business activity.

In 2019, a new law on currency and currency transactions came into force. The new law abolished a number of restrictions, defined new principles of currency operations, currency regulation and supervision, and resulted in significant liberalisation of foreign currency transactions and capital movements. In particular, the requirement of mandatory sale of foreign currency proceeds on the interbank market was cancelled, while the settlement period for export-import transactions in foreign currency was increased considerably. Also, all restrictions on payment of dividends abroad were lifted.

The International Monetary Fund (the "IMF") continued to support the Ukrainian government under the fourteen-month Stand-By Arrangement approved in December 2018. Other international financial institutions have also provided significant technical support in recent years to help Ukraine restructure its external debt and launch various reforms, including anticorruption, corporate law, land reform and gradual liberalization of the energy sector.

In 2019, following the presidential and parliamentary elections a new government was formed which aims to continue reforming the Ukrainian economy, stimulate economic growth and fight corruption.

In September 2019, S&P and Fitch upgraded Ukraine's credit rating to B, with a stable outlook, and B, with a positive outlook, respectively, reflecting improved access to fiscal and external financing, macroeconomic stability and declining public indebtedness. Further stabilisation of economic and political environment depends, to a larger extent, on the continued implementation of structural reforms, cooperation with the IMF and refinancing of public debt falling due in the next years.

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

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

21. Related party transactions

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

The transactions and balances with related parties are as follows:

21.1 Loans to own subsidiaries (Note 12)

	2020	2019
	US$	US$
PE Agricultural Production Firm Agro	**49,810,445**	64,565,424
	49,810,445	64,565,424

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

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

21.2 Loans from own subsidiaries (Note 17)

	2020	2019
	US$	US$
Agroton BVI Limited	**78,337,113**	75,241,008
	78,337,113	75,241,008

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

22. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020.

23. Events after the reporting period

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down both the broader Cyprus and world economies and the operations of the Group. As at the date of release of the financial statements the Company continues its operating activities without major disruptions. Therefore, unless the situation changes, the Company does not plan any significant adjustments to its annual budgeted numbers for the year ended 31 December 2020.

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