



Notice of Annual General Meeting of Black Earth Farming Ltd

St Helier, Jersey, 2017-07-20 22:30 CEST (GLOBE NEWSWIRE) --

Notice is hereby given to the holders of Swedish Depository Receipts in respect of shares in Black Earth Farming Ltd (the "**Company**") that an Annual General Meeting of shareholders shall be held on 11 August 2017 at 10 a.m. CET at Roschier Advokatbyrå, Brunkebergstorg 2 in Stockholm, Sweden.

Notice to attend etc.

Holders of Swedish Depository Receipts ("**SDR**") wishing to attend the Annual General Meeting shall:

- (1)** be recorded in the register of holders of depository receipts kept by Euroclear Sweden AB on 4 August 2017; and
- (2)** notify the Company of the intention to attend the Annual General Meeting not later than 1 p.m. CET on 4 August 2017 following the link placed at the front page of www.blackearthfarming.com, by post at the address Computershare AB "AGM of Black Earth Farming Ltd", Box 610, 182 16 Danderyd, Sweden, by telephone +46 (0)771 24 64 00. The holder of the Swedish Depository Receipts shall state his name, personal or company identification number, address as well as telephone number. If a holder of Swedish Depository Receipts intends to be represented by proxy, the name of the proxy holder shall be stated. For holders of Swedish Depository Receipts who will be represented by a proxy at the Annual General Meeting, a proxy form will be made available at the Company's website www.blackearthfarming.com. The validly signed proxy form should be sent or mailed to the Company at the above address prior to the Annual General Meeting.

Holders of Swedish Depository Receipts which hold their receipts through nominees (*Sw. förvaltare*) must request a temporary registration of the voting rights in order to be able to participate at the Annual General Meeting. Holders of Swedish Depository Receipts that want to obtain such registration must contact the nominee regarding this well in advance of 4 August 2017.

Proposed agenda

1. Election of Chairman for the Meeting.
2. Preparation and approval of voting list.
3. Approval of the agenda.
4. Election of one or two persons to check and sign the minutes.
5. Resolution that the Meeting has been duly convened.

6. Presentation of the annual report and the auditor's report as well as the consolidated annual report and the consolidated auditor's report.
7. Ordinary Resolution in respect of
 - a) the adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet; and
 - b) the appropriation of the Company's results according to the adopted balance sheet.
8. Ordinary Resolution to determine the number of Directors and auditors.
9. Ordinary Resolution to determine the remuneration to the Directors and the auditors.
10. Ordinary Resolution to elect Directors and auditors.
11. Ordinary Resolution regarding Nomination Committee.
12. Ordinary Resolution regarding remuneration principles for the senior management.
13. Presentation by the Managing Director.
14. Special Resolution to effect a share split and mandatory redemption programme, to include
 - a) resolution to execute a share split; and
 - b) resolution to effect the mandatory redemption of shares.
15. Special Resolution to instruct delisting of the Company.
16. Closing of the Meeting.

In relation to the above the following ordinary and special resolutions will be proposed:

Ordinary Resolutions

Chairman for the Meeting (item 1)

The Nomination Committee for the 2017 Annual General Meeting, comprised of Joakim Andersson (Chairman of the Nomination Committee), on behalf of Kinnevik AB, Ramsay Brufer, on behalf of Alecta, and Per Åhlgren, on behalf of GoMobile Nu AB, proposes that Per Åhlgren is elected as Chairman for the Meeting.

The appropriation of the Company's results (item 7)

The Board of Directors proposes to approve a) the adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet; and b) the appropriation of the Company's results according to the adopted balance sheet. The Board of Directors proposes that no dividend shall be paid for the financial period 2016.

Election of Directors and auditors etc. (items 8-10)

The Nomination Committee proposes that the Board shall consist of three Directors without deputies. The Nomination Committee proposes the re-election of Franco Danesi and Per Åhlgren and the election of the

Company's Chief Executive Officer, Richard Warburton, as new Board member, and each re-election and board appointment shall be subject of a separate resolution. The Nomination Committee proposes that no Board remuneration shall be paid.

The Nomination Committee proposes that PricewaterhouseCoopers AB is elected as auditor of the Company and remunerated upon approval of their invoice.

Nomination Committee (item 11)

In view of the the Company's contemplated voluntary liquidation, the Nomination Committee proposes that no Nomination Committee shall be established for the purposes of an Annual General Meeting 2018.

Remuneration principles for the senior management (item 12)

The Board of Directors proposes that the Annual General Meeting resolves to approve the following management remuneration principles etc. The remuneration to the Managing Director and other members of the senior management may consist of fixed salary, variable remuneration and other benefits. The total remuneration shall correspond to the prevailing market conditions and be competitive, however, the Company's position and the proposed mandatory share redemption and contemplated voluntary dissolution shall be taken into account. The fixed and variable remuneration shall correspond to the respective individual's responsibility and authority. Notice period for termination of employment shall not exceed eight months.

Special Resolutions

Share split and mandatory redemption programme (item 14)

The Board of Directors proposes that the Annual General Meeting resolves to effect a mandatory redemption programme for all shareholders in accordance with the items below. The resolution to effect the share split (item 14a) and the resolution to effect the mandatory redemption of shares (item 14b) shall be resolved upon as one single resolution.

Resolution to execute a share split (item 14a) and Resolution to effect the mandatory redemption of shares (item 14b)

The Board of Directors proposes that the Annual General Meeting resolves to execute a share split, whereby each outstanding share of USD 0.01 each in the Company is divided into two (2) shares of USD 0.005 each, with one (1) of those shares being redeemable and the other non-redeemable. In connection therewith, holders of Swedish Depository Receipts representing shares in the Company will receive one (1) so called redemption Depository Receipt ("**RDR**") for each Swedish Depository Receipt held. One (1) RDR represents one (1) redeemable share. The redeemable shares shall then be redeemed by the Company. To effect the foregoing the following special resolutions will be proposed:

THAT each of the authorised 500,000,000 shares of USD 0.01 each in the capital of the Company (including all of those shares which have been issued) is hereby divided into two (2) shares of USD 0.005 each with one (1) of those shares being redeemable and the other non-redeemable and that paragraph 6 of the Company's memorandum of association be deleted in its entirety and replaced with the following:

"The share capital of the Company is USD 5,000,000 divided into 500,000,000 shares of USD 0.005 each and 500,000,000 redeemable shares of USD 0.005 each"; and

THAT, subject to the Directors of the Company being able to comply with the provisions of the Companies (Jersey) Law 1991, all of the issued and outstanding redeemable shares of USD 0.005 each in the capital of the Company shall be redeemed on or about 6 September 2017 on a day to be determined by the Directors of the Company.

The total amount to be distributed through the mandatory redemption programme in SEK will be determined and press released the day before the Annual General Meeting. The reason for waiting with determining the amount is that the Company wishes to maintain the current hedging arrangements and retain the potential to hedge currency as long as possible. The amount corresponds to the sale proceeds from the sale of Agro Invest ("AIMC") and Agro Invest Regions ("AIRMC"), subject to prior deduction of costs relating to the Company's future contemplated voluntary liquidation and other projected and possible expenses and funding provisions required for an ongoing litigation and its related requirements in which the Company is a plaintiff in the United States of America, which, according to the assessment of the Company's legal advisors in the case, is more likely than not to have a favourable outcome for the Company and which the Company intends to pursue.

The amount that was estimated as an indication for distribution in the press release made by the Company on 13 February 2017, has been affected by a number of factors and the most important being:

- Lower crop prices;
- Significant changes to the SEK/USD exchange rate (which has been partially mitigated by hedging);
- A change in how the Company will handle the outstanding warrants in the Company, meaning that instead of exercising the warrants and the warrant holders paying the exercise price, the warrants will be cancelled in exchange for a cash payment (which corresponds to the proceeds payable per SDR reduced by the exercise price for the warrants). This means less administration and costs for the Company and due to the reduced dilution, there will be no financial impact for the existing SDR holders. This change is estimated to reduce the redemption amount by approximately USD 4.9 million as previously estimated (in the press release of 13 February); and
- Funds being retained for the purpose of pursuing above-mentioned litigation in the United States of America.

The Company's best estimate, considering a stable SEK/USD exchange rate (at today's rate) and no other unexpected events, is that the total distributable USD amount in the redemption will end up in the range of USD 180 million to USD 182 million. This corresponds to approximately between USD 0.81–0.82 per SDR after dilution by up to a further 9,826,375 SDRs resulting from exercise of the Company's outstanding long term incentive programs.

The last day for trading in the Swedish Depositary Receipts including the right to receive RDRs will be 11 August 2017. No action is required from holders of Swedish Depositary Receipts in order to receive

RDRs. Trading in the RDRs will take place on Nasdaq Stockholm from 16 August 2017 up to and including 30 August 2017. Payment is expected to be made to holders of RDRs on or around 6 September 2017 via Euroclear Sweden AB.

Following completion of the mandatory redemption and the contemplated voluntary liquidation, any remaining funds in the Company (i.e. after liquidation costs and discharge of the Company's liabilities) will be distributed to the holders of the Swedish Depositary Receipts (as well as warrant holders). The Company will revert with further information and timing as to the contemplated voluntary liquidation of the Company following the completion of the redemption distribution, which will partly be determined by the US litigation mentioned above.

Delisting (item 15)

In view of the the Board's proposals under item 14, and in order to enable the Board and management to focus on administration of the execution of the mandatory redemption programme and the Company's contemplated dissolution, the Board of Directors proposes that the Annual General Meeting resolves to instruct the Board to apply to Nasdaq Stockholm for delisting of the Company's Swedish Depositary Receipts as soon as possible.

Miscellaneous

An information brochure describing the proposals under item 14 will be available on the Company's website www.blackearthfarming.com.

The annual accounts, the auditors' report as well as other relevant documents are available at the Company's office Black Earth Farming Limited, 37 Esplanade, St Helier JE2 3QA Jersey, and at its website www.blackearthfarming.com.

July 2017

BOARD OF DIRECTORS

BLACK EARTH FARMING LTD

For additional information, please contact:

Richard Warburton, Chief Executive Officer, + 7 985 208 24 01, Richard.warburton@BlackEarthFarming.com

This information is information that Black Earth Farming Ltd is obliged to make public pursuant to the EU Market Abuse regulation. The information was submitted for publication, through the agency of the CEO set out above, at 22.30 CEST on 20 July 2017.

Notes to Editor:

Black Earth Farming Ltd. (Jersey) is a farming company operating in Russia. Its shares are listed as depository receipts on Nasdaq OMX Stockholm. The Company develops and farms agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming has gained a strong market position in the Kursk, Tambov, Lipetsk and Voronezh areas, controlling some 246,000 hectares of what is possibly some of the world's most fertile soil. In 2016, Black Earth Farming harvested approximately 135,000 hectares, effectively making it one of the world's largest public farming companies by cropped area. The Company's main products are wheat, corn, barley, sunflower and potatoes.

Corporate website: www.blackearthfarming.com

For subscription to Company Announcements, please contact us at: svetlana.abakumova@blackearthfarming.com
If you do not want to receive Black Earth Farming Ltd announcements, please send an e-mail to the same address: svetlana.abakumova@blackearthfarming.com.