

# Black Earth Farming Ltd

## Unaudited Interim Report

1 January – 30 September 2017



**BLACK  
EARTH  
FARMING LTD.**



### **The Mandatory Redemption Program was completed.**

**Delisting approved, the last day of trading in the Company's SDRs is 13 December 2017.**

This Q3 Report 2017 of Black Earth Farming has been prepared and published in accordance with section 3.3.4 paragraph 2 of the Nasdaq Stockholm Rule book for Issuers and Nasdaq Stockholm's Guidance for preparing interim management statements, and hence not in accordance with IAS 34. In view of the fact the Company has not been conducting any business activities during the third quarter 2017 and that substantially all funds received in connection with the sale of the Company's operations have been distributed to the shareholders, the Board of Directors' intention to minimize costs, and also taking into account the limited number of management persons remaining in the Company, the report is of a reduced format and does not include financial statements or financial information covering the third quarter 2017.

In Q3 2017, the Company's activities related to the distribution of funds to the shareholders and preparation of the delisting and liquidation process.

On 1 August 2017, 9,826,375 new shares (4.63% of shares then outstanding) were issued as a result of the Company's Long term incentive program. Following the issue, the total number of outstanding shares became 222,106,356.

At the Annual General Meeting on 11 August 2017 it was resolved to approve the execution of a share split and to effect the mandatory redemption program, whereby each outstanding share of USD 0.01 each in the Company was divided into two (2) shares of USD 0.005 each, with one (1) of those shares being redeemable and the other non-redeemable. It was also resolved that the Company should apply for delisting and on 11 August 2017 an application for delisting of the Company's Swedish Depository Receipts ("SDRs") was submitted to Nasdaq Stockholm. On 14 November 2017, Nasdaq Stockholm approved the Company's delisting application and has determined that the last day of trading in the Company's SDRs is 13 December 2017.

On 6 September 2017, the Company distributed SEK 1,501,438,967 through the mandatory share redemption program, which corresponded to SEK 6.76 per share. On the same day, the Company redeemed the outstanding warrants by means of cancellation of the warrants in exchange for a cash payment (which corresponded to the proceeds payable per share in the mandatory share redemption program reduced by the exercise price for the warrants).

Following the completion of the sale of the Russian operations on 22 May 2017 the Board of Directors has been committed to executing the winding up of the Company as efficiently as possible and without any unnecessary costs. The current members of the Board are not entitled to any fees for their work and the few remaining management persons are performing their work on reduced salaries.

The Board of Directors intends to call an Extraordinary General Meeting to resolve on the Company's entry into voluntary liquidation. The exact timing of the Extraordinary General Meeting resolving on the liquidation is dependent on an ongoing litigation in which the Company is a plaintiff in the United States of America.

Following completion of 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 shareholders and warrant holders. Depending on the outcome of the US litigation process, the Board of Directors estimates that the liquidation proceeds to be distributed to the shareholders will be in the range of USD 0.00135 to 0.00675, which corresponds to approximately SEK 0.011313 and SEK 0.056565 based on the USD to SEK exchange rate as per 13 November 2017. The estimate is based on the Board of Directors' and its advisors' current assessment regarding the expected costs related to the winding up of the Company and the liquidation and the outcome of the litigation process. The outcome of the litigation process is not easy to predict which is reflected in the range as are the uncertainties related to unknown facts and unexpected developments in regard to currency fluctuations, liquidation costs, other costs as well as other factors that may arise during the winding up process.

Whilst there will continue to be press releases, there will be no further quarterly and annual reports as the Company will delist on the 13<sup>th</sup> December.

On behalf of the Board - 30 November 2017  
Richard Warburton, Executive Director and CEO