



March 29, 2018

AVANGARDCO INVESTMENTS PUBLIC LIMITED

FINANCIAL RESULTS FOR Q4 AND THE YEAR ENDED 31 DECEMBER 2017

Kyiv, Ukraine – AVANGARDCO INVESTMENTS PUBLIC LIMITED (LSE: AVGR) (the “Company” or “AVANGARDCO IPL”), the largest producer of shell eggs and dry egg products in Ukraine and Europe, today announces its consolidated audited IFRS financial results for the fourth quarter and year ended 31 December 2017.

Q4 2017 Financial Highlights*

- Consolidated revenue amounted to US\$43.7 mln, a decrease of 45% YoY (Q4 2016: US\$79.6 mln).
- Gross profit amounted to US\$11.7 mln, up by 18% YoY (Q4 2016: US\$9.9 mln).
- Operating profit amounted to US\$20.8 mln, an increase of 177% YoY (Q4 2016: US\$7.5 mln).
- EBITDA was up by 108% to US\$23.6 mln, with EBITDA margin of 54% (Q4 2016: EBITDA of US\$11.3 mln, with EBITDA margin of 14%).
- Net profit was US\$13.1 mln (Q4 2016: net loss of US\$17.8 mln).

2017 Financial Highlights*

- Consolidated revenue amounted to US\$127.9 mln, a decrease of 33% YoY (2016: US\$191.3 mln).
- Export revenue from sales of shell eggs and dry egg products amounted to US\$36.7 mln, or 29% of the Company’s consolidated revenue (2016: US\$66.7 mln, or 35% of the Company’s consolidated revenue).
- Gross loss amounted to US\$10.1 mln (2016: gross profit of US\$13.2 mln).
- Operating loss reduced to US\$3.8 mln (2016: operating loss of US\$14.9 mln).
- EBITDA increased to US\$11.8 mln, with EBITDA margin of 9% (2016: EBITDA of US\$1.5 mln, with EBITDA margin of 1%).
- Net loss narrowed eightfold to US\$7.5 mln (2016: net loss of US\$56.6 mln).

**Financials include operations with grain, purchased from an affiliated party. Of note, there was no grain trading activity in Q4 2017. Detailed information on this is available in the Financial results overview section.*

2017 Operational Highlights

- Production of shell eggs totalled 2,399 mln units, a decline of 4% YoY (2016: 2,496 mln units).
- Sales of shell eggs amounted to 1,869 mln units, up by 23% YoY (2016: 1,515 mln units).
- Export of shell eggs amounted to 558 mln units, up by 121% YoY (2016: 252 mln units).
- The average sales price of shell eggs was UAH1.17 per unit, excluding VAT, down by 13% YoY (2016: UAH1.35 per unit, excluding VAT).
- The average sales price of shell eggs in US dollar terms was US\$0.044 per unit, excluding VAT, down by 17% YoY (2016: US\$0.053 per unit, excluding VAT).
- The production of dry egg products amounted to 6,368 tonnes, a decline of 48% YoY (2016: 12,219 tonnes).
- Sales of dry egg products totalled 3,264 tonnes, down by 64% YoY (2016: 9,028 tonnes).
- Exports of dry egg products amounted to 2,561 tonnes, a decline of 69% YoY (2016: 8,249 tonnes).
- The average sales price of dry egg products was US\$4.30/kg, down by 23% YoY (2016: US\$5.57/kg).
- As at 31 December 2017, the total poultry flock amounted to 9.5 mln hens, down by 30% YoY (31 December 2016: 13.6 mln hens).
- As at 31 December 2017, the number of laying hens amounted to 9.3 mln hens, down by 10% YoY (31 December 2016: 10.3 mln hens).

Post-period highlights:

- January 2018, AVANGARDCO launched “Kvochka XL”, its new range of packaged shell eggs in the premium category.
- February 2018, the Avis poultry complex received approval to export class (grade) A eggs to the EU effective from February 28, 2018.

Important events:

Eurobonds: AVANGARDCO IPL continues to be in discussions with various creditor groups. As part of these discussions, the Company has begun working with an ad hoc committee of bondholders and its advisors on the proposal of the restructuring of its US\$200,000,000 10.0% Notes due in 2018 (ISIN: XS0553088708). The Company expects that any restructuring of the Company's debt including the Notes will include a request to restructure the interest payment due under the Notes on 2 May and 30 October 2017. Further updates will be made as the restructuring develops and will be available at: <http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/US05349V2097USUSDIOBE.html?lang=en>

Nataliya Vasylyuk, Chief Executive Officer of AVANGARDCO IPL, commented:

“Whilst we saw some improvement in AVANGARDCO’s performance towards the end of 2017, the Company continued to operate under challenging conditions in both our domestic and exports markets. This was particularly the case during the first nine months of the year when we had to sell our shell eggs at below-cost prices as we were suffering from the consequences of the import trade ban on Ukrainian poultry products from several countries, following the avian influenza outbreak in Ukraine in Q1. Our sales of dry egg products were further negatively impacted by slower than expected return to our traditional exports markets alongside strong competition from US-based companies in the EU and Far East markets; two of our key export markets.

In spite of this, we saw some significant improvements in AVANGARDCO’s profitability towards the end of the year driven by the domestic seasonal price increase for shell eggs, as well as their growing sales in both Ukraine and to our export markets. This was also partially reflected in a smaller loss for the year which reduced eightfold compared to 2016.

In 2018, we will continue to focus on improving the Company’s operational profitability whilst growing both our exports and domestic sales as consumer demand is expected to gradually recover in Ukraine. 2018 is a crucial year for us as we continue to work towards a resolution around restructuring negotiations with our creditors, which we hope will be mutually beneficial.”

Outlook:

Ukraine’s economy continues to gradually recover from the 2014-2015 recession. Overall consumer demand is gradually restoring amid this economic stabilisation, whilst the demand for shell eggs in particular has remained weak.

Going forward, AVANGARDCO anticipates that the market environment will remain challenging in 2018, but believes that the domestic demand contraction may have passed its lowest point and there will be no further sharp price fluctuations.

Taking into account the current situation in Ukraine and globally, in 2018 AVANGARDCO expects:

- The laying flock will remain at approximately the same level; however, the Company expects a slight increase in shell egg output which will be driven by increased productivity of laying hens;
- A moderate increase in sales of shell eggs, dependent on the gradual recovery of consumer demand in Ukraine and further export diversification, including into the EU market;
- Continued increase in sales through retail channels with a focus on sales of Kvochka value-added products driven by targeted marketing campaigns; and
- Moderate growth in sales of dry egg products subject to the recovery in exports to the Company’s traditional markets in MENA, Asia and the Far East. Further sales expansion to the EU.

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The management team will not hold an investor and analyst conference call for this set of results due to the ongoing discussions with the ad hoc committee of bondholders.

The press release, presentation and financial statements for the year ended 31 December 2017 will be available on the Company's website at: <http://avangardco.ua/en/investor-relations/data-book/annual-reports/annual-reports/>

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Financial results overview:

	Units	Q4 2017*	Q4 2016*	Change	2017	2016	Change
Consolidated Revenue	US\$ '000	43,684	79,629	(45%)	127,887	191,304	(33%)
Gross Profit/(Loss)	US\$ '000	11,704	9,906	18%	(10,137)	13,197	-
Gross Profit Margin	%	27%	12%	15 p.p.	-	7%	-
Operating Profit/(Loss)	US\$ '000	20,787	7,505	177%	(3,792)	(14,880)	-
Operating Profit Margin	%	48%	9%	39 p.p.	-	-	-
EBITDA	US\$ '000	23,573	11,307	108%	11,757	1,486	691%
EBITDA Margin	%	54%	14%	40 p.p.	9%	1%	8 p.p.
Net Profit/(Loss)	US\$ '000	13,082	(17,803)	-	(7,469)	(56,636)	-
Net Profit Margin	%	30%	-	-	-	-	-

*recalculated at the average UAH/USD exchange rate for the fourth quarter of 2016 and 2017

In 2016 and 2017, the Company conducted operations on trading grain purchased from an affiliate of Ukrlandfarming PLC at market rates. This was reflected in the 'Other activities' segment. Since these operations are of a technical nature and have a minimum margin, they do not affect AVANGARDCO's operational and net profit.

Q4 2017:

	Units	Consolidated financials excluding grain trading in Q4 2017*	Grain trading in Q4 2016	Consolidated financials excluding grain trading in Q4 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	43,684	34,667	44,962	(3%)
Cost of sales	US\$ '000	34,462	32,187	39,213	(12%)
Gross Profit/(Loss)	US\$ '000	11,704	2,480	7,426	58%
Gross Profit Margin	%	27%	7%	17%	10 p.p.
Distribution expenses	US\$ '000	2,298	2,437	1,354	70%
Operating Profit/(Loss)	US\$ '000	20,787	43	7,461	179%
Operating Profit Margin	%	48%	0.1%	17%	31 p.p.
EBITDA	US\$ '000	23,573	-	11,264	109%
EBITDA Margin	%	54%	-	25%	29 p.p.
Net Profit/(Loss)	US\$ '000	13,082	-	(17,846)	-

Net Profit Margin	%	30%	-	-	-
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*The Company did not conduct any operations on trading grain in Q4 2017.

2017:

	Units	Grain trading in 2017	Consolidated financials excluding grain trading in 2017	Grain trading in 2016	Consolidated financials excluding grain trading in 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	9,772	118,115	50,168	141,136	(16%)
Cost of sales	US\$ '000	9,626	125,291	47,847	128,028	(2%)
Gross Profit/(Loss)	US\$ '000	147	(10,284)	2,321	10,876	-
Gross Profit Margin	%	2%	-	5%	8%	-
Distribution expenses	US\$ '000	381	7,365	2,470	6,088	21%
Operating Loss	US\$ '000	(234)	(3,558)	(149)	(14,731)	-
EBITDA	US\$ '000	-	11,991	-	1,635	633%
EBITDA Margin	%	-	10%	-	1%	9 p.p.
Net Loss	US\$ '000	-	(7,234)	-	(56,487)	-

Q4 2017:

The exchange rates used for the preparation of consolidated financial statements:

Currency	31 Decemeber 2017	Weighted average for Q4 ended 31 Decemeber 2017	31 Decemeber 2016	Weighted average for Q4 ended 31 Decemeber 2016
US dollar to Ukrainian Hryvnia	28.067	26.962	27.191	25.890

In Q4 2017, the Company's consolidated revenue decreased by 3% YoY to US\$43.7 mln (Q4 2016: revenue, excluding grain trading operations, of US\$45.0 mln). This was largely due to the 63% YoY decline in sales of dry egg products amid the 31% YoY decrease in their average sales price in US dollar terms. However, the decline in revenue was largely offset by the 27% YoY increase in shell egg sales and an increase in their average sales price in both the Ukrainian Hryvnia and US dollar by 9% YoY and 5% YoY respectively.

The gross profit was up by 58% YoY and amounted to US\$11.7 mln (Q4 2016: gross profit, excluding grain trading operations, of US\$7.4 mln) as a result of the increased sales and improved sales margin in the Shell Egg Segment.

In Q4 2017, the profit from operating activities increased by 179% YoY to US\$20.8 mln (Q4 2016: operating profit, excluding grain trading operations, of US\$7.5 mln). In the reporting period, the Company received additional income from government grants and incentives amounting to US\$11.8 mln which had a positive impact on the Company's financial results.

EBITDA grew 109% YoY and amounted to US\$23.6 mln, with EBITDA margin of 54% (Q4 2016: EBITDA, excluding grain trading operations, of US\$11.3 mln, EBITDA margin of 25%).

In Q4 2017, the Company's net profit surged to US\$13.1 mln (Q4 2016: net loss, excluding grain trading operations, of US\$17.8 mln).

2017:

The exchange rates used for the preparation of consolidated financial statements:

Currency	31 December 2017	Weighted average for the year ended 31 December 2017	31 December 2016	Weighted average for the year ended 31 December 2016
US dollar to Ukrainian Hryvnia	28.067	26.595	27.191	25.546

In 2017, the Company's consolidated revenue, excluding grain trading operations, decreased by 16% YoY to US\$118.1 mln (2016: revenue, excluding grain trading operations, of US\$141.1 mln). The revenue decline was partially offset by a 23% YoY increase in sales of shell eggs. Despite this, the following factors negatively impacted the Company's revenues:

- The 64% YoY decline in sales of dry egg products amid the 23% YoY decrease in their average sales price in US dollar terms;
- The 13% YoY decline in the average sales price of shell eggs in the Ukrainian Hryvnia. In US dollar terms, their average sales price fell 17% YoY to US\$0.044 per egg (2016: US\$0.053 per egg);
- The decline in the share of export revenue; and
- The ongoing devaluation of the Ukrainian Hryvnia against the US dollar.

In 2017, the Company's export revenues from the sales of shell eggs and dry egg products decreased by 45% YoY to US\$36.7 mln (2016: US\$66.7 mln). This was a result of the decline in export sales of dry egg products by 69% YoY and the lower export price of shell eggs and egg products. The share of export revenue in the consolidated revenue was 29% (2016: 35%).

In 2017, the cost of sales, excluding grain trading operations, fell by 2% YoY to US\$125.3 mln (2016: cost of sales, excluding grain trading operations, of US\$128.0 mln) due to the devaluation of the Ukrainian Hryvnia against the US Dollar and the Company's strong focus on cost management. The cost of sales of shell eggs and egg products respectively fell by 4% YoY and 5% YoY per unit of sold product recalculated in US dollars.

The gross loss, excluding grain trading operations, amounted to US\$10.3 mln (2016: gross profit, excluding grain trading operations, of US\$10.9 mln) as a result of negative margins in the key Shell Egg and Dry Egg Product segments.

In 2017, the loss from operating activities, excluding grain trading operations, decreased to US\$3.6 mln (2016: operating loss, excluding grain trading operations, of US\$14.7 mln). In the reporting period the Company received additional income from government grants and incentives amounting to US\$19.2 mln, which had a positive impact on the Company's financial results.

EBITDA, excluding grain trading operations, rose to US\$12.0 mln (2016: EBITDA, excluding grain trading operations, of US\$1.6 mln) due to the additional income received from government grants and incentives amounting to US\$19.2 mln and bad debt recovered of US\$4.5 mln.

In 2017, the Company's net loss, excluding grain trading operations, reduced to US\$7.2 mln (2016: net loss, excluding grain trading operations, of US\$56.5 mln). This was partially due to forex gains of US\$24.7 mln largely from the retranslation of long-term bond liabilities.

Cash flow and debt structure:

As at 31 December 2017, net cash generated from operating activities amounted to US\$4.4 mln (31 December 2016: net cash outflow from operating activities of US\$3.3 mln) and was attributed to the cash inflow from working capital due to the decrease in prepayments and other current assets, decrease in inventories and the increase in other accounts payable.

Net cash outflow from investing activities amounted to US\$0.6 mln (31 December 2016: net cash outflow from investing activities amounted to US\$9.4 mln).

In the reporting period, there was no cash used/generated from financing activities (31 December 2016: net cash used in financing activities amounted to US\$7.0 mln).

As at 31 December 2017, net cash inflow amounted to US\$3.8 mln (31 December 2016: net cash outflow of US\$19.6 mln) due to the inflow of funds from operating activities, a substantial decrease in maintenance capex and the absence of financing activities in the reporting period.

Cash and cash equivalents amounted to US\$18.2 mln (31 December 2016: US\$12.6 mln).

As at 31 December 2017, the Company's total debt amounted to US\$366.0 mln (31 December 2016: US\$344.1 mln). Net debt was US\$347.8 mln (31 December 2016: US\$331.5 mln).

The Company's Eurobond issue, which has a maturity date of 29 October 2018, amounted to 63% of the Company's total debt.

Segment review

Poultry flock management:

	Units	As at 31.12.2017	As at 31.12.2016	Change
Total Poultry Flock	Heads (mln)	9.5	13.6	(30%)
Laying Hens	Heads (mln)	9.3	10.3	(10%)

As at 31 December 2017, the total poultry flock decreased by 30% YoY to 9.5 mln heads (31 December 2016: 13.6 mln heads). The decline in the poultry flock numbers at the year-end was due to the replenishment of the laying flock and a gradual introduction of a new breed of laying hens. As at 31 December 2017, the number of laying hens decreased to 9.3 mln heads (31 December 2016: 10.3 mln laying hens).

Shell Eggs Segment:

	Units	Q4 2017	Q4 2016	Change	2017	2016	Change
Total Production	Units (mln)	706	601	17%	2,399	2,496	(4%)
Processing	Units (mln)	166	307	(46%)	542	1,039	(48%)
Sales	Units (mln)	538	422	27%	1,869	1,515	23%
Export	Units (mln)	217	63	244%	558	252	121%
Average Sales Price	UAH (excl. VAT)	1.69	1.55	9%	1.17	1.35	(13%)
Average Sales Price	US\$ (excl. VAT)	0.063	0.060	5%	0.044	0.053	(17%)

In Q4 2017, the production volume of shell eggs rose by 17% YoY to 706 mln units (Q4 2016: 601 mln units) due to the replenishment of the laying flock, which resulted in its greater productivity in Q3 and Q4 2017. In 2017, the production volume of shell eggs decreased by 4% YoY to 2,399 mln units (2016: 2,496 mln units) due to the replenishment of the laying flock, which in H1 2017 had not yet reached its peak productivity.

In Q4 2017, the volume of shell eggs for processing was reduced by 46% YoY to 166 mln units (Q4 2016: 307 mln units) whilst in 2017 by 48% YoY to 542 mln units (2016: 1,039 mln units) in order to avoid a further build-up of inventories of dry egg products.

In Q4 2017, sales of shell eggs rose by 27% YoY to 538 mln units (Q4 2016: 422 mln units) whilst in 2017 increased by 23% YoY to 1,869 mln units (2016: 1,515 mln units). This was due to a combination of factors, such as increased exports and a successful marketing effort to grow retail sales including sales of the "Kvochka" branded packaged eggs (up by 53% YoY).

In Q4 2017, exports of shell eggs grew more than threefold YoY to 217 mln units (Q4 2016: 63 mln units) whilst in 2017 rose by 121% YoY to 558 mln units (2016: 252 mln units) due to the greater diversification and increased sales to all export markets.

In the reporting period, the share of export sales grew to 30% (2016: 17%), with the Company exporting shell eggs to 20 countries in the MENA region, Sub-Saharan Africa, Asia and the CIS. In 2017, the Company also started exporting its shell eggs to the Republic of the Maldives, the Central African Republic and the Federal Republic of Somalia.

In addition to export sales, the Company sold shell eggs through domestic retail and to wholesale distributors. The share of retail sales was 54% of total sales (2016: 60%), whilst the share of sales to the lower margin wholesale channel reduced to 16% (2016: 23%).

In Q4 2017, the average sales price of shell eggs grew by 9% YoY to UAH1.69 per unit, excluding VAT (Q4 2016: UAH1.55 per unit, excluding VAT) due to the increased exports of shell eggs and seasonally low supply. In 2017, the average sales price of shell eggs fell by 13% YoY to UAH1.17 per unit, excluding VAT (2016: UAH1.35 per unit, excluding VAT), due to an unfavourable market environment in Ukraine in H1 2017 and the decreased export price, resulting from the temporary import trade ban following avian influenza in Ukraine.

In 2017, the segment's revenue rose by 3% YoY to US\$82.1 mln (2016: US\$79.8 mln) as a result of increased sales in domestic and export markets. The segment's profit was US\$7.0 mln (2016: net loss of US\$12.2 mln) due to the additional income from government grants and incentives of US\$19.2 mln, which was allocated to this Segment.

Dry Egg Product Segment:

	Units	Q4 2017	Q4 2016	Change	2017	2016	Change
Dry egg products production	Tonnes	1,953	3,607	(46%)	6,368	12,219	(48%)
Sales volume	Tonnes	1,054	2,859	(63%)	3,264	9,028	(64%)
Export	Tonnes	798	2,679	(70%)	2,561	8,249	(69%)
Average Sales Price	US\$/Kg	3.68	5.36	(31%)	4.30	5.57	(23%)

In 2017, in order to avoid a further build-up of inventories, the Company decreased the output of dry egg products by 48% YoY to 6,368 tonnes (2016: 12,219 tonnes). In Q4 2017, the output of dry egg products decreased by 46% YoY to 1,953 tonnes (Q4 2016: 3,607 tonnes) due to the availability of unsold inventories of dry egg products and a recovery in sales of shell eggs in Q4 2017, which meant there was no need to process shell eggs in order to avoid their spoilage.

In Q4 2017, sales of dry egg products decreased by 63% YoY to 1,054 tonnes (Q4 2016: 2,859 tonnes) and in 2017 by 64% YoY to 3,264 tonnes (2016: 9,028 tonnes). This was mainly as a result of lower export sales.

In Q4 2017, the export of dry egg products fell by 70% YoY to 798 tonnes (Q4 2016: 2,679 tonnes). In 2017, the export of dry egg products declined by 69% YoY to 2,561 tonnes and amounted to 78% of the total sales (2016: 8,249 tonnes or 91% of the total sales). The decline in the export of dry egg products was due to a number of factors, including:

- Lack of sales to Denmark in Q2 and Q3 2017 due to the fact that mutually beneficial sales terms could not be agreed at that time. However, in Q4 2017, the Company restored its sales to this country;
- A decline in sales to the MENA countries, as a consequence of the import trade ban. It will take some time for the Company to reclaim its position in the region; and
- Strong competition from the US competitors in the EU and Far East markets, which are the Company's key exports markets.

In the reporting period, the Company sold dry egg products to 22 countries in the EU, Asia, the Far East, the Middle East and North Africa and the CIS. The Company continued to grow sales of its dry egg products to the EU, selling to Denmark, Italy and Hungary.

In Q4 2017, the average sales price of dry egg products decreased by 31% YoY to US\$3.68/kg (Q4 2016: US\$5.36/kg) as a result of the greater share of lower margin domestic sales and a lower export price. In 2017, the average sales price of dry egg products decreased by 23% YoY to US\$4.30/kg (2016: US\$5.57/kg) due to the reduction in the share of export sales, and the fact that, import restrictions and stronger competition in the Company's export markets forced it to sell its dry egg products at lower prices.

In 2017, the segment's revenue was down by 72% YoY to US\$14.0 mln (2016: US\$50.3 mln) due to the decreased sales of dry egg products and their lower sales price. The segment's profit was US\$0.9 mln (2016: net loss of US\$3.4 mln) and was attributed to a decline in provisions for trade accounts receivable and a decrease in forex losses.

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Information for editors

AVANGARDCO IPL is one of the largest agro-industrial companies in Ukraine, specialising in the production of shell eggs and dry egg products. As at 31 December 2017, the Company holds a 29% share of the industrial shell egg market and a 63% share of the dry egg product market in Ukraine. The Company's laying hens flock is one of the largest in Europe.

AVANGARDCO IPL has a vertically integrated production cycle. The Company's facilities are located in 14 regions of Ukraine and the Autonomous Republic of Crimea. The Company has 19 laying farms, 3 hatcheries, 10 rearing farms, 6 feed mills, 3 long-term storage facilities and the Imperovo Foods egg processing plant, which is one of the most technologically-advanced facilities for processing eggs in Europe.

The Company exports its products to the Middle East, Africa, Asia, the Far East, the CIS and the EU.

The Company's shares, in the form of Global Depositary Receipts, have been trading on the London Stock Exchange since May 2010. The Eurobond issue for approximately US\$200 mln with a maturity on 29 October 2018 was included in the official list of the UK Listing Authority (UKLA) and admitted to trading on a regulated market of the London Stock Exchange on 1 November 2010.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of AVANGARDCO IPL. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might", the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in the Company's geographical locations, rapid technological and market changes in our industry, as well as many other risks specifically related to AVANGARDCO IPL and its operations.

Consolidated statement of financial position
AS AT 31 DECEMBER 2017
(in USD thousand, unless otherwise stated)

	31 December 2017	31 December 2016
ASSETS		
Property, plant and equipment	334,640	357,821
Non-current biological assets	3,732	14,273
Deferred tax assets	8,662	5,663
Held to maturity investments	2,840	5,700
Other non-current assets	5	5
Non-current assets	349,879	383,462
Inventories	56,301	62,144
Current biological assets	16,160	7,755
Trade accounts receivable, net	45,376	40,628
Prepaid income tax	35	41
Prepayments and other current assets, net	8,939	14,412
Taxes recoverable and prepaid	17,849	8,479
Cash and cash equivalents	18,242	12,570
Current assets	162,902	146,029
TOTAL ASSETS	512,781	529,491
EQUITY		
Share capital	836	836
Share premium	201,164	201,164
Reserve capital	115,858	115,858
Retained earnings	857,723	864,457
Effect of translation into presentation currency	(1,099,825)	(1,053,923)
Equity attributable to owners of the Company	75,756	128,392
Non-controlling interests	8,765	10,418
TOTAL EQUITY	84,521	138,810
LIABILITIES		
Long-term bond liabilities	-	219,014
Long-term loans	42,750	93,924
Deferred tax liabilities	308	351
Deferred income	1,002	1,123
Dividends payable	29,542	29,542
Long-term finance lease	-	3
Non-current liabilities	73 602	343,957
Short-term bond liabilities	231,612	-
Current portion of non-current liabilities	91,760	31,224
Trade payables	2,298	3,062
Other accounts payable	28,988	12,438
Current liabilities	354,658	46,724
TOTAL LIABILITIES	428,260	390,681
TOTAL EQUITY AND LIABILITIES	512,781	529,491

Consolidated statement of profit and loss and other comprehensive income
FOR THE YEAR ENDED 31 DECEMBER 2017
(in USD thousand, unless otherwise stated)

	for the year ended	
	31 December 2017	31 December 2016
Revenue	127,887	191,304
Loss from revaluation of biological assets at fair value	(3,108)	(2,232)
Cost of sales	(134,916)	(175,875)
GROSS (LOSS)/PROFIT	(10,137)	13,197
General administrative expenses	(8,955)	(7,886)
Distribution expenses	(7,746)	(8,558)
Income from government grants and incentives	19,242	98
Income from special VAT treatment	-	5,376
Other operating income/(expenses)	3,804	(17,107)
LOSS FROM OPERATING ACTIVITIES	(3,792)	(14,880)
Finance income	1,982	2,825
Finance costs	(33,699)	(31,280)
Losses on exchange	24,729	(16,622)
NET FINANCE COSTS	(6,988)	(45,077)
LOSS BEFORE TAX	(10,780)	(59,957)
Income tax credit	3,311	3,321
LOSS FOR THE YEAR	(7,469)	(56,636)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Effect from translation into presentation currency	(46,820)	(39,609)
TOTAL COMPREHENSIVE INCOME	(54,289)	(96,245)
LOSS ATTRIBUTABLE TO:		
Owners of the Company	(6,734)	(56,978)
Non-controlling interests	(735)	342
	(7,469)	(56,636)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the Company	(52,636)	(92,816)
Non-controlling interests	(1,653)	(3,428)
	(54,289)	(96,245)
Loss per share		
Basic and diluted (USD)	(1)	(9)

Consolidated statement of cash flows
FOR THE YEAR ENDED 31 DECEMBER 2017
(in USD thousand, unless otherwise stated)

	for the year ended	
	31 December 2017	31 December 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(10,780)	(59,957)
Adjustments for:		
Depreciation of property, plant and equipment	15,411	15,657
Change in allowance for irrecoverable amounts	(4,488)	18,582
Gain on disposal of current assets	(31)	(14)
Loss/(income) on disposal of non-current assets	30	(150)
Impairment of current assets	138	709
Effect of fair value adjustments on biological assets	3,108	2,232
Gains realised from accounts payable written-off	(400)	(262)
Amortization of deferred income on government grants	(91)	(98)
Discount bonds amortization	2,304	2,096
Discount on VAT government bonds amortization	(1,088)	(1,449)
Interest income	(894)	(1,376)
Interest payable on loans and bonds	31,327	29,186
Income from received government grants VAT	(19,151)	-
(Gains)/losses on exchange	(14,537)	16,622
Operating (loss)/profit before working capital changes	858	21,778
Increase in trade receivables	(4,023)	(5,802)
Decrease in prepayments and other current assets	8,843	224
(Increase)/decrease in taxes recoverable and prepaid	(6,250)	7,134
Decrease/(increase) in inventories	4,026	(11,945)
Decrease in deferred income	(1)	(7)
(Decrease)/increase in trade payables	(306)	351
Increase in biological assets	(1,579)	(196)
Decrease in finance leases	(3)	(39)
Increase/(decrease) in other accounts payable	6,316	(10,486)
Cash generated from operations	7,881	1,012
Interest paid	(3,504)	(4,224)
Income tax paid	(19)	(43)
Net cash generated from/(used in) operating activities	4,357	(3,255)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments and receipts - property, plant and equipment	(1,585)	(12,981)
Proceeds from sale of non-current assets	-	779
Interest received	1,032	2,829
Net cash used in investing activities	(553)	(9,373)

Consolidated statement of cash flows (cont.)
FOR THE YEAR ENDED 31 DECEMBER 2017
(in USD thousand, unless otherwise stated)

	for the year ended	
	31 December 2017	31 December 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans received	-	50,208
Repayment of loans	-	(51,952)
Interest paid for bonds issued	-	(5,247)
Net cash used in financing activities	-	(6,991)
Net increase/(decrease) in cash and cash equivalents	3,804	(19,619)
Cash and cash equivalents at 1 January	12,570	31,307
Effect from translation into presentation currency	1,868	882
Cash and cash equivalents at 31 December	18,242	12,570