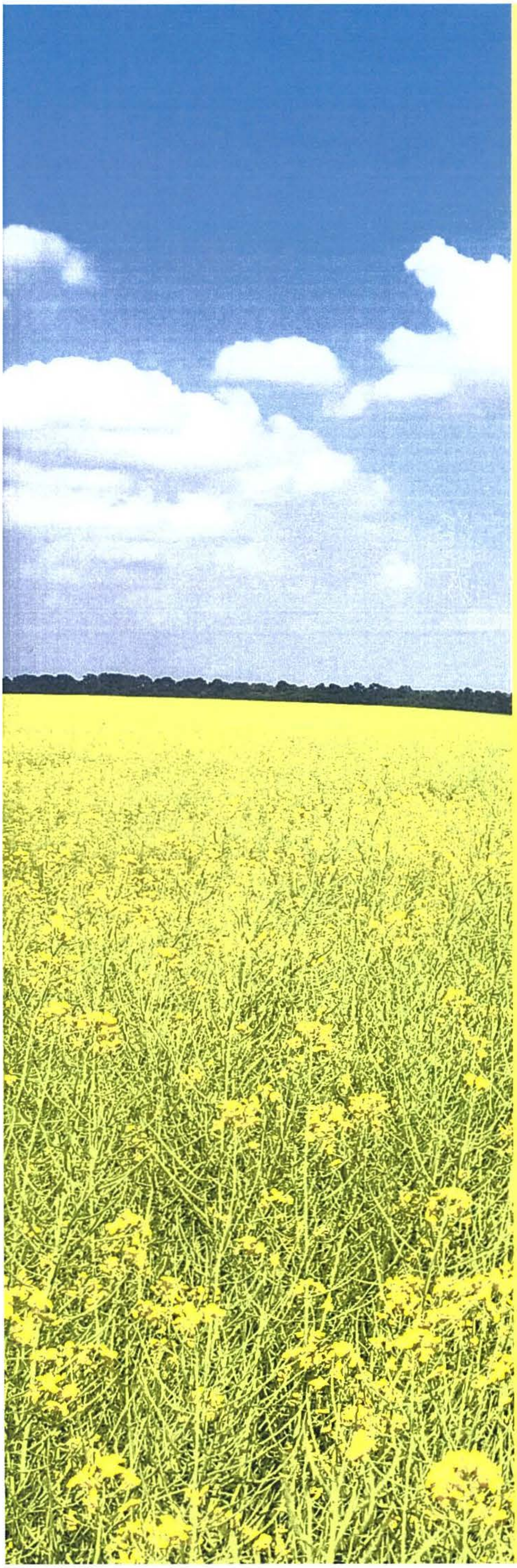


Agromino A/S
Registration number: CVR no. 29801843
Sundkrogsgade 5, DK-2100 København Ø

01.01.2017-31.12.2017

GODKENDT OG BEHANDLET
PÅ SELSKABETS GENERALFORSAMLING
DEN 26. APRIL 2018

RONNIE HANDLER, DIRIGENT

agromino

2017 ANNUAL REPORT

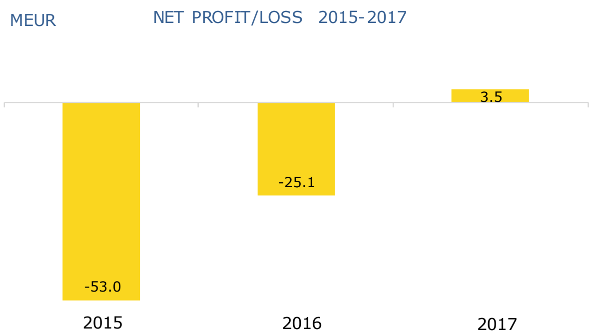
WE ARE FARMERS AND AGRIBUSINESS MANAGERS WITH OPERATIONS IN UKRAINE, RUSSIA AND ESTONIA.

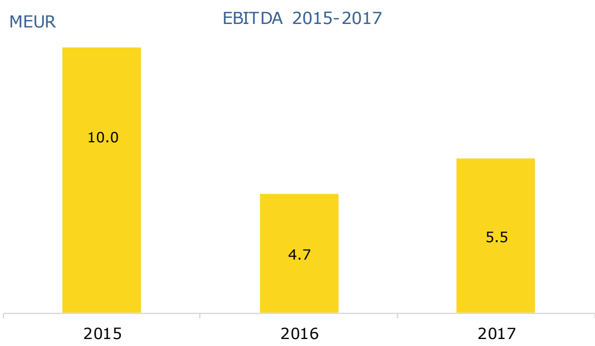
CONTENTS

BUSINESS HIGHLIGHTS

- **Overall the business turned to a net profit of EUR 3.5 million for 2017 from a net loss of EUR 25.1 million in 2016**
- Lower financial costs by EUR 5.0 million
- The share of profit EUR 1.5 million from investments in shares of TDFE against a loss of EUR 1.4 million in 2016 (this is a non-cash item as dividends are not paid at present)
- No loss from discontinued operations for 2017 against a loss of EUR 23.5 million in 2016
- **2017 EBITDA of EUR 5.5 million against EUR 4.7 million in 2016**
- Milk sales increased in 2017
- Summer crop yields reduced by drought and high temperatures in August 2017
- Increased production costs partly offset by lower legal and consulting fees
- Disposal of part of non-core elevator business for EUR 1.1 million, resulting in a profit of EUR 0.6 million included in 2017
- Revaluation of land in Russia, loss of EUR 1.4 million included in the Income Statement for 2017 (loss of EUR 5.5 million in 2016)
- We have written down the doubtful prepayment for fertilizers in the amount of EUR 1.3 million for 2017, court cases are ongoing
- **2018 winter crops in better condition than might have been expected**
- Autumn 2017 very dry across all regions until October 25th, resulting in late germination of the wheat sown after summer crops
- A long and mild Autumn has encouraged more crop growth which is positive

Business overturned from a net loss to a net profit





CEO STATEMENT

Physical Highlights

The completion of the autumn sowing program and cultivations for the spring sowing campaign in the next year occurred on time. The Autumn was not perfect climatically and also the dry conditions allowed field work to progress rapidly, the negative side was that much of the wheat crop did not germinate until the third week of October. A big positive has been an exceptionally warm end to the year, which has allowed the winter crops that survived the autumn drought conditions to continue to develop for six weeks longer than would normally be expected. This to a degree has negated the late germination effect. Our Controlled Traffic Farming program (CTF) is now well underway with 11,000 hectares of Winter crop area established using the technique and 4,000 hectares of the 2018 Spring crop area prepared for CTF, using a combination of Strip Till, Low Till, and No-Till cultivations.

At the Russian dairy farm, Dobruchi, the story is positive. The new management team has been very proactive, improved animal welfare, better grouping, and feeding strategies, and the move to three times a day milking has not only increased annual milk production by 13% but has most importantly reduced the cost of production per milk litre sold by 6% (in rouble terms). What is exciting is that the improved result has been achieved far earlier than we predicted and that there is still more potential to unlock in the business.

Financial Highlights

Since Spring 2016 the Company has been through an intensive restructuring phase which is still ongoing. As has been detailed before, the aims and objectives of this phase being to divest any non-contributory non-core assets so that management can fully focus on the core business which is agricultural production in Ukraine. This process has involved taking some pain along the way but it is very pleasing to begin to see the results of this restructuring start to bear fruit. It reinforces that the underlying strategy is correct and that as a team we must look to make the necessary further adjustments to the business towards showing real value and return to our shareholders.

The net profit for the year is EUR 3.5 million which compares with a net loss of EUR 25.1 million in 2016, and EUR 53.0 million in 2015. The core business is agricultural production and it is important to strip out the exceptional figures that may mask what is happening in that core. Included in the profit EUR 3.5 million are the sale of an elevator, the revaluation of Russian land plots, a share of profit from investments and the write off of non-delivered fertilizer; these net out at a loss of EUR 0.6 million. Therefore, the real net profit from actual operations is close to EUR 4.1 million. In a year where commodity prices have remained low and yields have not been spectacular, the result can be considered reasonably satisfactory.

Looking forward to 2018, we established 27 thousand hectares of winter crops, namely wheat, barley and oilseed rape, to date these are in a reasonable condition. Snow cover this winter was late to arrive but during the critical months of February and early March has been sufficient, to give protection for the sown crops against winter conditions. The cereal and oilseed commodity markets are likely to remain weak in 2018, as world production and stocks, particularly of cereals remain high. We, therefore, remain extremely focused on producing the commodities we grow at the lowest possible cost per tonne. This is achieved by a combination of maximizing yield and minimizing costs, our budgeting and planning for 2018 reflects this sentiment. The EBITDA for 2018 is estimated around EUR 7.5 million, assuming normal weather conditions, prices and excluding exchange rate losses from disposal of non-core elevator business and assets held for sale. As part of our strategy to manage price risk in business, a proportion of the 2018 crop has already been sold forward in excess of our budgeted price. The focus on the Russian milk production is to continue to increase yield per cow and efficiency through getting the management basics of nutrition, fertility and herd health absolutely correct. The milk price has already been agreed for the 2018 year with our clients.

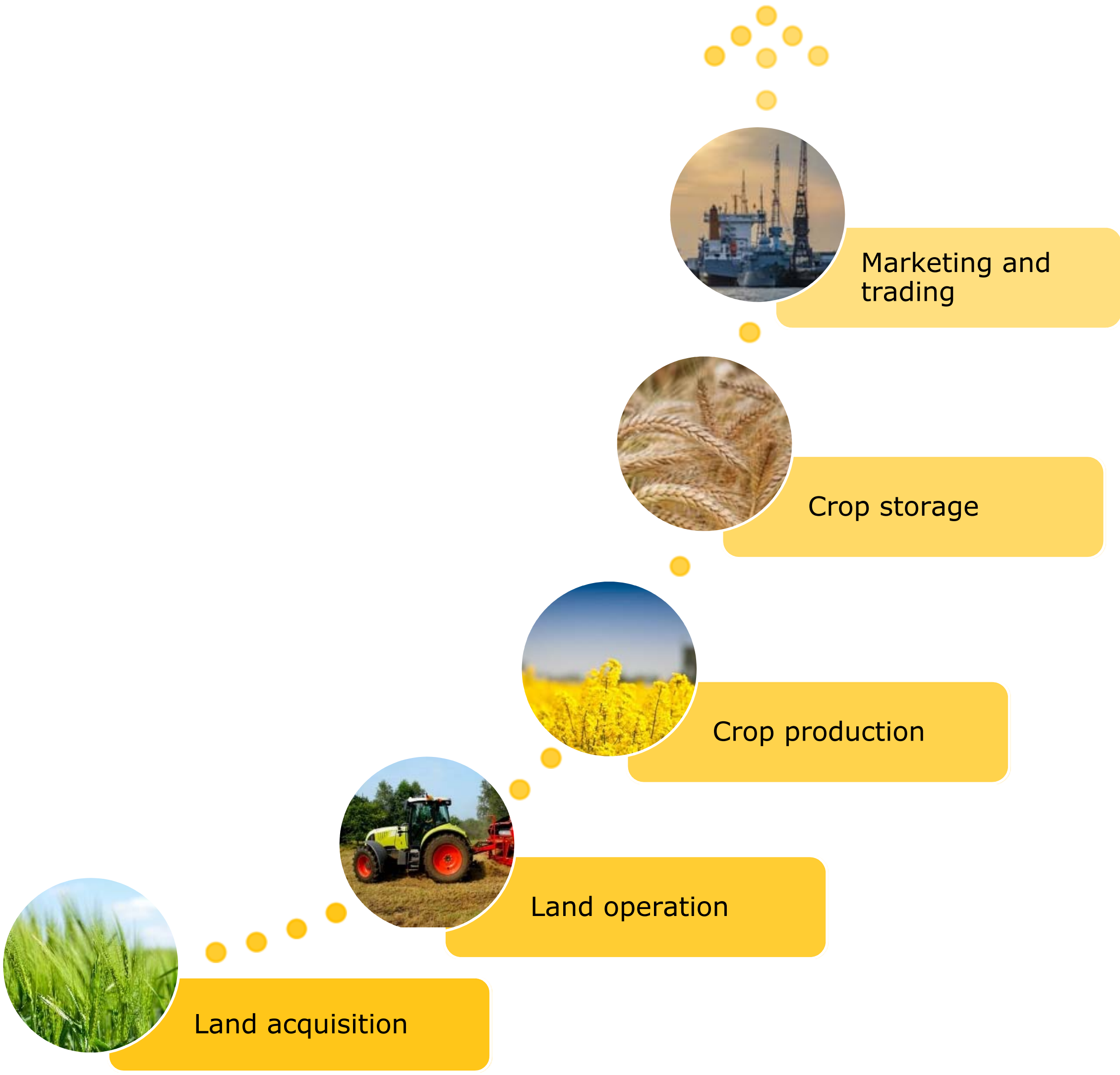
Petr Toman, CEO (new CEO as from March 27, 2018, replacing Simon Boughton)

OVERVIEW

Agromino is a leading Agribusiness manager. We are a highly experienced team that is involved in the full farming chain from land acquisition, land operation, crop production, to crop storage, marketing, and trading. We operate today in Ukraine and Russia, with our strategic, financial, legal and telematic management based in Estonia.

Established in 2006, the Company made its first investments in farming companies by acquiring cereal farming operations in eastern Ukraine nearby the city of Kharkov. At the end of 2017, the Company owned four elevators with a total usable capacity of 195 thousand tonnes, traded 145 thousand tonnes of grain in a year and had 1,099 milking cows in Russia producing more than eight thousand tonnes of milk per year.

Since 2007, the shares of the Company are traded on the Nasdaq OMX, firstly at NASDAQ OMX First North and since 2010 NASDAQ OMX Stockholm Stock Exchange.



OPERATIONS

Our business is divided into two segments: Cereal Production, Storage, and Trading in Central Eastern Ukraine and Milk Production in the St Petersburg region of Russia. Additionally, Agromino owns 39.24% shareholding in the Trigon Dairy Farming Estonia (TDFE) business, however, the Group only shows its share of profit/loss from this investment in one line and therefore revenue and EBITDA from this segment is not included in the segment report. Hereinafter, EBITDA is calculated as the sum of the profit from operating activities (EBIT) plus amortization and depreciation.

Our largest business segment by revenue and EBITDA is Ukraine as sales of this segment account for 89% of total Group´s revenue. In Ukraine, the Group earns money by growing and selling our own crop, by trading third-party grain and selling our elevator services to third parties. Although the main purpose for owing four elevators is to store our own grain, attracting other farmers in the region to store their grain in our elevators, enables the Group to have additional income. The Group sales maximum amount of wheat, corn, rapeseed, and soya for exports and other crops in the domestic market.

In Russia, the Milk production segment produces more than eight thousand tonnes of milk per year, while sales of milk amount to 11% of total Group´s revenue. The revenue shows the constant upward trend as yield improvements are beginning to pay off. The new management team has been very proactive, improved animal welfare, better grouping, and feeding strategies, and the full effect from milking three times a day compared to two times a day as of 4Q 2017, will be visible in 2018.

TOTAL REVENUE

EUR 20,864,115 SALES OF OWN CROP

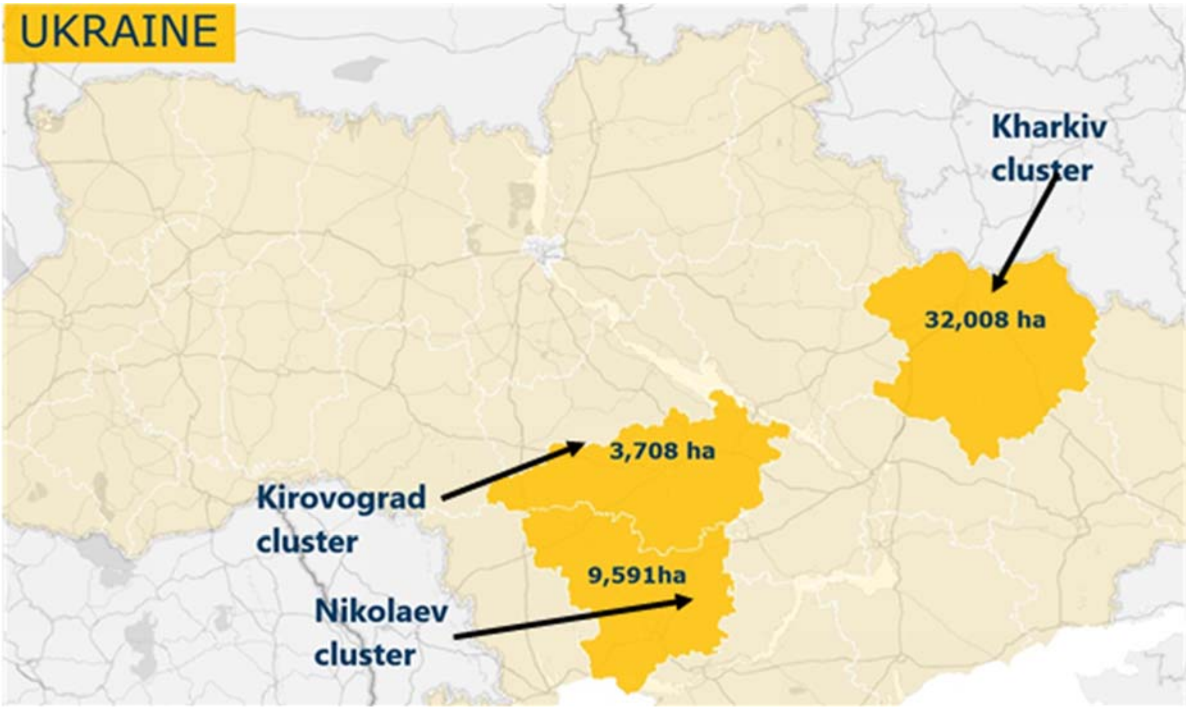
EUR 5,003,960 SALES OF THIRD PARTY CROP

EUR 3,320,556 SALES OF MILK

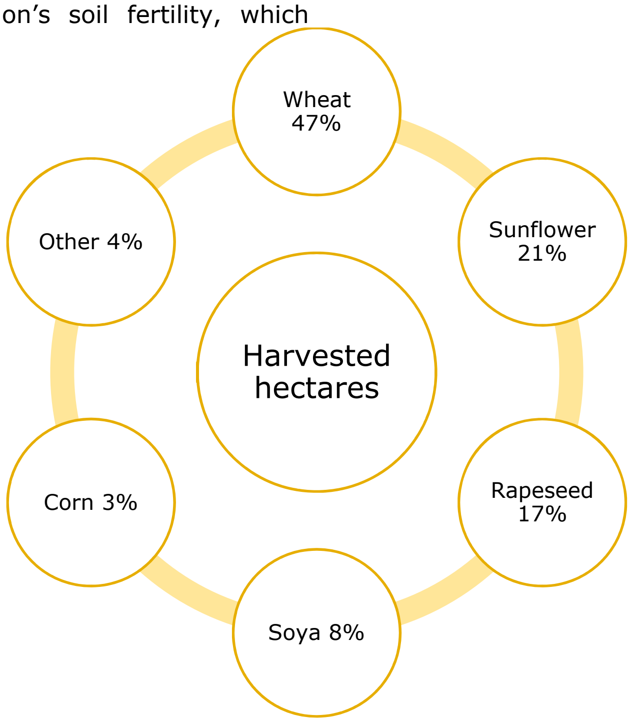
EUR 1,315,380 SALES OF ELEVATOR SERVICES

EUR 514,676 OTHER SALES

UKRAINE OPERATIONS



In Ukraine, the Group operates a landbank of 45 thousand hectares, under medium to long-term rental agreements. 100% of the landbank is cropped annually. The core farming operations are organised into three production clusters in the Black Earth region of Ukraine: Kharkiv, Nikolaev, and Kirovograd. The selection of locating cereal farming operations in the Black Earth region of Ukraine is due to this region's soil fertility, which provides for some of the lowest production costs for grains and oilseeds globally and relatively low investment cost for acquiring or leasing land. To support its cereal operations and to supply third-party storage services the group operates four elevators with a usable total capacity of 195 thousand tonnes.



MILK PRODUCTION

The Group's managed milk production operations are located in the St Petersburg region of Russia. The Group also has a shareholding in Estonian milk production business through associate AS Trigon Dairy Farming Estonia (TDFE). As Agromino owns only 39.24% of shares in TDFE, TDFE is not consolidated into Agromino's accounts and only Agromino´s share of TDFE profit/loss is shown on the Income statement.

In Russia, the Group has a Milk production farm in the St Petersburg region, around 250 kilometres South West of St Petersburg. The group operates a 1,099 milking cow business at Dobruchi, the herd is now predominantly Holstein Friesian. The facilities, which have a capacity of 1,200 cows, were built in 2008.

The key operations of the dairy farms include feed procurement, livestock supervision, raw milk storage and manure utilisation. The Group can improve the productivity of its acquired dairy farms significantly by introducing new farming methods and improving efficiency in all these operations. The modern cowsheds are loose-housed incorporating cubicle accommodation with comfortable individual lying areas for cows, enabling the cows to move freely in an open space, which in turns allows for better access for tractors to deliver feed or remove manure. A loose-housed system also enables the grouping of cows according to their production cycle and health conditions, thus enabling the content of the feed to be more precisely customised for each group, which substantially increases the milk yield of the cows. Dairy farming is capital intensive and requires a far greater investment outlay per hectare than cereal farming. The capital outlays include the cows themselves, land on which to raise the cows and to harvest feed and sheds and other milking facilities on that land.

KEY FIGURES

2,878 HECTARES OF LAND

1,099 MILKING COWS

YIELD 8.2 TONNES/MILKING COW PER YEAR

8,376 TONNES OF MILK SOLD PER YEAR

VISION, GOALS AND STRATEGY

Vision

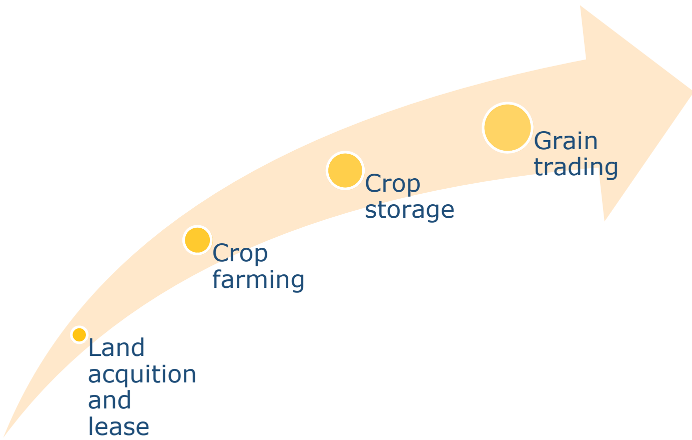
Agromino's vision is to be one of the most cost-efficient integrated commodities operators, from land acquisitions to grain trading, using sustainable farming methods.

Goal

The main operational focus is on high production coupled with stringent cost management. Therefore, the operational goal is to produce its commodities at the lowest possible cost per tonne. This is achieved through continuous improvements of the efficiency of our production techniques.

Strategy

Value chain



The Group's overall business strategy covers every value-added activity from the acquisition of long to medium term land leases in Ukraine, the subsequent introduction of modern technology and experienced farm management, as well as follow-on storage, sales, and trading activities with the purpose of maximising prices achieved for the Group's commodities.

The Group's overall business strategy can be summarised as follows.

Focus on large-scale farming clusters

The Group acquires medium to long-term land leases within a limited geographical area (building up land concentration around grain storage capacity within a geographical radius of up to approximately 75 kilometres) with an aim to consolidate and form large cereal farming clusters of a size which justifies the significant investment and realises managerial efficiency.

Acquire long to medium term land lease agreements next to the road, rail and storage infrastructure

The Group aims to acquire land leases which have access to the required road, rail and storage infrastructure, generally more available in areas next to population centers.

Set up operations next to regional population centers

The Group builds its clusters in the vicinity of regional population centers which, in addition to offering more developed production infrastructure, facilitates recruitment and retention of high-quality employees.

Use high capacity Western machinery

The Group focuses on using high capacity Western manufactured machinery, which allows for high efficiency in operations.

Use well- trained local management teams

Agromino uses local management teams together with support from European co-managers. This enables the Group to quickly implement technological and operational changes required under modern production standards.

Selectively implementing international best practice

The Group works closely with leading global agronomic advisors and technology providers to pick and choose approaches best suited for its own regional climate, soil, and manpower. New technologies are first tested and tried on the Group's test-fields prior to being implemented in large scale on a Group-wide basis.

Acquire or build own elevator storage capacity

The Group only sets up operations where it can either acquire or build its own elevator storage capacity, providing independence from regional traders and storage providers.

Develop integrated commodities production, storage, and trading operations

On the basis of its production and storage operations, the Group has developed its own trading operations. This allows for maximisation of sales prices for the Group's products and for capturing available trading margins from consolidating crop from regional farmers.

Setting up production clusters in geographically diversified areas allowing for weather hedge

The Group has set up its production clusters at large distances from each other, allowing for hedging against regional weather conditions and providing for a better Group level predictability of cash flows.

Expansion of agricultural land portfolio in the Black Earth region

The Group continues to build up its cereal farming land portfolio in the Black Earth region of Ukraine, an area known for the very high fertility of the soil and allowing for the production of grains and oilseeds at some of the lowest production costs globally.

COMPETITIVE STRENGTHS

The Group believes that its main competitive strengths are:

HIGH-QUALITY EMPLOYEES

Key staff of the Group is highly qualified in the agribusiness and has worked for the Group for more than 5 years and therefore is interested in a long-term development of the Group.

HIGH-QUALITY LAND PORTFOLIO

All of the Group's land area for cereal production is located in the Black Earth region, offering some of the lowest production costs of grains and oilseeds globally.

OPTIMAL GEOGRAPHIC LOCATION WITH ACCESS TO REQUIRED INFRASTRUCTURE AND PERSONNEL

The Group's production clusters are contiguous and compact, allowing for low production logistics costs, and are located close to regional population centers providing access to required infrastructure and personnel.

SOME OF THE LOWEST PRODUCTION COSTS IN ITS REGION

Due to high potential for economies of scale from land concentration and high-capacity Western manufactured machinery, the Group obtains some of the lowest production costs in the Black Earth region.

EFFICIENT APPLICATION OF MODERN AGRICULTURAL KNOW-HOW IN THE FORMER SOVIET UNION SETTING

The Western training and Russian language skills of its key management in combination with their knowledge of the post-Soviet environment allow the Group to implement modern agricultural know-how efficiently in the former Soviet Union setting.

INTEGRATED BUSINESS MODEL WITH ACCESS TO GRAIN ELEVATORS AND TRADING AND PROCUREMENT EXPERTISE

The Group has its own elevator storage facilities which strengthen independence from regional traders and storage providers. The Group's trading and procurement business allows the Group to obtain best available prices, be it purchasing or selling. The Group markets and organizes its own logistics, both domestically as well as to export markets. Further, it allows the Group to combine its own goods with third-party commodities thereby increasing sale or purchase volumes and average prices achieved.

RESPONSIBLE AGRICULTURAL OPERATION

Agromino is committed to operating the agricultural businesses under its control utilizing environmentally and agronomically sustainable production methods. We recognize the need to honor these responsibilities with respect to protecting the environment and the consumer by ensuring that our operations are conducted in a sustainable manner and the food we produce is both safe and of a high standard.

To achieve this commitment, we ensure that all our agronomists and managers are fully trained with the most up to date technical information, to ensure that there is the optimal use of seeds, fertilizers, and pesticides so as to keep a sound balance between production and the environment. Our cultivation, field application, and harvesting philosophy focus on a minimal usage of energy thus minimizing the Groups carbon footprint. The crop rotations adopted are carefully planned to ensure no build-up of pests, diseases or weeds. We are highly water conscious and at all times look to preserve this most precious resource. All waste materials are disposed of in an environmentally sensitive way so as to minimize pollution of our planet.

AGROMINO IS A RESPONSIBLE AGRICULTURAL OPERATOR

Agromino will continue to ensure that all its employees are fully conversant with the aims set out in this policy statement in order that all its activities are compliant and represent best practice.

CONTROLLED TRAFFIC FARMING (CTF)

CTF is exactly what it says, it is controlling where in the field traffic runs, and has the one aim which is to reduce the percentage of the field surface where there will be compaction that is caused by the machine's wheels and tracks. Plants grow best in fields and wheels to run best on roads, the two do not mix very well, so by using the Autopilot technology we can minimise the area where a wheel runs and maximise the area where crops grow.

In the Autumn of 2010 we introduced the first Precision Farming technical equipment to Agromino, it was pretty advanced for its time, cost us in the region of $10,000 per machine and was the Trimble Autopilot system. In very simple terms the device enabled the tractor with the assistance of GPS signals from several satellites that orbit the earth, to steer itself in a perfectly straight line. Initially, we fitted the devices to our cultivating and sowing machines, and then subsequently have steadily expanded the system to cover the majority of tasks performed in the fields and now in 2017 completed the whole agricultural cycle, with now our newer combine harvesters and chaser bin tractors also equipped with the system. In 2010 we were working to an accuracy of 20cms, today after the introduction of RTK technology (Real Time Kinetic) we now can work with an accuracy of 2.5cm and 98% repeatability to go back to where we have been driving exactly before. We now plan where the wheels will run not just for this year but for all the years to come, in effect, we establish a permanent tram line system within the field and reduce the area where wheels run from perhaps 90% of the field surface to 20% or less.

The return on the investment in the various technologies comes from not one but a combination of factors. Crop yields will increase as the soil is not compacted and it has a better moisture holding capability, this being particularly relevant to the areas in which Agromino operates. Un-compacted soil allows the plant root to grow without restriction, a bigger root system more fully exploits available soil moisture and nutrients, and captures more efficiently fertilisers applied by the farmer, the plant is then healthier, more efficient, and yields are improved. Add to the equation reduced tillage methods and the result is a simple system that reduces fuel, labor, management and machinery time per hectare, thus driving down overall operational costs.

CTF also delivers environmental benefits, with less fuel being used to operate each hectare, and less machinery needing spare parts, there is a direct knock on that there are fewer greenhouse gas emissions, Agromino's carbon footprint is reduced and farming's negative effect on the environment is further minimised.

RESPONSIBLE AGRICULTURAL INVESTMENT

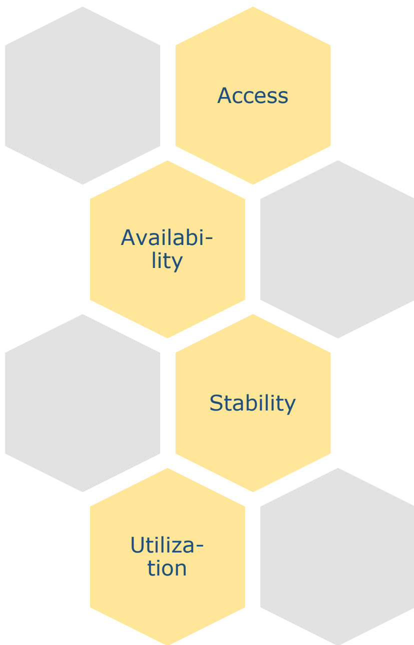
The Committee on World Food Security (CFS) endorsed the Principles for Responsible Investment in Agriculture and Food Systems in 2014. Responsible investment in agriculture and food systems is vital for food security and nutrition as it

- contributes to food security and nutrition
- contributes to sustainable economic development and eradication of poverty
- fosters social and gender equality
- engages and empowers youth
- respects tenure of land, fisheries, forests, and access to water
- conserves and sustainably manages natural resources, increases resilience and reduces disaster risks
- respects cultural heritage and traditional knowledge, supports diversity and innovation
- promotes safe and healthy agriculture and food systems
- incorporates inclusive and transparent governance structures, processes and grievance mechanisms
- accesses and addresses impact and promotes accountability

Agriculture comprises of wide range of activities in the production, processing, marketing, retail, consumption, and disposal of goods. Food systems involve a wide range of stakeholders, institutions, as well as the socio-political, economic, technological and natural environment and farmers are key contributions to food security and nutrition.

AGROMINO IS A RESPONSIBLE AGRICULTURAL INVESTOR

The responsible investment includes four dimensions of food security and nutrition.



MAJOR EVENTS FROM 2015-2018

2015

- extending Bond till 2017
- TDFE share issue, Company´s ownership down to 49.98%
- Rostov divestment agreement

2016

- Share disposal in TDFE, ownership now at 39.24%
- Rostov divestment
- Conversion of SEK 350 million bond to equity
- Warrants issue

2017

- Credit facility of SEK 20 million with group of shareholders
- Disposal of a non-core part of elevator business for EUR 1.1 million
- 6,9% of warrants exercised for EUR 0.3 million
- Name change from Trigon Agri to Agomino
- Reversed share split 100:1

2018

- Disposal of a part of the non-core elevator business for USD 2.6 million
- Finalized disposal of assets held for sale for EUR 0.2 million

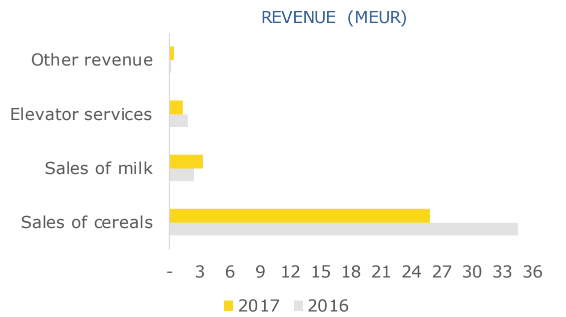
FINANCIAL AND OPERATIONAL REVIEW

INCOME STATEMENT

The Group's operations are divided into the following operational segments: Ukraine cereals production including storage and trading; and milk production in Russia. The Group also has a 39.24% shareholding in Trigon Dairy Farming Estonia (TDFE), while reporting a share of profit/loss from this business in its financial statements.

Revenues

Decline in revenues for 2017 by EUR 8.2 million mostly driven by lower yields for late crops and different crop mix, only partly being offset by the higher amount of unsold grain in stock. Despite the Group achieving the record rapeseed yield and a solid wheat yield, the drought conditions in August hit the summer crop harvest results quite severely, as all summer crops, with the exception of peas, yielded below the 5-year average. The good news is that the sales for Russian Milk production segment increased by EUR 0.9 million on the back of higher milk price and milk yield.



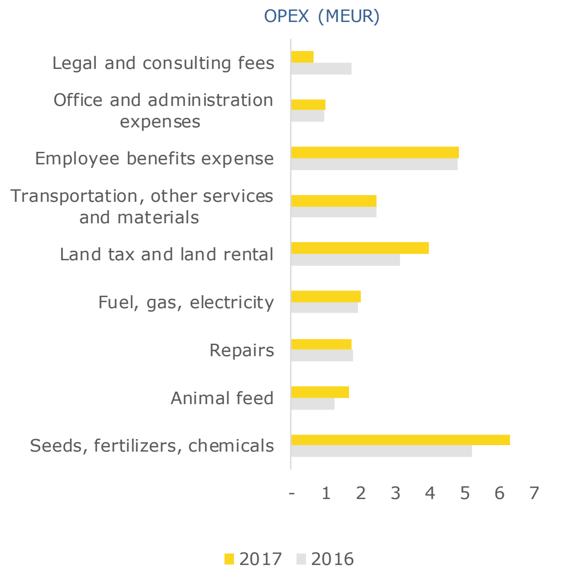
Changes in biological assets / inventories

The current biological assets as at the year-end consist of winter crops seeded for 2018 harvest. The fair value of these crops has been determined by the cost of seeding and preceding fieldworks. Additionally, the dairy herd in Russia was revalued and revaluation gain in the amount of EUR 0.8 million included in the Income Statement. Hence, the total change in biological assets stood at EUR 1.2 million for 2017 (EUR 0.4 million in 2016). Change in inventories increased from EUR 0.5 million in 2016 to EUR 4.3 million in 2017 as the Group had more unsold grain in stock.

Expenses and other losses / gains

OPEX for 2017 rose by 6% year-on-year as higher fertilizer and land rental costs were partly offset by lower legal and consulting fees.

Other losses/gains for 2017 included one-off loss from revaluation of land in Russia, totaling at EUR 1.4 million (revaluation loss of EUR 5.5 million in 2016), write down of a doubtful prepayment for fertilizers at EUR 1.3 million, and a profit of EUR 0.6 million from a disposal of a part of non-core elevator business.



Net result

In total, EBITDA for 2017 stood at EUR 5.5 million (EUR 4.7 million in 2016) and the Group achieved a profit of EUR 3.5 million against a loss of EUR 25.1 million in 2016 deriving from lower financial costs, the revised share of profit from investments and no loss from discontinued operations which were sold in 2016.

BALANCE SHEET ASSETS

Assets

The year-end value of the consolidated assets of the Group increased from EUR 45.1 million in 2016 to EUR 46.8 million in 2017, on the back of a revised profit from investments in associates and new machinery and land plots.

Fixed assets

Property, plant and equipment as of December 31, 2017, in the amount of EUR 14.9 million accounted for 32% of the total assets, comprising of land, buildings, machinery, equipment and construction in progress. The land in Russia was revalued to fair value while including the loss from revaluation in the amount of EUR 1.4 million (loss of EUR 5.5 million in 2016) in the Income Statement for 2017. In total, the Group owns 13 thousand hectares of land in Russia, out of which 10 thousand hectares are classified as land held for sale. Considering the unsatisfactory condition of the land plots as well as a limited number of willing buyers in that region, the price for land has declined significantly. Hence, the final purchase price received for 10 thousand hectares of land held for sale now amounted to just EUR 0.2 million. In Ukraine, the land is mostly covered with medium to long-term land lease contracts. In 2017, the Group finished land registration process and now has a total of 483 hectares of land in ownership with a total balance sheet value at EUR 0.3 million.

The Group also continued with its strategy to optimize its business operations in 2017 as part of the non-core elevator business was disposed of for EUR 1.1 million, resulting in an EUR 0.6 million profit from the sale. Elevator´s usable storage capacity reached 78 thousand tonnes, however as it was unfavorably located, the Group’s own produce stored in the Elevator was non-existent and third parties also rarely used it, causing a poor financial performance.

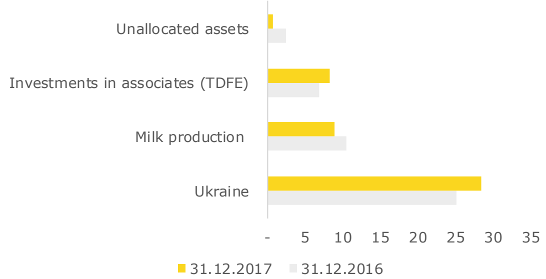
Inventories and biological assets

As of December 31, 2017, the inventories stood at EUR 11.5 million, up 4.2 million from 2016 as the Group had more grain and supplies in stock. Biological assets of EUR 4.6 million as of December 31, 2017, comprised of the dairy herd, grasslands and winter crops seeded for 2018 harvest. The value of the biological assets increased on the bases of the revaluation of the dairy herd in 2017.

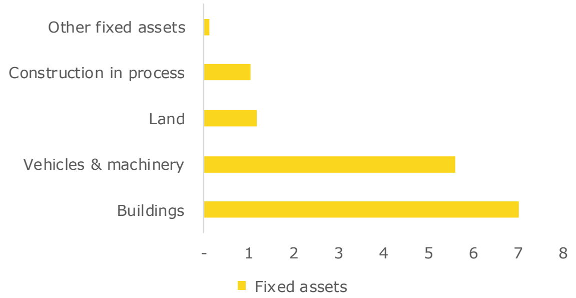
Investments in associates

The Group has a shareholding in Estonian milk production business through associate AS Trigon Dairy Farming Estonia (TDFE). The Group´s shareholding in TDFE amounted to 39.24% as of December 31, 2017. The value of investment rose on the back of the profit, out of which the Group´s share stood at EUR 1.5 million.

ASSETS BY SEGMENTS (MEUR)



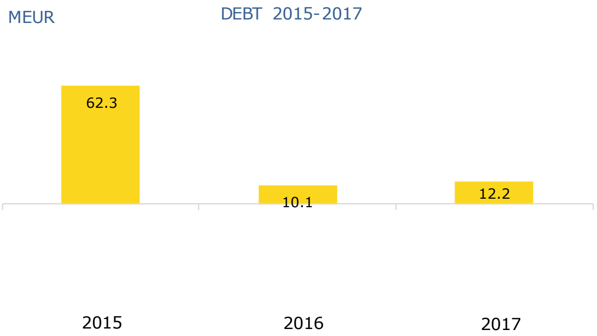
FIXED ASSETS (MEUR)



Liabilities and equity

Borrowings

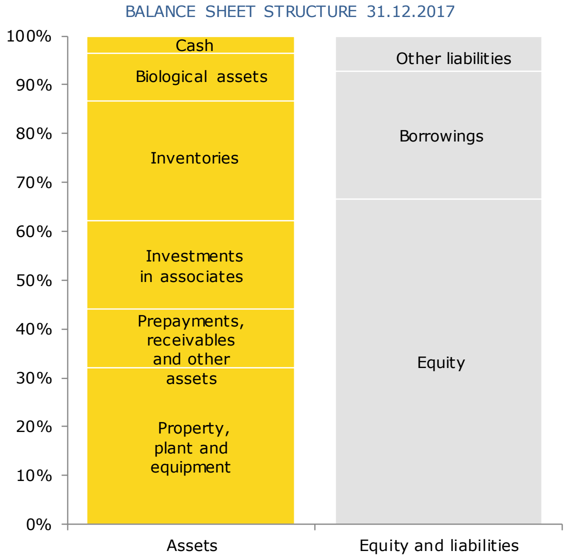
The total borrowings of the Group as at December 31, 2017, amounted to EUR 12.2 million (EUR 10.1 million as at December 31, 2016). During 2017 the Group received new short-term working capital loans in Ukraine and Russia to finance its operating costs and new long-term finance leases in Ukraine and Russia as part of the investment plan to replace outdated machinery with new and modern equipment. The net debt of the Group has decreased (due to debt conversion in 2016) from EUR 60.4 million in 2015 to EUR 10.5 million in 2017.



Equity

In conjunction with the exercising of the warrants, the share capital of the Group in 2017 increased by EUR 137 thousand and share premium by EUR 138 thousand. In total, the warrant holders exercised 13,773,792 warrants at a subscription price of EUR 0.02 each

In May 2017, the reverse share split took place by the consolidation of 100 shares of a nominal value of EUR 0.01 each into one share of a nominal value of EUR 1.00 each. Hence, the total number of issued shares as of December 31, 2017, amounted to 17,421,313 with a par value of 1 EUR per share.



Investments

In 2017, the Group invested in new machinery and equipment in Ukraine and Russia as a part of the plan to replace the outdated machinery with new and modern equipment. In total, the additions of fixed assets amounted to EUR 4.7 million.

The next step of the divestment strategy was carried out in 2017 by selling a part of the non-core elevator business for EUR 1.1 million. The Group has also announced that in 2018, the next part of the non-core elevator business will be disposed of for USD 2.6 million, thus completing this divestment.

Moreover, the Group accepted the final offer for the land plots held for sale, in the total amount of EUR 0.2 million, recording the loss in the amount of EUR 1.4 million in the Income Statement for 2017. This divestment will be finalized in 1Q 2018.

agromino

UKRAINE SEGMENT

The operations of the Group comprise cereal farming, storing and trading in the Black Earth region of Ukraine.

For cereal farming, Agromino focuses on previously cultivated land in the Black Earth region because of its highly fertile soil and the availability of fertile farmland at a relatively low cost compared to other farming regions in the world. The Group introduces modern production technology and farming methods in order to achieve maximum productivity and efficiency in the acquired cereal farming operations.

The Group's strategy is to secure sufficient elevator capacity to enable the Group to dry the in-house produced grain after it has been harvested and to store it until the crops can be sold at a premium price. The storage operations of the Group comprise of inter-group storage operations as well as of services offered to third parties.

The Group generates its main net revenues from the sales of cereals, both own and externally produced. The company can sell its products in the local market or in export markets, where the goods are delivered either to the Black Sea or to end-customer ports. Generally, the Group sells the maximum amount of wheat, corn, rapeseed, and soya to exports and sunflower to the local market.

The Group operates its own marketing and trading arm "Agromino Trade". This business markets the Group's cereals production and trades in third-party grains. Agromino Trade is also responsible for the procurement of all the Agromino Group's seed, fertilizer, and pesticide requirements.

Additionally, the Group also engages with third-party grain trading to maximize profits, however, this is not the main business activity and in 2017 the sales of third-party grain contributed to only 19% of total grain sales.

KEY FIGURES

EUR 5,882,624 EBITDA

EUR 27,543,530 REVENUE

144,733 TONNES TRADED

131,861 TONNES HARVESTED

45,308 HECTARES HARVESTED

Operational review

Every farming year is different and 2017 has been no exception, our end result was affected by a six-year low in rainfall levels across all of our Ukrainian clusters. Our winter-sown crops and spring peas, both which are harvested during July have had for the year very reasonable results. We have achieved a company record yield for Oilseed Rape (1.97 tonnes/ha net) and Peas (3.73 tonnes /ha net), and our Winter Wheat yield of 3.99 tonnes per hectare is also a satisfactory result. The later crops of soya, maize, and sunflower, crops which must grow through August, all have had yields reduced by the prolonged drought that started in late July and was only really relieved by a rainfall period in the last week of October. In common with much of Central, East, and South East Ukraine particularly affected have been Soya and Maize, with Sunflower reduced but by not such a degree.

It should be noted that in 2016 we had a disproportional area of the more profitable crop sunflower, due to previous autumn crop failures, this although very positive for 2016 was not rotationally sustainable.

2018 winter crops are in better condition than might have been expected. The Autumn was not perfect climatically and also the dry conditions allowed field work to progress rapidly, the negative side was that much of the wheat crop did not germinate until the third week of October and an area of Oilseed Rape in the Nikolaev region failed to establish and will be replaced in the Spring. A big positive has been an exceptionally warm end to the year, which has allowed the winter crops that survived the autumn drought conditions to continue to develop for six weeks longer than would normally be expected. This to a degree has negated the late germination effect.

Ukraine

Harvested hectares	**2013**	**2014**	**2015**	**2016**	**2017**
Wheat	20,768	20,756	23,218	19,536	21,399
Sunflower	10,606	11,934	12,222	16,529	9,413
Rapeseed	8,814	8,011	6,742	4,416	7,570
Corn	4,875	3,547	3,199	1,879	1,179
Barley	379	116	-	424	335
Soya	3,116	2,348	1,248	3,044	3,550
Other	-	176	-	330	1,862
Total	**48,560**	**46,888**	**46,629**	**46,157**	**45,308**

Net production, t	**2013**	**2014**	**2015**	**2016**	**2017**
Wheat	81,588	98,733	92,302	74,788	85,328
Sunflower	23,674	24,038	30,319	37,619	17,216
Rapeseed	15,234	14,766	8,739	6,309	14,943
Corn	37,018	24,490	18,876	15,620	6,239
Barley	717	411	-	1,449	726
Soya	3,996	4,158	2,256	7,653	3,658
Other	-	1,165	-	5,693	3,751
Total	**162,226**	**167,759**	**152,493**	**149,130**	**131,861**

Net yield, t/ha	**2013**	**2014**	**2015**	**2016**	**2017**
Wheat	3.93	4.76	3.98	3.83	3.99
Sunflower	2.23	2.01	2.48	2.28	1.83
Rapeseed	1.73	1.84	1.30	1.43	1.97
Corn	7.59	6.91	5.90	8.31	5.29
Barley	1.89	3.53	-	3.42	2.17
Soya	1.28	1.77	1.81	2.51	1.03
Other	-	6.62	-	17.28	2.01
Total	**3.34**	**3.58**	**3.27**	**3.23**	**2.91**

Harvesting Equipment

In 2017 the business needed to start the process of reinvestment in several key areas of the machinery fleet. With the majority of the combine harvesters being now at least 10 years old and becoming both expensive to maintain and increasingly unreliable, they understandably became a priority in order to reduce risk, farming depreciation is real, machines do wear out and need replacing; to ignore this exponentially increases the risk in your business. Agromino's farming system had developed since 2010 to the point in 2017 where the majority of sprayers and fertilizer spreaders being used are 36 metres wide, our main wheat sowing implements are now either 18 metres or 12 metres wide, and the majority of our cultivation equipment is also 12 or 18 metres wide. Therefore, the logical width to base our CTF (controlled traffic farming) system on is 36 metres, which means that any machines used should be divisible into 36 metres in exact numbers i.e. 12 metres = 3x, 18m = 2x. So the decision to move to and operate what is known as a 12/36 CTF system was pretty easy to arrive at. Having decided on a 12/36 CTF system the biggest investment is in the harvesting fleet, the harvester you buy must be able to cut at 12metres, unload into a chaser bin that is running exactly 12 metres from the centre of your machine and must have a trash management system on it that can chop and spread the crop residue evenly to a full 12 metres swath.

Importantly the harvester must be auto steer equipped and have pre-installed in its memory the exact tram line grid of the field. We chose the Case 9240 equipped with tracks, Autosteer that is fully compatible with our existing Trimble system, and an extended unloading auger; it is a well-proven machine, relatively simple with less moving parts than many of its rivals, and good value for money. For cereals and oilseeds harvesting we have purchased MacDon FD140 Flexdraper headers. We consider them to be the very best harvesting option on the market and we fully appreciate the fact that the header and how efficient it is, really has one of the largest effects on harvester output. Our aim is that each machine should be able to harvest up to 500 tonnes of crop per day; you can only achieve this with the best equipment and first-class logistical management. The header width is 12.2 metres, the additional 0.2 metres is enough to allow for any GPS inaccuracies which will inevitably occur.

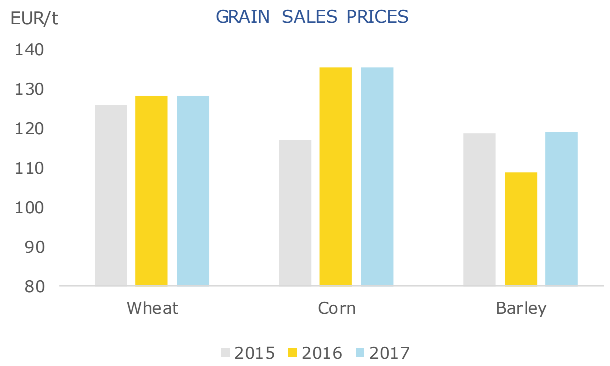
As with many things in agriculture the return will not be immediate, farming is and always will be a long-term business, but we anticipate seeing positive differences in our crops in year one and if the experience of farmers in countries as diverse as the United Kingdom, Australia and America are anything to go by in three years' time we should be really reaping the benefits of our changes to CTF.

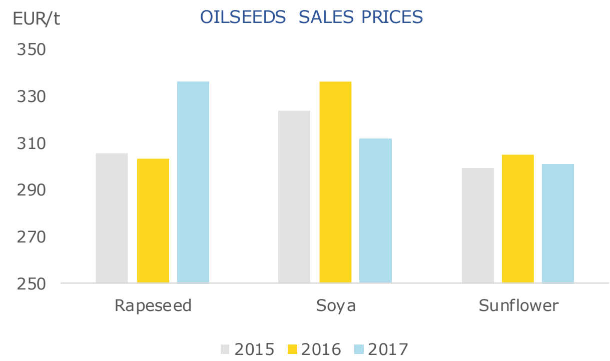
Financial review

The segment´s revenue is made up primarily from sales of own produced cereals. Revenue from sales of cereals for 2017 comprised of sales of our last and this year´s harvest as well as sales of third party crop. Sales of our own grain slumped against the backdrop of lower harvest and different crop plan. Despite strong yields for early crops, unfavorable weather conditions brought the yields down for late crops, resulting in a decline of net harvest by 17 thousand tonnes. In 2016, we also had a disproportionally large area under high-value sunflower resulting from previous autumn crop failures, this although very positive for 2016 was not rotationally sustainable. In response to a larger proportion of lower-value grain in the sales mix, the average price for sold grain eased by 9%. Besides, the sales prices in euro terms took a knock-off effect from the devaluation of dollar and Hryvna, in which our sales are based on. The contraction of revenue from sales of the third-party crop was counterbalanced by lower cost of purchased goods.

Biological assets as of December 31, 2017, comprise of winter crops seeded for 2018 harvest. The Group has sown 6 thousand hectares of winter rapeseed and 21 thousand hectares of winter wheat for the next harvest. The fair value of these crops has been determined by the cost of seeding and preceding fieldworks. Change in biological assets for 2017 slightly increased from 2016, standing at EUR 0.6 million (EUR 0.4 million in 2016).

As of December 31, 2017, the Group had 32 thousand tonnes of grain available for sale (22 thousand in 2016) in stock, consisting mainly of sunflower, wheat, corn, and soybeans. The Group revalued the grain for sale using the market or contracted prices. The revaluation prices for grain deteriorated from last year with sunflower prices shedding even 14%, reflecting the devaluation of the dollar and Ukrainian Hryvnia against the euro. Still, a larger amount of unsold grain, in turn, translated into higher Change in inventories, standing at EUR 3.8 million for 2017 (EUR 60 thousand in 2016).





Sales of grain and oilseeds (2016 and 2017 crop, 3rd party)

2017	Tonnes	Own produced, EUR thousand	Price EUR/t	Tonnes	Third party, EUR thousand	Price EUR/t	Tonnes	Total Revenue, EUR thousand	Price EUR/t
Wheat	73,985	9,492	128	5,262	676	128	79,247	10,168	128
Barley	790	90	114	3,607	433	120	4,397	523	119
Sunflower	13,225	3,989	302	2,197	649	295	15,422	4,638	301
Corn	10,977	1,561	142	11,848	1,528	129	22,825	3,089	135
Rapeseed	14,734	4,929	335	2,129	735	345	16,863	5,664	336
Soya	1,599	522	326	3,226	983	305	4,825	1,505	312
Other	1,148	281	245	6	-	-	1,154	281	244
Total	**116,458**	**20,864**	**179**	**28,275**	**5,004**	**177**	**144,733**	**25,868**	**179**

Sales of grain and oilseeds (2015 and 2016 crop, 3rd party)

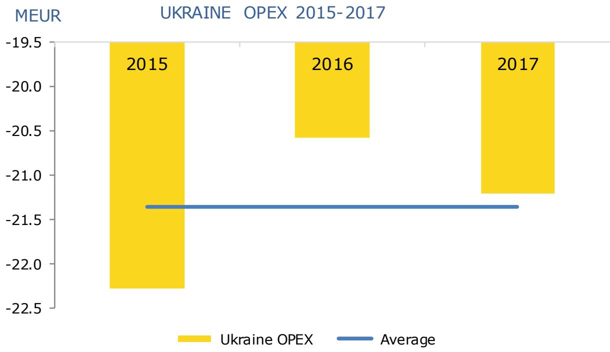
2016	Tonnes	Own produced, EUR thousand	Price EUR/t	Tonnes	Third party, EUR thousand	Price EUR/t	Tonnes	Total Revenue, EUR thousand	Price EUR/t
Wheat	66,965	8,690	130	7,011	788	112	73,976	9,478	128
Barley	1,438	157	109	6,082	662	109	7,520	819	109
Sunflower	45,775	13,937	304	6,206	1,920	309	51,981	15,857	305
Corn	9,522	1,398	147	10,153	1,264	124	19,675	2,662	135
Rapeseed	6,232	1,892	304	2,716	822	303	8,948	2,714	303
Soya	6,036	2,073	343	2,655	845	318	8,691	2,918	336
Other	5,604	154	27	3	-	-	5,607	154	27
Total	**141,572**	**28,301**	**200**	**34,826**	**6,301**	**181**	**176,398**	**34,602**	**196**

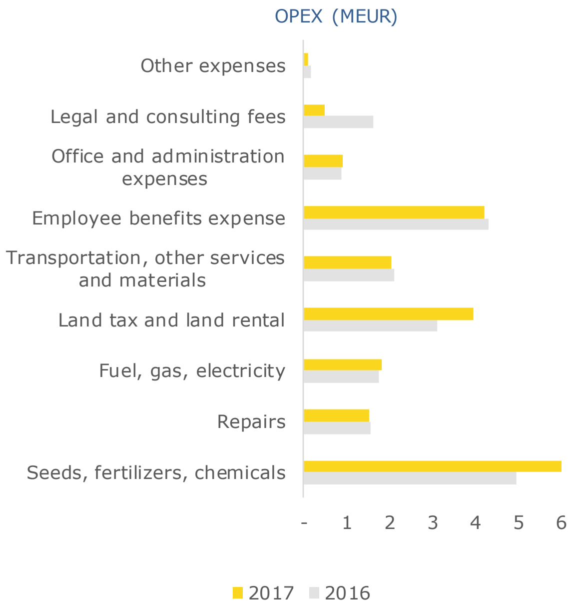
All prices exclude VAT, Domestic sales are ex elevator and export sales are CPT

OPEX for 2017 rose 3% as higher fertilizer and land rental costs were partly offset by lower expenses for our overhead. Non-delivery of the Ukrainian produced fertilizer led to the purchase of higher-priced imported fertilizer, while the Group also increased the amount of fertilizer used as in 2016 a lack of working capital restricted the amounts applied. The land rental fees have also grown in Ukraine, pressured by annual inflation reaching 13.7% in 2017. On the positive side, the Group managed to save EUR 1.1 million on legal and consulting fees.

Other (losses)/gains-net in the amount of EUR -0.3 million for 2017 include an EUR 0.6 million profit from a sale of a part of non-core elevator business and a write-down of doubtful prepayment for fertilizers in the amount of EUR 1.3 million as the supplier failed to fulfill its obligations. The Company is in the process of recovering the prepayment for fertilizer in the Ukrainian courts.

Overall, the EBITDA of EUR 5.9 million for 2017 (EUR 10.1 million in 2016) weakened in line with lower crop output, higher costs, and write-off. This has been an exceptional year in that we have endured drought conditions in Ukraine, taken a large write off in terms of the undelivered fertilizer and seen a devaluation of the USD (in which the majority of our sales are made) of 12%. Although we cannot control the weather we have revised how we purchase fertiliser and can report that today 100% of our ammonium nitrate fertiliser for 2018 is delivered and in our stores.





MILK PRODUCTION

The Group's managed milk production operations are located in the St Petersburg region of Russia. The Group also has a shareholding in Estonian milk production business through associate AS Trigon Dairy Farming Estonia (TDFE). The Group´s shareholding in TDFE amounted to 39.24% as of December 31, 2017.

Agromino's share in TDFE's profit/loss is shown on the income statement line 'Share of profit of investments accounted for using the equity method'. The share of profit for 2017 from TDFE amounted to EUR 1.5 million, a sharp contrast to a loss of EUR 1.4 million reported in 2016, based on the rebounded milk price and increased quantity of milk sold. The average sales price climbed from EUR 0.230 per kg in 2016 to EUR 0.333 per kg in 2017.

Our Russian milk production has shown a steady upward trend in 2017 as yield improvements are beginning to pay off. The new management team has been very proactive, improved animal welfare, better grouping, and feeding strategies. On top of that, as of 4Q 2017, the Group switched from milking two times a day to milking three times a day, giving a further boost to milk production, with a full effect visible in 2018. The number of milking cows has steadily increased from 1,018 as at December 31, 2016, to 1,099 milking cows as at December 31, 2017. Therefore, the independent valuator reached a conclusion in December that considering the improvements in the overall health of the dairy herd and increased milk yield, the fair value of the animals has increased. Thus, in 2017, the gain from revaluing 2,026 animals was recorded at EUR 0.8 million in the Income Statement. In total, the fair value of the herd (2,026 animals), as of December 31, 2017, stood at EUR 2,345 thousand.

KEY FIGURES

EUR 3,475,157 REVENUE

EUR 0.40 PRICE PER KG

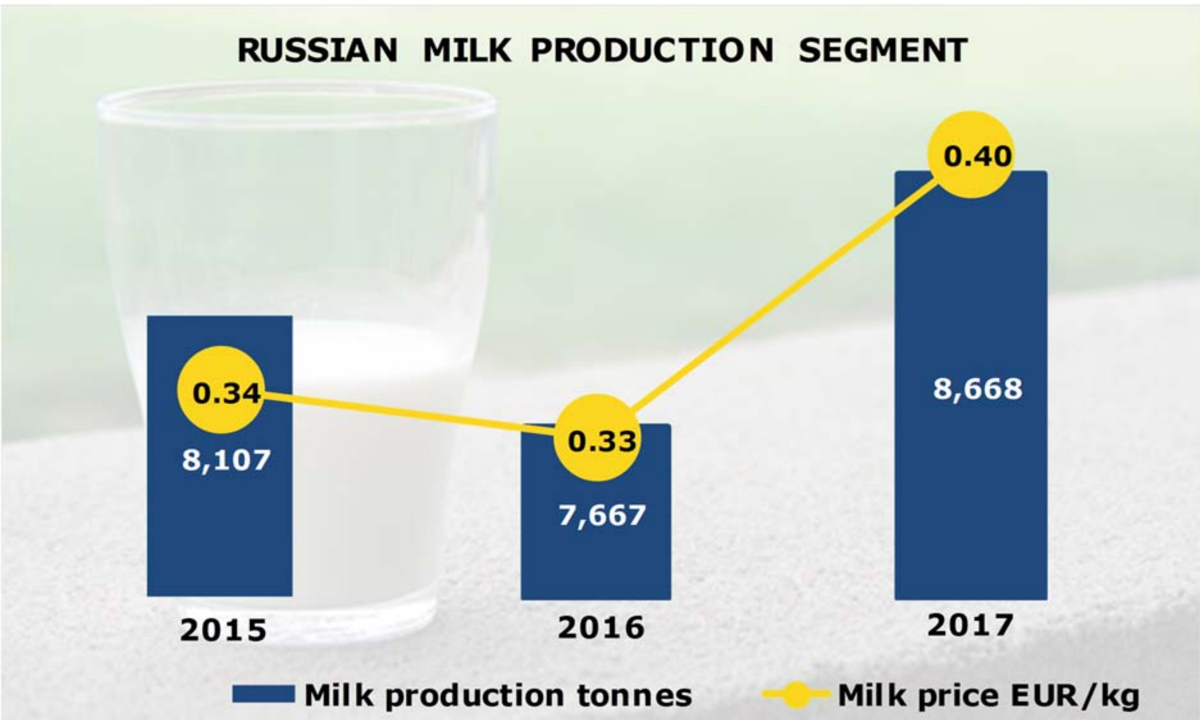
YIELD 8.2 TONNES/MILKING COW PER YEAR

1,099 MILKING COWS

The financial result was influenced by the stronger rouble, increasing the revenues and expenses in euro terms. In euro terms, the milk price grew by 21%, while expenses added 25% year-on-year, boosted by higher feed cost. Thus, the EBITDA excluding the one-off loss from revaluation of land, stood at EUR 1.0 million against EUR 0.1 million in 2016.

One-off losses relating to the revaluation of land plots negatively affected the Income Statement in 2016 and in 2017. In 2016, the Group revalued the land in Russian Milk production according to the fair value assessments performed by the independent valuator, while showing a corresponding revaluation loss in the amount of EUR 5.5 million in the Income Statement for 2016. Besides that, in 2016, the Group decided to sell 10.3 thousand hectares of land not being used in production cycle in the near-time future and reclassified this land as an asset held for sale.

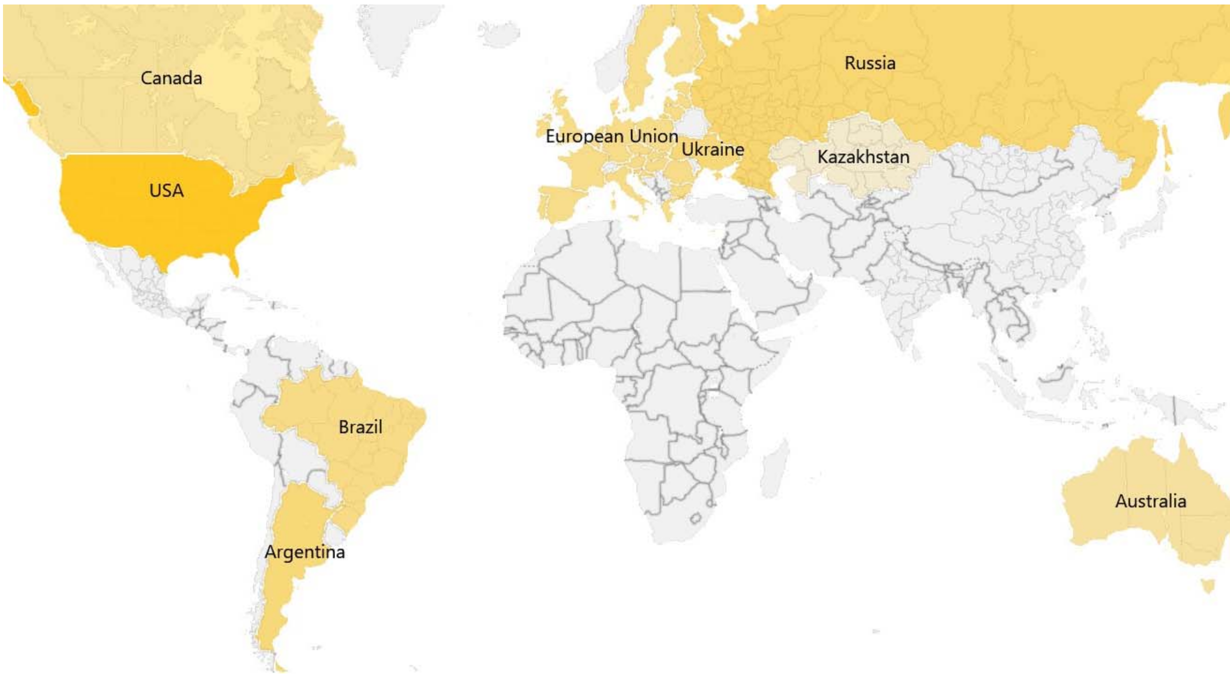
As these land plots were not being used in 2017, the quality of the land deteriorated even further due to the infestation of land with bushes and trees. The cleaning of the land plots, however, would require additional capital, which is not feasible for the Group. Hence, considering the unsatisfactory condition of these land plots as well as a limited number of willing buyers in that region, the Group received the final offer and accepted it at just EUR 171 thousand, resulting in a revaluation loss of EUR 1.3 million being recorded in the Income Statement for 2017. This transaction, however, will be completed in 2018. Additionally, the remaining land was also revalued in 2017 and respective revaluation loss at EUR 0.1 million shown in the Income Statement. Thence, the total EBITDA of Milk production segment in Russia showed a loss of EUR 0.4 million against a loss of EUR 5.4 million in 2016.



MARKET DYNAMICS AND OUTLOOK

GLOBAL MARKET FOR GRAINS AND OILSEEDS

Top grain exporters

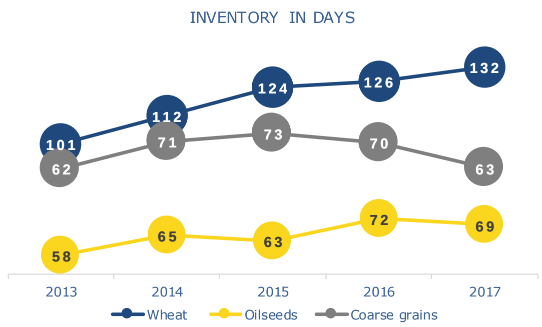


Source: USDA

On the bases of the reports by the USDA, Black Sea Exporters (Russia, Ukraine, and Kazakhstan) have built up their share of grain exports over the years and emerged as top players in the world markets. While wheat from European Union, Australia, and the USA have always been praised for its good quality, the low price and good location are becoming more important for the buyers, especially for lower-income countries. Black Sea Exporters are continuously winning wheat tenders in Africa, but Ukraine has also turned its eye on Asia, traditionally supplied by Australia. Considering the current low-price environment and abundant supplies for Black Sea Exporters, such trend is expected to continue. According to the WASDE report (February 2018) by the USDA, every third tonne of imported wheat comes from Black Sea Exporters.

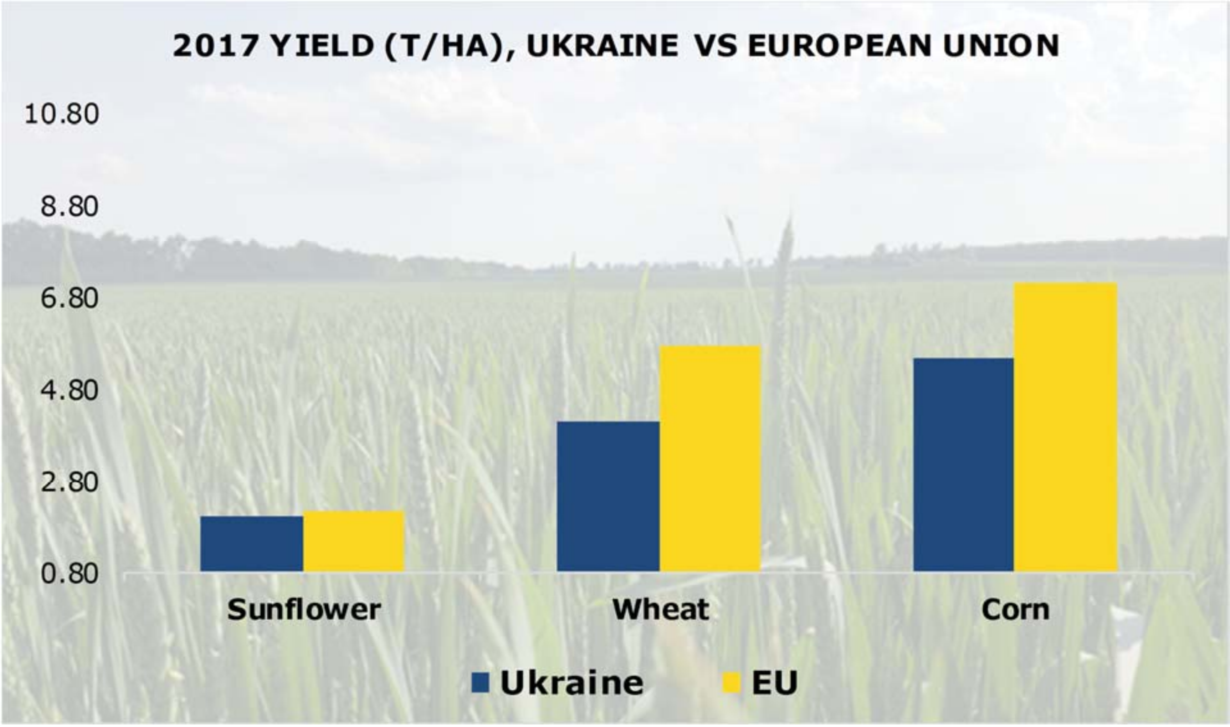
Overall, USDA projects (February 2018) wheat imports to slightly increase from 2016, while world inventories of wheat will break another record, up 5% from last year. For coarse grains, the inventories are now projected at their lowest level since 2013, weighted down by reduced harvest. Oilseeds, on the other hand, will also break another record, with ending stock and output topping 2016.

For 2018, the initial projection by the FAO, point to slightly lower winter crop plantings in the Northern Hemisphere. In the USA, early indicators show winter wheat sowings at their lowest level since 1909, however, it's still less than 1% down from 2017.



Source: USDA

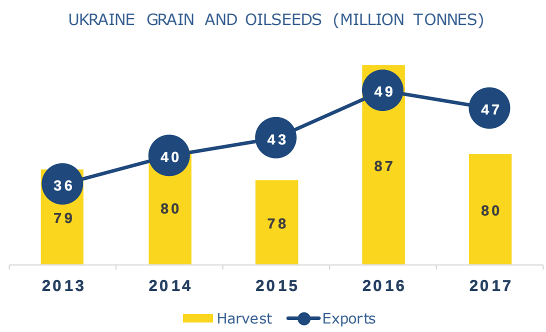
UKRAINIAN MARKET FOR GRAINS AND OILSEEDS



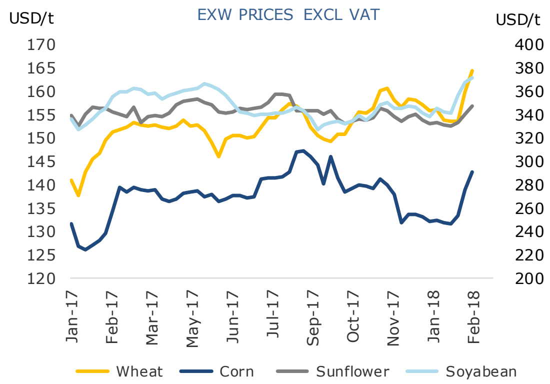
Source: USDA

According to the USDA report (February 2018), the harvest and exports of grains and oilseeds in 2017 are set at a high level, albeit down from the record reached in 2016. Out of the total output, wheat harvest even increased by 1% from last year, although production of coarse grains and oilseeds lowered by 13% and 8%. This makes Ukraine today one of the main producer and exporter of grain and oilseeds in the world, owing much to a large area of fertile black soil. Moreover, considering the fact that yields in Ukraine are still well behind the results achieved in the European Union, the country has a lot of potential to increase its exports even more.

For 2018 harvest, farmers have planted 7.3 million hectares of winter grains, up slightly from 7.2 million hectares seeded in 2017. In February 2018, indications showed that 87% of winter crops are in good or satisfactory condition, albeit it´s still early to draw final conclusions for this year. The total planted areas under the agricultural crops are expected to remain at the last year´s level (Ministry of Agrarian Policy and Food of Ukraine).



Source: USDA



Source: APK Inform

CORPORATE GOVERNANCE

INTRODUCTION

The full Report on Corporate Governance during the period of 1 January 2017 - 31 December 2017 ("Report") is published at the same time with the Annual Report on the Company's web page http://www.agromino.com/wp-content/uploads/2018/03/Agromino-Report-on-Corporate-Governance-2017.pdf
The following constitutes Agromino's statutory reporting on corporate governance in accordance with Section 107 b (1)(3) of the Danish Financial Statements Act.

Agromino A/S applies the recommendations issued by the Committee on Corporate Governance (the "Code", latest version of which is available at www.corporategovernance.dk)

The principles of corporate governance in Agromino are described below and governed by the Articles of Association, applicable laws, the Code, Rules of Procedure for both of the Boards, exchange requirements, and market practice. Specific reference is made to any areas in which Agromino deviates from the Code, as is required by the 'comply or explain' principle in the Code.

It is Agromino's declared intention to secure that the standards and principles of good corporate governance will be adhered to at all times.

The governance of Agromino is attended to by:

- The General Meeting of Shareholders
- The Board of Directors
- The Executive Board

GENERAL MEETING

The General Meeting of Shareholders has supreme authority in all matters and things pertaining to the Company subject to the limits set by statute and by the Articles of Association. Any share carries one vote in the General Meeting of Shareholders. The members of the Board of Directors and the auditor are elected by the General Meeting of Shareholders.

BOARD OF DIRECTORS

In 2017, the Board of Directors consisted of three members Johannes Bertorp (chairman), Jens Bruno and Martin Rosenmejer. As of February 26, 2018, the Board of Directors consists of four members, Petr Krogman (chairman), Richard Warburton, Jens Bruno, Johannes Bertorp. In accordance with the Code, at least half of the members must be independent of the company, management, and shareholders, and this requirement is fulfilled by Agromino having two independent members of the Board of Directors. In 2017, Jens Bruno and Martin Rosenmejer were independent members and as of February 26, 2018, Jens Bruno, Johannes Bertorp and Richard Warburton are independent members.

In accordance with the Code, the elected members of the Board of Directors are appointed to hold office for one year and thus the election term expires at the Annual General Meeting following the election. The Board of Directors shall have a Chairman, which they shall elect from among their members.

More information for the Board of Directors has been presented in the following paragraphs. No member of the Board of Directors has management positions in any other Danish company save for as provided below.

Petr Krogman (born in 1973)

Chairman of the Board of Directors of Agromino since February 26, 2018.

Shareholding in Company (April 2, 2018): 5,149,987

Other current active positions:

- Agromino Group companies in Estonia, Supervisory Board Member
- Statutory Director in Swardman, s.r.o.
- Statutory Director in the Czech investment funds Mabon investiční fond s proměnným základním kapitálem a.s. and ZSZ investiční fond s
- Member of the Supervisory Board of Resilient a.s.

Experience (highlights of former positions):

- Owner and CEO of Spojené farmy a.s.

Richard Warburton (born in 1966)

Vice-Chairman of the Board of Directors of Agromino since February 26, 2018.

Shareholding in Company (April 2, 2018): 871,063

Other current active positions:

- CEO and Board Member of Black Earth Farming Ltd.
- Director and a majority shareholder of Terravost Limited
- Director at KCM LIMITED

Johannes Bertorp (born in 1977, male)

Chairman of the Board of Directors of Agromino since April 29, 2016, until February 26, 2018.

Shareholding in Company (31.12.2017): 1,536,914

Other current active positions:

- Agromino Group companies in Estonia, Supervisory Board Member
- AS Trigon Dairy Farming Estonia, Supervisory Board Member
- Maderna Corporate Services AB, Director

Experience (highlights of former positions):

- Chairman of the Bondholders' Committee of Agromino A/S Bonds
- Mediafy AB, Member of the Board
- Zitius Service Delivery AB, Member of the Board
- Advoco Software AB, Member of the Board
- Sjövillan Ekudden AB, Member of the Board
- Mouli Clothing AB, Member of the Board
- Garde Security AB, Member of the Board
- Easy Ad Venture BVBA, Member of the Board

Jens Bruno (born in 1973, male)

Member of the Board of Directors of Agromino since April 29, 2016.

Shareholding in the Company (31.12.2017): 10,000

Other current active positions:

- Across Retail AB, Partner, CEO, Member of the Board
- Across Agri AB, Partner, CEO, Member of the Board

Experience (highlights of former positions):

- Across Invest AB, Partner, CEO, Member of the Board
- Interfox Resources AB (publ), CEO, Member of Board
- Grain Alliance Ltd, Business controller/Investment Manager
- Swedish government appointed Special Adviser to the Ministry of Finance of Ukraine / Attaché of Economic Affairs
- Special Adviser to the Russian Ministry of Finance, Attaché of Economic Affairs

All the members of Board of Directors are at the age below 80 which is the retirement age for Board of Directors set by Articles of Association. At the General meeting on February 26, 2018, Petr Krogman was elected as a new Chairman and Richard Warburton was elected as a Vice Chairman of the Board of Directors.

A Board of Directors meeting shall constitute a quorum when more than half the directors are present. Resolutions by the Board of Directors shall be passed by a simple majority of votes. The Board of Directors has held four physical meetings during 2017 and several via electronic means.

The Board of Directors is the highest level of the management structure, which primary functions are to be responsible for the overall and strategic management as well as decision outside of the day-to-day management, i.e. decisions of unusual nature or of major importance. The Board of Directors will arrange for the proper organisation of the activities of Agromino and will ensure that the keeping of accounts and the administration of property are carried out in a satisfactory way.

The Board of Directors has drawn up rules of procedure governing the performance of its duties.

Fees paid to Board of Directors are resolved by General Meeting and are disclosed under the section 'Related Party Transactions'.

EXECUTIVE BOARD

The Board of Directors has appointed an Executive Board consisting of two members to be responsible for the day-to-day operations of the company. As of February 27, 2018, the Board of Directors recalled Executive Board member K. Kotivnenko and therefore going forward the Executive Board now consists of only one member. As of March 27, 2018, the Board of Directors has appointed Petr Toman as member of the Executive Board and CEO with immediate effect, replacing Simon Boughton.

List of management positions of Executive Board members in other companies is presented in the following paragraphs. No member of the Executive Board has management positions in any other Danish company.

Petr Toman (born in 1973)

CEO and Member of the Executive Board of Agromino since March 27, 2018.

Shareholding in Company (31.12.2017): 0

Other current active positions:

- Member of the Board/director of Agromino Group Companies in Estonia and Cyprus
- Manager of Agromino A/S branch in Estonia
- CEO of Resilient Group
- CEO of Czech investment fund Mabon investiční fond s proměnným základním kapitálem a.s.

Experience (highlights of former positions):

- EPIC, various top management positions in EPIC group and in its daughter companies

The Executive Board shall be accountable to the Board of Directors for managing the company in accordance with applicable law in force, the company's Articles of Association, the Rules of Procedure of the Board of Directors and the Guidelines for Segregation of Duties between the Board of Directors and Executive Board.

The Board of Directors has drawn up guidelines to segregation of duties between the Board of Directors and the Executive Board.

Fees paid to Executive Board are disclosed under the section 'Related Party Transactions'.

The management structure of the Group as at the date of publication of the current report is shown in the following graph.

The average number of employees in 2017 stood at 879 (2016: 969).

RULES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Amendments to the Group's Articles of Association may be proposed either by the shareholders or the Board of Directors.

As a general rule, proposed resolutions to amend the Articles of Association shall be passed at a general meeting by the shareholders. The resolution to amend the Articles of Association shall generally be passed by a majority of at least two-thirds of the votes cast as well as of the share capital represented at the general meeting, cf. Section 106(1) of the Danish Companies Act (the "DCA").

For the sake of good order, please note that pursuant to Section 107(2) of the DCA, certain proposals to amend the Articles of Association shall be passed by at least nine-tenths of the votes cast as well as of the share capital represented at the general meeting. Finally, certain decisions which favor certain shareholders to the detriment of other shareholders may contravene with the principle of equal treatment of shares in Section 45 of the DCA and as such requires unanimity.

However, pursuant to the DCA the shareholders may by passing a resolution at a general meeting authorise the Board of Directors to amend the Articles of Association in certain respects e.g. by an increase or decrease of the share capital of the Group. The authorisation is subject to a number of requirements.

Except for the authorisations mentioned under 'Authorisations to Board of Directors' below, the Group's general meeting has not passed resolutions with respect to such authorisations.

AUTHORISATIONS TO THE BOARD OF DIRECTORS

The board of directors is in the period until 20 April 2022 authorized to issue in one or more rounds up to 1,014,695 warrants which shall entitle the recipients to subscribe for ordinary shares in the Company for a total aggregate nominal amount of up to EUR 1,014,695. The warrants may be issued to members of the Company's executive management and to key employees. Partial payment of the share capital which is subscribed for in connection with the exercise of warrants shall not be allowed. The existing shareholders shall neither have pre-emptive rights in connection with the issuance of warrants nor in connection with the subscription of shares by exercise of the warrants. The warrants are subject to transfer restrictions and may only be transferred in accordance with the warrant terms as determined by the board of directors. The new ordinary shares which are subscribed for on the basis of the warrants shall be negotiable instruments and shall be registered in the name of the holder. The remaining terms and conditions for the warrants shall be determined by the board of directors in connection with the board's utilization of the authority.

The board of directors is at the same time authorized in the period until 20 April 2022 to increase the share capital of the company with a total aggregate nominal amount of up to EUR 1,014,695 (or such other amount which results from any adjustment of the number of warrants due to changes in the share capital of the company in the period between issuance and exercise of the warrants) in connection with the exercise of the issued warrants.

The board of directors is authorized in the period until 20 April 2022 to increase the share capital of the Company by way of a cash contribution or by way of conversion of debt in one or more rounds with a maximum nominal amount of EUR 2,000,000 at market price without pre-emptive rights for the existing shareholders.

The board of directors is authorized in the period until 20 April 2022 to increase the share capital of the Company by way of cash contribution in one or more rounds with a maximum nominal amount of EUR 2,000,000 at market price with pre-emptive rights for the existing shareholders.

The board of directors is authorized in the period until 20 April 2022 to increase the share capital of the Company by way of a cash contribution or by way of conversion of debt in one or more rounds with a maximum nominal amount of EUR 2,000,000 at a price below market price with pre-emptive rights for the existing shareholders.

COMMITTEES

In the autumn of 2010, the Board of Directors established three committees: the Audit Committee, the Nomination Committee, and the Remuneration Committee.

Audit committee

The responsibilities of the Audit Committee include: (i) notifying the board of directors of the result of the statutory audit, including the reporting process, (ii) monitoring the reporting process and present recommendations or proposals to ensure the integrity, (iii) monitoring whether the Group's internal control system, the internal audit function (if any) and risk management systems function efficiently with regard to the reporting in the Group without violating its independence, (iv) monitoring the statutory audit of the annual report etc. taking into account the result of the most recent quality control of the audit company, (v) controlling and monitoring the independence of the auditor pursuant to sections 24-24(c) and article 6 of regulation (EU) 537/2014 of the European Parliament and the Council dated 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and approving the auditor's provision of services other than auditing, ref. article 5 of this regulation, and (vi) being responsible for the procedure for selection and recommendation of the auditor for election in accordance with article 16 regulation (EU) 537/2014 of the European Parliament and the Council dated 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. The members of the Audit Committee are appointed by the Board of Directors and among its members. In 2017, Agromino's Audit Committee consisted of Jens Bruno (Chairman), Johannes Bertorp and Martin Rosenmejer. As of February 26, 2018, the Audit Committee consists of Jens Bruno (Chairman), Richard Warburton and Petr Krogman.

The Audit Committee shall meet as frequently as the Chairman of the Audit Committee deems necessary, but it should be at least twice a year.

In 2017, the Audit Committee held 4 physical meetings and 1 via electronic means.

Nomination Committee

The Nomination Committee's duties include: (i) identifying and recommending members of the Board of Directors and Executive Board to the Board of Directors; (ii) evaluating the structure, size, composition and performance of the Board of Directors and Executive Board and to propose any changes in this respect to the Board of Directors; and (iii) considering proposals submitted by relevant persons for candidates for executive positions.

The Nomination Committee shall consist of two to four persons and at least half of its members shall be independent of Agromino and its subsidiaries. The members of the Nomination Committee shall be appointed by the Board of Directors and among its members. In 2017, the Nomination Committee consisted of Martin Rosenmejer (Chairman), Jens Bruno and Johannes Bertorp. As of February 26, 2018, the Nomination Committee consists of Petr Krogman (Chairman), Richard Warburton and Jens Bruno.

In 2017, the Nomination Committee held 2 meetings via electronic means.

Remuneration Committee

The Remuneration Committee's duties include to make proposals to the Board of Directors, prior to approval at the general meeting, on the remuneration policy and the principles of the incentive pay schemes for the Board of Directors and the Executive Board and to ensure that the remuneration is consistent with Agromino's remuneration policy and the evaluation of the performance of the persons concerned.

The members of the Remuneration Committee shall be appointed by the Board of Directors and among its members. The Remuneration Committee shall consist of two to three members and the Chairman of the Board of Directors shall always be the Chairman of the Remuneration Committee. At least half of the members shall be independent in relation to Agromino and its subsidiaries. In 2017, Agromino's Remuneration Committee consisted of Johannes Bertorp (Chairman), Jens Bruno and Martin Rosenmejer. As of February 26, 2018, the Remuneration Committee consists of Petr Krogman (Chairman), Jens Bruno and Richard Warburton. The Remuneration Committee shall convene as often as considered necessary by the Chairman of the Committee and at least once a year.

In 2017, the Remuneration Committee held 2 meeting via electronic means.

ALLEGATIONS ABOUT VIOLATIONS OF STOCK MARKET RULES

As announced on 28 February 2018, Agromino A/S has recalled the directorship of one of its executive directors. Agromino A/S has, following the termination received a letter from the former director with allegations that certain transfers of shares in Agromino A/S involving board members and other individuals in his opinion have been made in violation of the Market Abuse Regulation.

The board regards the allegations to be unfounded and intended to put undue pressure on the board. For the sake of good order and to avoid any conflict of interests, Agromino A/S has voluntarily reported the letter and the allegations to the Swedish Financial Supervisory Authority (Sw: Finansinspektionen).

INTERNAL CONTROL

The Executive Board is responsible for the organisation and administration of the Group, which includes establishing an effective system of internal control. Internal control in this context refers to those measures taken by the Executive Board, the senior executives and other personnel to ensure that the bookkeeping and the Group's financial condition, in general, are controlled and reported upon in a reliable fashion and in compliance with relevant legislation, applicable accounting standards and other requirements related to the Group's listing on the Stock exchange.

In order to ensure that the organisational structure, chain of command and authority are well defined and clearly communicated, the Group has prepared written instructions and formal routines for the division of labour between the Executive Board, the Board of Directors, the management and other personnel. The Executive Board has established general guidelines for the Group's activities in internal policies, manuals, and codes. Controls have also been carried out to ensure that the IT-/computer systems involved in the reporting process support a sufficiently high dependability for its task. The Group has established fixed routines and invested in reliable technical applications to guarantee a fast and reliable way of sharing information throughout the organisation. Internal policies and general guidelines for financial reporting are communicated between the Executive Board, senior executives and other personnel through regular meetings and via an electronic form.

The internal control system followed in 2017 consisted of risk assessment, reporting instructions, control procedures and monitoring.

The Executive Board and also the Audit Committee assess risks related to financial reporting that the Group is exposed to. The main risks have been identified as a risk of fraud and misconduct. Certain risks have been disclosed and explained also in the Annual Report under section Financial Risk Management.

Several control procedures have been integrated into the accounting and reporting systems such as financing policy, internal reporting guidelines, and certain internal accounting control routines.

The Executive Board follows up to ensure that any internal control weaknesses are addressed and that potential errors are detected and reported and corrected in timely and orderly fashion.

The policies, guidelines, and routines are updated on an on-going basis and are introduced to employees regularly via electronic form or internal training events.

Monitoring over accounting and financial reporting are conducted by the Executive Board and Audit Committee on a regular basis. Monitoring procedures are designed to identify risks, detect errors and correct any weaknesses. The Executive Board receives monthly internal financial reporting and the Audit Committee receives quarterly interim reports.

SUMMARY OF CODE RECOMMENDATIONS NOT FOLLOWED AND REASONS WHY NOT FOLLOWED

The following table is a summary of the Report and outlines the Code recommendations the Group did not follow as well as an explanation why the Group did not comply with the recommendation. Regardless, the Group is satisfied with its Code adherence discipline.

Recommendation	**The reason why the Group complied only partially**
2.3.1. The Committee **recommends** appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as an effective sparring partner for the chairman.	The Chairman of the Board of Directors has continued to actively participate in all the meetings of the Board of Directors which is why the need for the re-election of the Vice-chairman for the year 2017 was not considered high.
4.1.1. The Danish Committee on Corporate Governance (hereinafter the "Committee") **recommends** that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. The remuneration policy should be approved by the general meeting and published on the company's website.	The remuneration of the Board of Directors and the Executive Board members is based on the principle of transparency - each member's remuneration constitutes a flat annual fee which is resolved at the AGM and the remuneration amount is included in the AGM Agenda available for review by each shareholder prior the AGM.
5.2.1. The Committee **recommends** that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.	The board of directors has decided to evaluate the current arrangements that relate to the wrongdoing reporting with the help of an external advisor to be completed in 2018.

CORPORATE SOCIAL RESPONSIBILITY

Statutory statement on social responsibility in accordance with section 99a of the Danish Financial Statements Act

Agromino is a leading Agribusiness manager involved in the full farming chain from land acquisition, land operation, crop production, to crop storage, marketing, and trading. We operate today in Ukraine, Russia, and Estonia. Agromino is committed to operating the agricultural businesses under its control utilizing environmentally and agronomically sustainable production methods. Agromino will continue to ensure that all its employees are fully conversant with the aims set out in this policy statement in order that all its activities are compliant and represent best practice. The number of employees as at December 31, 2017, stood at 835 out of which 735 were employed in Ukraine, 89 in Russia and 11 in Estonia. In 2017, the expenses of employee training totaled at EUR 14 thousand, excluding the costs of internal training as our top management also conducts internal training courses for local specialists. The Group management has a policy on social responsibility with the following focus areas:

Anti-corruption and bribery

It is the policy of Agromino not to engage in bribery or corruption and comply with applicable anti-corruption laws. We support the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. We adhere to the UN Global Compact principle 10: We shall work against corruption in all its forms, including extortion and bribery. Making, promising or offering any payments, gifts or inducements with the purpose of influencing someone (incl. government officials, suppliers, clients, etc.) to act improperly is strictly forbidden; the same applies to accepting payments, gifts or inducements. All payments should be reasonable and fall within the acceptable commercial practice. All such expenses have to be properly recorded in the accounts. We do not tolerate so-called facilitating payments (for example small unofficial payments to officials in order to speed up processes). Agromino does not make political contributions. When engaging in business relationships Agromino chooses its partners with the same zero tolerance approach to corruption and bribery. The Group appreciates the risk of corruption and bribery in the countries it operates and continues to take measures to minimize this risk. All funds received and paid by the Group and its subsidiaries during the course of business are strictly accounted and handled via bank transfers exclusively to minimize the possibilities of cash being taken in or out for the purposes of bribery. In 2017, the Group continued to ensure its adherence to such cash management.

Human rights

The Group operates in countries where businesses' exposure to human rights violations is limited. Consequently, the Group does not conduct any activities, liaise or contract with business partners or suppliers in countries considered high-risk in terms of human rights abuses. Therefore, there is no separate formal human rights policy. However, Agromino is respecting human rights and supports the UN Global Compact principles for human rights and labour. The rights include the rights covered in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In 2017 there were no registrations of violations of human rights or incidents of discrimination reported.

Health and safety

The Group health and safety policy provides a brief overview of major principles in the field of health and safety. According to the health and safety policy, basic obligations of Agromino in the area of health and safety are to provide:

- safe and healthy systems of work;
- safe and healthy work environment;
- adequate amenities;
- safe and healthy premises of work;
- safe and well-maintained plant and machinery;
- safe methods of handling, storing and transporting materials;
- adequate instruction and training for employees;

- adequate supervision by competent and trained personnel;
- relevant and adequate information for all employees;
- responsible person.

According to the health and safety policy, each employee of the Group is encouraged to play a vital and responsible role in maintaining a safe and healthy workplace through:

- being involved in the workplace health and safety system;
- sticking to correct procedures and equipment;
- wearing appropriate clothing and equipment as and when required;
- ensuring all accidents and incidents are reported to direct superior and responsible staff member;
- helping new employees, trainees and visitors to the workplace understand the right safety procedures and their objective;
- telling your direct superior immediately of any health and safety concerns;
- keeping the workplace tidy to minimise the risk of any trips and falls.

As Agribusiness managers the Group is fully aware of the risks associated with grain production, transport, and storage processes. In 2017, there were no workplace accidents reported in Ukraine, Russia, and Estonia. The Group, however, continues to monitor and improve the workplace safety situation. In 2017, The Group continued to implement and follow strict work safety regulations and provide proper training and updates to employees in order to ensure safety and avoid accidents. The Group employs dedicated work safety officers to ensure compliance with the policy. General health and safety induction training are provided for all new employees.

Community involvement

Agromino contributes to making the communities in which it operates better places to live and do business. Agromino values mutually beneficial relationships with communities where it operates and strives to engage or consult with communities regarding business development plans that have a material impact on those communities. Agromino strives to support on a targeted basis local municipalities and organizations taking into account the availability of resources. For example, the support can be in the form of organising local events, buying equipment for schools, helping with the renovation works of public facilities, etc. A record of contributions and donations is kept to monitor activities and progress.

In 2017, the Group's subsidiaries in Russia and Ukraine have supported local municipalities and organisations by

- making non-returnable charity and financial aid payments
- buying renovation materials or organizing small renovation works for schools, churches, kindergartens
- buying necessary equipment and furnishing for the various local organisations (incl. machinery and furnishing for schools and other local organisations)
- making gifts for children, students or veteran organisations
- supporting other local activities (for example organising local events, transportation, and catering).

The Group has also given financial aid and organised events and training for its employees and bought Christmas gifts for the children of the employees. The financial resources allocated by the Group for community support amounted to about EUR 107 thousand. The activities have improved the facilities in the local communities and helped to carry out events, increasing the welfare of people in the communities where Agromino operates.

Environment and climate change

Agromino is committed to operating the agricultural businesses under its control utilising environmentally and agronomically sustainable production methods. We recognise the need to honour the responsibilities we have with respect to protecting the environment and to the consumer by ensuring that the food we produce is both safe and of a high standard. To achieve this commitment, we ensure that all our agronomists and managers are fully trained with the most up to date technical information, to ensure that there is the optimal use of seeds, fertilisers, and pesticides so as to keep a sound balance between production and the environment. Agromino's cultivation, field application, and harvesting philosophy focus on the minimal usage of energy thus minimising the Group's carbon footprint. The crop rotations adopted are carefully planned to ensure no build-up of pests, diseases or weeds. We are highly water conscious and at all times look to preserve this most precious resource. All waste materials are disposed of in an environmentally sensitive way so as to minimise pollution of our planet.

The Group appreciates the environment and climate situation as the technology evolves and production increases and reassesses its operational activities from this perspective regularly. Thus, our 2017 activities have been focused on the application of the following principles to our business:

- The continued development of the Telematics Management Department, which has been a crucial support service for the group for the past several years, providing a cross-Group platform to enable effective planning, monitoring and reporting of all production related operations
- Maintaining soil fertility is ensured by having in place a sustainable rotation, nutrient management plan, soil management plan and crop protection management plan. These are enforced by approving annual budgets where the utilization of hectares and application of nutrients and chemicals is detailed.
- Soil management – Mini-till, No-Till, and Strip Till farming are used whenever possible. This helps to preserve soil microbes, preserve natural drainage, results in less nitrogen leaching and lowers fuel consumption. Cultivation is not carried out up and down any slopes wherever possible, to combat soil erosion.
- Crop protection – chemicals are applied strictly adhering to label recommendations that specify which crops the chemical can be applied to, application rate per hectare, the permissible frequency of application and harvest interval – i.e. the minimum time period that has to be left between application and harvest to ensure food safety. Reduced application rates are used when they have internally been proven to be sufficient, which also assists to reduce our environmental footprint.
- Nutrient management – appropriate quantities and application practices are used to ensure optimum growing conditions, maintain soil fertility and prevent pollution that would be caused by over-application of nutrients.
- Fertilizer and Pesticide storage – national regulations are followed that specify maximum quantities permissible to store and the required distance from habitation.
- Fuel consumption is monitored using real-time GPS tracking of vehicles which enables Management, for example, to monitor and enforce optimum driving speeds and engine revolutions which optimises fuel consumption. Waste disposal – washed chemical, fertilizer and seed packaging are delivered to a special factory where they are incinerated to provide energy for power production.
- Accident and emergency plan – in case of a chemical spill there is an action plan listing specific steps in each vehicle and all relevant operatives have been trained in the procedure.

The Group has acted in accordance with this policy for several years. No environmental incidents were reported in 2017. Agromino will continue to ensure that all its employees are fully conversant with the aims set out in this policy statement in order that all its activities are compliant and represent the best practice possible.

Statutory statement on the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

The Group strives for gender equality and does not discriminate based on gender. Currently, the Board of Directors consists of men only. The Group rules of procedure state that the Board of Directors must assess every year whether men and women are equally represented on the Board of Director, or whether there is a requirement for the definition of a target ratio for the share of the underrepresented sex on the Board of Directors. The Board of Directors has set the target figure for the proportion of female directors elected by the general meeting to have 1 female Board Member by 2017. The Board did not progress toward this target in 2017 and feels strongly about the Company reaching the aforesaid proportion of female directors in 2018. The substantial changes in the shareholder´s base and management structure following the conversion of the bonds procedure carried out throughout 2016 and also partly in 2017 did not enable the Board of Directors to progress towards this target in 2017. The operational management team consists of eight key personnel, four of whom are male and four of whom are female.

FINANCIAL HISTORY

Income statement, EUR thousand	**2013**	**2014**	**2015**	**2016**	**2017**
Revenue from continuing operations	75,608	52,063	39,618	39,190	31,019
EBIT from continuing operations	-9,371	12,345	7,754	3,192	3,821
Net financials from continuing operations	-6,785	-13,811	-11,785	-3,231	-1,754
Net profit/loss	-16,844	-13,301	-52,955	-25,079	3,479

Balance sheet, EUR thousand	**31.12.2013**	**31.12.2014**	**31.12.2015**	**31.12.2016**	**31.12.2017**
Total assets	185,247	149,591	67,848	45,140	46,765
incl Non-current assets	155,617	119,792	35,766	24,016	26,672
incl Property, plant and equipment	132,750	104,438	22,787	13,795	14,940
Investment in property, plant and equipment	6,912	24,180	4,478	657	4,710
Net debt (including accrued interest)	69,080	74,434	60,423	6,436	10,478
Total equity	103,805	61,906	541	30,421	31,197

Cash flow statement, EUR thousand	**2013**	**2014**	**2015**	**2016**	**2017**
Cash flows from operating activities	9,263	7,942	9,127	5,952	-1,154
Cash flows from investing activities	-14,511	-5,673	-1,130	11,213	466
Cash flows from financing activities	2,280	-2,006	-9,622	-15,347	-874
Effects of exchange rate changes	-225	-1,135	-599	-73	-404
Cash and cash equivalents at beginning of period	8,190	4,997	4,125	1,901	3,646
Cash and cash equivalents at end of period	4,997	4,125	1,901	3,646	1,680

Key figures	**31.12.2013**	**31.12.2014**	**31.12.2015**	**31.12.2016**	**31.12.2017**
Number of shares, end of the period (adjusted for reversed share split)	1,296,275	1,296,275	1,296,275	17,283,575	17,421,313
Total number of employees	1,455	1,269	1,011	893	835
Land under control, hectares	167,381	144,103	123,544	58,835	57,867

Ratios	**2013**	**2014**	**2015**	**2016**	**2017**
Earnings per share (EPS), EUR (adjusted for reversed share split)	-13.24	-10.37	-40.60	-1.45	0.20
Book value per share, EUR (adjusted for reversed share split)	80.08	47.76	0.42	1.74	1.77
Return on assets (ROA)	-9%	-8%	-48%	-44%	8%
Return on equity (ROE)	-15%	-18%	-99%	-166%	11%
Equity ratio, %	56%	41%	1%	67%	67%
Current ratio	1.51	0.48	1.16	1.52	1.46
Acid test	0.72	0.20	0.48	0.74	0.46

For definitions of the ratios please refer to page 111.

THE SHARE

Share information

Official listing:	NASDAQ Stockholm
Form of listing:	Common stock
Sector:	Agricultural Products
Exchange ISIN:	DK0060823516
Short name:	AGRO
Reuters ticker:	AGROM.ST
Bloomberg ticker:	AGRO: SS

As at December 31, 2017, Agromino had approximately 1,803 shareholders. The total number of issued shares 17,421,313 also includes 42 treasury shares.

Major nominee shareholders as at 31.12.2017	**Country**	**No of shares (thousands)**	**Holdings in %**
CLEARSTREAM BANKING S.A., W8IMY	Luxembourg	2,987	17.1%
GOMOBILE NU AB	Sweden	2,188	12.6%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	Sweden	1,700	9.8%
BERTORP, JOHANNES	Sweden	1,543	8.9%
SKANDINAVISKA ENSKILDA BANKEN S.A., W8IMY	Luxembourg	1,345	7.7%
HSBC TRUSTEE OF MARLBOROUGH, EUROPEAN	Great Britain	989	5.7%
SEB-STIFTELSEN, SKAND ENSKILDA	Sweden	457	2.6%
SPARINVEST	Luxembourg	452	2.6%
SWEDBANK AS (ESTONIA)	Estonia	367	2.1%
CBLDN-POHJOLA BANK PLC CLIENT A/C	Great Britain	316	1.8%
OTHER		5,077	29.1%
Total number of shares		**17,421**	**100.0%**

Agromino Share trade data (adjusted for reversed share split)	**2015**	**2016**	**2017**
MCap (period end), SEK (thousand)	66,110	276,537	337,973
Average no of trades per day	38	40	49
Average volume per trade	60	227	638
Average number of traded shares per day	2,284	9,162	31,027
Average turnover per day, SEK	172,846	180,628	588,600
Average turnover per trade, SEK	4,574	4,477	12,113

FINANCIAL CALENDAR

Annual general meeting
April 26, 2018

Interim report 1Q 2018
May 31, 2018

Interim report 1H 2018
August 31, 2018

Interim report 9m 2018
November 30, 2018

Interim report 4Q 2018
February 28, 2019

Annual report 2018
March 29, 2019

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in EUR thousand	Note	31.12.2017	31.12.2016
ASSETS			
Current assets			
Cash and cash equivalents	5,7	1,680	3,646
Trade and other receivables	6,7	4,632	6,701
Inventories	8	11,456	7,287
Biological assets	9	2,137	1,914
Assets held for sale	10	188	1,576
		20,093	**21,124**
Non-current assets			
Prepaid land rents and land usage rights	11	816	1,045
Other non-current prepayments and receivables	6,7	49	234
Biological assets	9	2,447	1,994
Intangible assets		8	24
Property, plant and equipment	10	14,940	13,795
Investments in associates	29	8,412	6,924
		26,672	**24,016**
Total assets		**46,765**	**45,140**
LIABILITIES			
Current liabilities			
Trade and other payables	7,12	2,776	3,869
Borrowings	7,13	11,018	10,072
		13,794	**13,941**
Non-current liabilities			
Trade and other payables	7,12	29	18
Borrowings	7,13	1,140	10
Deferred tax liabilities	15	605	750
		1,774	**778**
Total liabilities		**15,568**	**14,719**
EQUITY			
Capital and reserves attributable to equity holders of the Group			
Ordinary shares	16	17,421	17,284
Share premium	16	120,151	120,013
Other reserves	17	-48,913	-45,936
Accumulated deficit		-57,826	-61,276
		30,833	**30,085**
Non-controlling interest in equity		364	336
Total equity		**31,197**	**30,421**
Total equity and liabilities		**46,765**	**45,140**

The notes on pages 46 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

in EUR thousand	**Note**	**2017**	**2016**
Continuing operations:			
Revenue	18	31,019	39,190
Other income	18	607	286
Gain/loss of biological assets arising from changes in fair value less cost to sell	9	1,199	380
Total revenue, other income and fair value adjustments		**32,825**	**39,856**
Net changes in inventories of agricultural produce and work in process	8	**4,277**	**465**
Cost of purchased goods for trading purposes		-4,980	-6,238
Raw materials and consumables used for production purposes	19	-18,234	-15,858
Employee benefits expense	20	-4,863	-4,823
Depreciation and amortization	10	-1,629	-1,505
Other administrative expenses	22	-1,807	-2,859
Revaluation of land	10	-1,391	-5,460
Other (losses)/gains - net	23	-377	-386
		3,821	**3,192**
Gains/losses from exchange rate differences		-564	847
Finance income	24	22	2,164
Finance costs	24	-1,212	-6,242
Share of profit/loss of investments accounted for using the equity method	29	1,487	-1,445
Profit / loss before income tax		**3,554**	**-1,484**
Corporate income tax	14	-75	-91
Profit / loss for the period from continuing operations		**3,479**	**-1,575**
Discontinued operations			
Loss for the period from discontinued operations (attributable to equity holders of the company)	32	-	-23,504
Profit / Loss for the period		**3,479**	**-25,079**
Attributable to:			
Equity holders of the Company		3,450	-25,097
Non-controlling interest		29	18
		3,479	**-25,079**
Profit / loss per share for profit / loss attributable to the equity holders of the Company during the period, both basic and diluted (expressed in Euros per share)	25	**0.20**	**-1.45**
From continuing operations	25	0.20	-0.09
From discontinued operations	25,32	0.00	-1.36

The notes on pages 46 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand		2017	2016
Profit / Loss for the period		**3,479**	**-25,079**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Gain/Loss from revaluation of land of continuing operations	10,17	283	-1,303
Items that may be subsequently reclassified to profit or loss			
Currency translation differences from continuing operations	17	-3,260	1,300
Currency translation differences from discontinued operations	17,32	-	18,903
Other comprehensive expense / income for the period; net of tax		**-2,977**	**18,900**
Total comprehensive income / expense for the period		**502**	**-6,179**
Attributable to:			
Equity holders of the Company		473	-6,197
Non-controlling interest		29	18
Total comprehensive income / expense for the period		**502**	**-6,179**
Total comprehensive income / expense for the period attributable to owners of the Company arises from			
Continuing operations		473	-1,596
Discontinued operations	32	-	-4,601
		473	**-6,197**

The notes on pages 46 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total Equity
	Attributable to equity holders of the Company						
Balance at 31.12.2015	**64,814**	**99,941**	**-64,836**	**-99,696**	**223**	**318**	**541**
Profit/loss for the period	-	-	-	-25,097	**-25,097**	18	**-25,079**
Other comprehensive expense	-	-	-1,191	-	**-1,191**	-	**-1,191**
Other comprehensive income recycled to Income statement in relation to discontinued operation (Note 32)	-	-	20,091	-	**20,091**	-	**20,091**
Total comprehensive income	-	-	**18,900**	**-25,097**	**-6,197**	**18**	**-6,179**
Reduction in share capital (Note 16)	-63,517	-	-	63,517	-	-	-
Issuance of share capital (Note 16)	15,987	20,072	-	-	36,059	-	**36,059**
Transactions with owners in their capacity as owners	**-47,530**	**20,072**	-	**63,517**	**36,059**	-	**36,059**
Balance at 31.12.2016	**17,284**	**120,013**	**-45,936**	**-61,276**	**30,085**	**336**	**30,421**
Profit/loss for the period	-	-	-	3,450	**3,450**	29	**3,479**
Other comprehensive expense	-	-	-2,977	-	**-2,977**	-	**-2,977**
Total comprehensive income	-	-	**-2,977**	**3,450**	**473**	**29**	**502**
Issuance of share capital (Note 16)	137	138	-	-	**275**	-	**275**
Transactions with owners in their capacity as owners	**137**	**138**	-	-	**275**	-	**275**
Balance at 31.12.2017	**17,421**	**120,151**	**-48,913**	**-57,826**	**30,833**	**364**	**31,197**

The notes on pages 46 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

in EUR thousands	Note	2017	2016
Cash flows from operating activities			
Continuing operations:			
Cash receipts from customers		32,565	42,928
Cash paid to suppliers and employees		-33,745	-36,122
Income tax paid	14	-134	152
Subsidies received		138	166
Interest received	24	22	18
Net cash outflow from discontinued operations	32	-	-1,190
Net cash used in / generated from operating activities		**-1,154**	**5,952**
Cash flows from investing activities			
Continuing operations:			
Acquisition of subsidiary, net of cash acquired		6	-8
Disposal of a part of non-core elevator business, net of cash disposed of	23	1,097	-
Proceeds from sales of shares in associate		-	1,504
Purchase of property, plant and equipment	10	-1,022	-878
Proceeds from sales of property, plant and equipment	10	385	90
Net cash inflow from discontinued operations (incl proceeds from sale)	32	-	10,505
Net cash generated from investing activities		**466**	**11,213**
Cash flows from financing activities			
Continuing operations:			
Proceeds from issues of shares	16	275	-
Proceeds from borrowings	13	5,333	2,406
Repayments of borrowings	13	-2,909	-6,586
Repayments of finance lease liabilities	13	-2,267	-151
Short-term loans received from related parties	31	1,386	900
Short-term loans repaid to related parties	31	-1,424	-900
Interest paid	24	-1,268	-5,750
Net cash outflow from discontinued operations	32	-	-5,266
Net cash used in financing activities		**-874**	**-15,347**
Net decrease/increase in cash and cash equivalents		**-1,562**	**1,818**
Effects of exchange rate changes on cash and cash equivalents		-404	-73
Cash and cash equivalents at beginning of period	5	3,646	1,901
Cash and cash equivalents at end of period	**5**	**1,680**	**3,646**

The notes on pages 46 to 92 are an integral part of these consolidated financial statements.

CONTENTS OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Agromino is a leading Agribusiness manager. We are a highly experienced team that is involved in the full farming chain from land acquisition, land operation, crop production, to crop storage, marketing, and trading. We operate today in Ukraine and Russia, with our strategic, financial, legal and telematic management based in Estonia. The Company was established on December 11, 2006. The Company has subsidiaries in Estonia, Cyprus, Russia and Ukraine (together hereinafter referred to as "the Group").

The parent company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is Sundkrogsgade 5, DK-2100 Copenhagen. The company listed its shares on the Stockholm First North Stock Exchange on May 18, 2007. From December 8, 2010, the company's shares have been traded on the main market Small Cap segment on NASDAQ Stockholm. The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities.

These financial statements were authorised for issue by the Board of Directors on March 28, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

This consolidated financial information of Agromino A/S for 2017 ended December 31, 2017, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and further requirements in the Danish Financial Statements Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets and land.

The reporting period of the financial statements is the calendar year.

The Company prepares its separate financial statements in accordance with IFRS as adopted by the European Union and the further requirements in the Danish Financial Statements Act. Parent company financial statements are presented after notes to the consolidated financial statements in the same set of financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations became effective for the Group from 1 January 2017.

Disclosure Initiative - Amendments to IAS 7. The amended IAS 7 requires disclosure of a reconciliation of movements in liabilities arising from financing activities. The required disclosure is added to Note 13.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2018, and which the Group has not early adopted.

IFRS 15, Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

Revenue from Contracts with Customers - Amendments to IFRS 15 (effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a license should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new standard. The Group's current analysis shows that the implementation did not have a significant impact on its financial statements.

IFRS 16, Leases (effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently. According to the assessments, the balance sheet and income statement of the Group will have a major impact from implementing the new standard of IFRS 16, especially the change in recognition of the land rental agreements in Ukraine. If the Group would implement the new standard as of January 1, 2018, then the present value of operating leases would be recognized under Right of use asset from one side and under Lease liability from the other side of the Balance sheet in the total amount of EUR 22,889 thousand. The discount rate similar to the Group´s incremental borrowing rate would be used to calculate the present value of all leases (currently at 7%). During the first year of implementation of this new standard, the Group would record a financial cost from those leases in the amount of EUR 1,602 thousand and depreciation of EUR 1,802 thousand, instead of operating lease expense in the amount EUR 2,817 thousand. Consequently, the value of the assets and liabilities in the Balance sheet will increase, the EBITDA and EBIT of the Group for 2018 would improve as operating lease payments would no longer be recorded within OPEX, while financial costs for 2018 will increase. The timing of the expenses would also change as during the beginning of the lease term, the total sum of financial costs and depreciation is higher and net profit lower and during the end of the lease term, the costs are lower and net profit higher. Mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to the first adoption.

IFRS 9, Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2018).

Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that is held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. ·
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that do not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

The Group has assessed that IFRS 9 did not have a material impact on its financial statements as at 1 January 2018 because impairment of receivables has been historically not material and material cash and deposits are held in credit institutions with a high rating; therefore, applying the expected loss model, including assessment of forward-looking information, did not cause material impairment losses.

The Group has assessed that applying the IFRS9 expected loss model, including assessment of forward-looking information, will have an immaterial impact on the valuation of intercompany loans and receivables in the parent standalone financial statements.

All the financial assets meet solely-payments-of-principal-and-interest ("SPPI") requirement and are held to collect, thus will continue to be measured using the amortised cost method.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and certain modification of debt and the group does not have any such liabilities or transactions.

The Group does not apply hedge accounting thus there will be no impact from IFRS 9.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

There are no other new or revised standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

CONSOLIDATION

a) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Any difference between fair value and the carrying value of assets transferred is recognised in the income statement. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Losses are also eliminated but considered whether they indicate an impairment that requires recognition in consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but the significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.1 d) below), after initially being recognised at cost.

d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.5.

2.2 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currencies of group entities are the following: for Estonian subsidiaries the Euro, for Ukrainian subsidiaries the Ukrainian hryvna, for Russian subsidiaries the Russian rouble, for Cypriot subsidiaries the Euro and for Danish parent company the Euro. The consolidated financial statements are presented in Euro, which is the functional currency for the parent company and the presentation currency for the group.

b) 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 the income statement.

Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in the income statement within 'Gains/losses from exchange rate differences'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates of a month or a longer period as appropriate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in Other comprehensive income are recognised in the income statement as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.3 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment except for land is stated at historical cost less depreciation and impairment, where required. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings 25-40 years
- Machinery 7-20 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other gains/losses – net, in the income statement.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

FAIR VALUE OF LAND

Land is carried using the revaluation method.

Under the revaluation method, an increase in an asset's carrying amount as a result of a revaluation is recognised in other comprehensive income and accumulated in equity under other reserves. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in an asset's carrying amount as a result of a revaluation is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under other reserves (Note 17).

Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.4 INTANGIBLE ASSETS

a) Licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to ten years.

2.5 IMPAIRMENT ON NON-FINANCIAL ASSETS

Assets that are subject to depreciation and land are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 FINANCIAL ASSETS

a) Classification

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "Trade and other receivables" (see Note 6) and Cash and cash equivalents (see Note 5) in the balance sheet. See Note 2.10 for measurement of trade receivables.

b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 2.10.

c) Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.7 AGRICULTURE AND BIOLOGICAL ASSETS

Agricultural activity is defined by the management as an activity of the biological transformation of biological assets for sale into agricultural produce or into additional biological assets. Agricultural produce is defined as the harvested product of the Group's biological assets and a biological asset is defined as a living animal or plant. The Group has determined the groups of its biological assets to be livestock and growing crops.

Biological assets are measured on initial recognition and at each balance sheet date at its fair value less cost to sell, except for the case where the fair value cannot be measured reliably on initial recognition. Agricultural produce harvested from the Group's biological assets is measured at its fair value less cost to sell and is subsequently recorded as inventories and measured in accordance with the accounting principles of inventory (Note 2.9).

If an active market exists for a biological asset or agricultural produce, the quoted price in that market is the appropriate basis for determining the fair value of that asset. If an active market does not exist the most proximate market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the balance sheet date, is used in determining fair value. Cost is used as an approximation of fair value when little biological transformation has taken place since initial cost incurrence, e.g. within a short time after seeding the crop.

A gain or loss arising on initial recognition of a biological asset at fair value less cost to sell and from a subsequent change in fair value less cost to sell is included in profit or loss for the period in which it arises as "Gain/loss of biological assets arising from changes in fair value less cost to sell".

The biological assets are recorded as current and non-current biological assets based on the operational cycle of the respective biological assets. In general, biological assets of growing plants are recognised as current assets because the operational cycle is less than 12 months. Dairy herd is recorded as a non-current biological asset.

a) Livestock and dairy herd

Livestock is measured at their fair value less estimated point-of-sale costs. The fair value measurements are categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13.

b) Crops – cereals and grassland

Crops are measured at their fair value less cost to sell. The fair value measurements are categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13. At initial recognition (after seeding) the crops are measured at cost, which is used as an approximation of fair value when little biological transformation has taken place since initial cost incurrence. The cost includes direct costs related to the management of the biological transformation of biological assets, like costs of seeds, fertilising, cultivation, labor costs of employees directly involved in the production process, fuel and energy and related production overheads (based on normal operating capacity). The crops are measured using discounted cash flow model once sufficient biological transformation has taken place, that normally takes place starting from the second quarter. This does not create a significant limitation in the valuation of crop balances at year-end, as the main increase in fair value is attributable to the same accounting period when the crop is harvested. As the main growth period of the crops is April to July, the change in the fair values is always the highest in the second quarter of the year. The biological assets are revalued using the latest information about actual harvesting results of the early crops, harvest-related cash outflows and cereal sales market prices. Yields for the late crops are estimated using the latest field surveys. The cereals sales prices used for revaluation include actual contracted prices and latest market prices.

The Group's grasslands qualify as bearer plants under the definition in IAS 41 Agriculture and are therefore accounted for under the rules for plant and equipment. The grasslands are carried at cost less depreciation. Grasslands are depreciated for a period of 3 years.

2.8 GOVERNMENT GRANTS

a) Government grants related to agricultural activity

An unconditional government grant related to a biological asset measured at its fair value less cost to sell is recognised as income when the government grant becomes receivable (government grants for the dairy herd, general area-aid subsidies). If a government grant related to a biological asset measured at its fair value less cost to sell, is conditional, including whereby a government grant requires a Group company not to engage in specified agricultural activity, the Group recognises the government grant as income when the conditions attaching to the government grant are met (investment subsidies, area-aid environmental subsidies) and until then aid received is recognised as a liability.

b) Government grants related to purchase of property, plant and equipment

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are amortised to the income statement on a straight-line basis over the expected lives of the related assets.

c) Ukraine VAT treatment for companies under the agricultural regime

In Ukraine there was a special VAT treatment for companies under the agricultural regime, however, this regime was canceled for 2017. In 2016 agricultural companies were obliged to pay 85% of the VAT to the State Budget of Ukraine and 15% of the VAT (the net of VAT receivable and payable) was recorded under Other Losses/Gains.

2.9 INVENTORIES

a) Agricultural produce

i. Milk

Milk is initially measured at its fair value less cost to sell at the time of milking and subsequently recorded as inventories and measured at the lower of cost and net realisable value. The fair value of milk is determined based on market prices in the local area.

ii. Grain- own produced (harvested)

Grain and feeds produced by the Group are initially measured at its fair value less cost to sell at the time of harvest and recorded in inventories until sold to third parties or used internally for feeding animals or for seeds. Grains and feed produced by the Group are subsequently measured at net realisable value. The net realisable value of feed is determined based on market prices in the local area. The net realisable value of grain is determined based on quoted prices on the nearest market or if multiple markets are available, in the market where the Group's company expects to sell the produce.

b) Grain – purchased from third parties

Purchased grain from third parties is initially recorded at the purchase price and subsequently measured at a fair value less cost to sell. The fair value of grain is determined based on quoted prices on the nearest market or if multiple markets are available, on the most advantageous market.

c) Work-in-progress related to field preparation

Cost of agricultural preparation on fields before seeding is recorded as work-in-progress in inventories. Work in progress comprises raw materials, direct labor costs and other direct costs (based on normal operating capacity). After seeding the cost of field preparation is reclassified as biological assets (Note 2.7 b)).

d) Raw materials

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If the collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Deposits over three months are classified as cash and cash equivalents if they are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

2.12 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Warrants issued by the Company represent a written call contract to deliver a fixed number of own shares in exchange for a fixed amount of cash, in case the counterparty exercises the option. Therefore, warrants meet the definition of an equity instrument. As no cash has been received at the inception of the contract, no entries have been made at the inception of the contract. Also, no remeasurement is performed during the term of the contract. Share capital and share premium are increased by the amount of cash received when the counterparties exercise the option.

2.13 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Income statement as finance income or finance cost. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Income statement, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

2.15 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises a current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity, respectively.

a) Corporate income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Income tax rate in Ukraine is 18%, in Russia 20%, in Denmark 22% and in Cyprus 12.5%. Agricultural producers in both Ukraine and Russia are exempted from the ordinary corporate income tax system if they meet the requirements to be recognised as agricultural producers (Note 2.15 b)). The income tax in Estonia is calculated only on distributed earnings with the effective rate 20/80 (2016: 20/80) of the distributed amount. From 2019, a tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed at the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there are an intention and ability to settle the balances on a net basis.

b) Agricultural tax regimes in Ukraine and Russia

Both in Ukraine and Russia companies are exempt from ordinary corporate income tax regime if they meet criteria to be recognised as agricultural producers.

In Ukraine, a company is considered to be an agricultural producer if it derived at least 75% of its revenue in the previous tax year from the sales of the self-produced agricultural product. Simplified agricultural tax means that the agricultural producer pays tax based not on its profits, but on the total area used for agricultural production.

In Russia, a company can apply for the agricultural tax regime if it meets the criteria of an agricultural company. However, the companies on a general tax regime having the revenue from sales of self-produced agricultural produce have reduced tax rates.

2.16 EMPLOYEE BENEFITS

a) Pension obligations and other post-employment obligations

The Group does not operate pension schemes and does not provide post-retirement benefits to their retirees. Pension obligations may arise due to a legal obligation to pay for the incapability to work because of an accident.

The Group has legal obligation to pay contributions to the state pension funds according to the local regulations of each country of location. The contributions to the local pension funds are treated as social security tax payments.

b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

2.17 PROVISIONS

Provisions for environmental restoration, restructuring costs, and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown a net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

a) Sales of goods – agricultural produce

The Group's main revenue arises from the sales of agricultural produce – grain and milk. The agricultural produce is subject to quality control at the point of sale and the sales value is depending on the quality. Revenue from sales of agricultural produce is recognised after the results of quality control are available.

b) Sales of biological assets

The Group sells living animals for slaughter. The revenue from sales of living animals is recognised after the animals have been delivered to the slaughterhouse.

c) Sales of services

The Group occasionally sells services to other agricultural producers. Revenue from the services is recognised when the service has been provided.

d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.19 LEASES

The Group as a lessee.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Land lease is considered to be operating lease unless the title of the land passes to the lessee at the end of the lease period.

Leases in which the risks and rewards incidental to the ownership of an asset are transferred substantially to the lessee are classified as finance leases. At the commencement of the lease term, the Group recognises the asset purchased on finance lease term on its balance sheet at the amount lower of the present value of future rent payments or fair value of the leased asset.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to the income statement over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over the shorter of their useful life or lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

2.20 DIVIDEND DISTRIBUTION

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.21 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Executive Board. The Executive Board considers the business from a geographical and operational perspective. Local production units, which are interlinked with each other in operational activities, are aggregated in the internal reporting in production clusters. Segments are presented to the management on the aggregated unit basis, indicating separately plant cultivation and animal husbandry if they are both materials for the clusters' revenue. The management considers two continuing business segments (Ukraine and Milk production). The Group uses the equity method to record the accounts of the Milk production segment in Estonia as the profit/loss on the Income Statement is shown under the line Share of profit of investments accounted for using the equity method. See Note 29 for further information on the Milk production segment. Ukraine segment includes cereals production, storage, and trading operations.

2.22 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, commodity price risk, cash flow interest rate risk, fair value interest rate risk), credit risk, liquidity risk and capital repatriation risk. The Group's overall risk management program acknowledges the unpredictability of financial markets and on the basis of the current business operations of the Group, the management is following financial risk management policies to minimise potential adverse effects on the Group's financial performance from unpredictable fluctuations in the financial markets. The Group's centralised controlling and risk management function carries out risk management activities on a day-to-day basis in close cooperation with the regional management members.

1. Market risk
   (i) Foreign exchange risk

The Group operations in Ukraine and Russia are exposed to foreign exchange risk arising primarily from exposures to the US dollar, Russian rouble, and Ukrainian hryvna. Foreign exchange risks from US dollar, Russian rouble, and Ukrainian hryvna arise mainly from recognised assets and liabilities. Foreign exchange risk from Swedish krona seized to exist after the bond to equity conversion in December 5, 2016 (the average value of Swedish krona depreciated in 2016 by 1%). The Group has not implemented any formal currency risk management policies.

The average value of US dollar relative to euro depreciated by 2% in 2017 (appreciated in 2016 by 0.2%)

The average value of Ukrainian hryvna relative to euro depreciated by 6% in 2017 (depreciated in 2016 by 15%).

The average value of Russian rouble relative to euro appreciated by 12% in 2017 (depreciated in 2016 by 8%).

The average change in the exchange rate of Russian rouble has been favorable (unfavorable in 2016) and change in Ukrainian hryvna has been unfavorable to the Group's business in 2017 (unfavorable in 2016). There was no effect from the change in the exchange rate of Swedish krona for 2017, however, the change in the exchange rate of Swedish krona was favorable to the Group´s business in 2016 as the devaluation of the Swedish krona decreased the value of the SEK-nominated Bond. The changes in exchange rates of rouble increased (decreased in 2016) and hryvna decreased the value of the net investment in 2017 (decreased in 2016).

The total recognised decrease in equity from currency translation differences amounted to EUR 49,196 thousand at December 31, 2017 (EUR 45,936 thousand at December 31, 2016) (Note 17).

2017	Reasonably possible change	Impact on Equity
UAH	+/- 30%	+/-2
RUB	+/- 30%	-/+259
USD	+/- 5%	-/+458

2016	Reasonably possible change	Impact on Equity
UAH	+/- 30%	+/-449
RUB	+/- 30%	-/+296
USD	+/- 5%	-/+312

(ii) Commodity price risk

The Group is exposed to commodities price risk because of the significant size of its business operations in the production of cereals. In case cereals produced by the Group are primarily exported, a significant share of the Group's revenues will be exposed to global fluctuations in agricultural commodity prices. The milk production operations of the Group are to a lesser extent affected by global commodity prices since the raw milk is sold regionally and cannot be exported over long distances.

The Group's strategy is not to hedge against any commodity price movements in order to provide its shareholders a direct exposure to the fluctuation in the market. Unlike traditional large-scale farming enterprises that have typically used a financial hedging strategy to protect against adverse price fluctuations or the risks inherent in a highly seasonal business, the Group does not engage in any commodity hedging. The Group believes that its diversified crop rotation system and its combination of cereal production and dairy farming provide its business with sufficient operational stability while enabling investors to pursue their own individual hedging strategies.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant floating interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Cash (see Note 5) is invested in short-term deposits and no material interest rate risk arises from these assets.

The Group's interest rate risk arises from borrowings (Note 13). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

At 31 December 2017, if interest rates on floating interest rate borrowings at that date had been 50 basis points higher with all other variables held constant, net loss for the year would have been EUR 24 thousand higher (2016: EUR 24 thousand higher), as a result of higher interest expense on floating rate borrowings.

The breakdown between floating and fixed interest rates for the existing borrowings of the Group is shown below:

in EUR thousand	**31.12.2017**	**31.12.2016**
Borrowings and finance leases (outstanding amount)		
Floating rate	4,768	4,817
incl. related to bank´s base interest rate	619	725
incl. related to LIBOR	4,149	4,092
Fixed rate	7,390	5,265
	12,158	**10,082**

2. Credit risk and counterparty business risk

Credit risk for the Group arises from cash and cash equivalents, deposits with banks and financial institutions and customers, including outstanding receivables and committed transactions. Credit limits are not normally set for individual companies, as all balances are closely monitored specifically (see also Note 6 for details). For banks and financial institutions, the Group's policy is to work with institutions, which have an internationally reputable strategic shareholder as the majority investor. (See also Note 5 for details).

3. Liquidity risk

The Group's main liquidity risks derive from the cyclical nature of agricultural production. Field-works in spring and harvest in autumn entails concentration of costs and working capital need in the spring season and concentration of revenues in the autumn season. The cyclicality is stronger in cereals production and much lower in dairy production, as dairy production revenues accrue evenly throughout the whole operating year. The Group has been lowering the cyclicality also in cereals production by acquiring its own warehousing infrastructure to store grain for longer time periods and to be able to sell cereal products more evenly throughout the year. In January 2017, the Group signed a short-term standby credit facility with a group of its shareholders to finance the cyclical cash gap, this loan (including interest) was fully repaid in 2017. In addition, the management monitors the liquidity risk by following the main key performance indicators on a continuous basis, including cash flows.

The undiscounted gross payments of all borrowings and trade payables are presented in the included tables. The amounts include interest payments. Majority of Group´s bank borrowings as at December 31, 2017, are short-term working capital loans in Ukraine, out of which EUR 6,787 thousand are under general agreements with banks, that the loan facilities are available to the Group until 2019 if all conditions are met. Based on the positive results from operations in Ukraine in the past and also expected going forward, Management does not expect any issues regarding renewal of the loans as they fall due.

in EUR thousand	Total 31.12.2017	Less than 6 months	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	Maturity	Interest rate
Borrowings and finance leases (Note 13)	12,968	5,388	6,268	1,273	39		
incl. related to LIBOR	*4,565*	*321*	*3,230*	*1,014*	*-*	*2018-2020*	*LIBOR+3.9%-14.8%*
incl bank´s base rate	*641*	*413*	*228*	*-*	*-*	*2018*	*CBR+3%*
inc.with fixed interest rate	*7,762*	*4,654*	*2,810*	*259*	*39*	*2018-2021*	*5%-26.9%*
Trade payables (Note 12)	1,180	1,142	9	23	6	2018-2021	no interest rate
Total	**14,148**	**6,530**	**6,277**	**1,296**	**45**		

in EUR thousand	Total 31.12.2016	Less than 6 months	Between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	Maturity	Interest rate
Borrowings and finance leases (Note 13)	10,988	4,099	6,878	11	-		
incl. related to LIBOR	*4,487*	*209*	*4,278*	*-*	*-*	*2017*	*LIBOR+9.5%*
incl bank´s base rate	*763*	*511*	*252*	*-*	*-*	*2017*	*CBR+3%*
inc.with fixed interest rate	*5,738*	*3,379*	*2,348*	*11*	*-*	*2017-2018*	*no interest, 9.5%-25.5%*
Trade payables (Note 12)	1,661	1,549	94	6	12	2017-2020	no interest rate
Total	**12,649**	**5,648**	**6,972**	**17**	**12**		

3.2 CAPITAL MANAGEMENT

The Group considers as capital its equity and borrowings.

All significant bank borrowings of the Group will be approved by the Board of Directors of the Group prior to being drawn upon. The Board of Directors will also approve the leveraging strategy to be worked out by the management, keeping in mind (i) safeguarding the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and (ii) development of an optimal capital structure so as to reduce the cost of capital.

in EUR thousand	31.12.2017	31.12.2016
Borrowings (Note 13)	12,158	10,082
Total shareholders´ equity	31,197	30,421

The Group was financed in addition to the owners' equity and bank borrowings by bond from 2011 until December 5, 2016, when the Group completed the conversion of the bond to equity. In 2016 the bondholders and shareholders agreed to convert the bond into new shares of the Agromino (Note 16). Following the conversion, share capital increased by EUR 15,987 thousand, share premium increased by EUR 20,072 thousand and a gain representing the difference between carrying a value of the debt and fair value of issued equity of EUR 2,121 thousand (Note 24) was recorded under financial income.

Capital repatriation risk

The capital repatriation risk derives from the Group's investments into Ukrainian and Russian subsidiaries. Potential changes in the political environment in Ukraine or Russia may impose restrictions on repatriating capital invested into these countries. Currently, Ukraine has in place currency controls (Note 4.3). The advantageous double taxations treaties with Ukraine and Russia make Cyprus a favored location of inward investments to these regions by several internationally recognised investors as well as for Ukrainian and Russian own capital, which seeks to have foreign domiciliation.

In the assessment of the Group's management, carrying out investments into Ukraine and Russia via Cypriot holding companies is the best possible hedge for minimising capital repatriation risks.

3.3 FAIR VALUE ESTIMATION

The different levels for assets carried at fair value have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 10 for disclosures of the land that is measured at fair value, Note 8 for inventories, Note 9 for biological assets and Note 13 for borrowings.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely 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 outlined below.

a) Fair value of biological assets

The Group's biological assets are measured at fair value less cost to sell at each balance sheet date (value at December 31, 2017, was EUR 4,584 thousand and value at December 31, 2016, was EUR 3,908 thousand) (Note 9). Due to the specifics of the agricultural production, the fair value of some crops cannot be determined reliably in their present status. The biological assets in the countries where the Group operates (Ukraine, Russia) are mostly not traded on the active market. Therefore, the fair value is determined using the alternative methods described in Note 2.7. The use of alternative methods of fair value estimation requires the Group to refer to latest transactions and use price averages or to use cost as an approximation of fair value in case when little biological transformation has taken place since initial cost incurrence, e.g. within a short time after seeding the crop. Because the carrying value of the biological assets in the plant cultivation is based on cost upon initial recognition, no variability analysis is relevant. Were the actual prices for the biological assets in animal husbandry higher by 10% from management's estimates, the net profit would increase by EUR 235 thousand (net loss would decrease by EUR 188 thousand in 2016), if the prices were lower by 10%, the net profit would decrease by the same amount.

b) Useful lives of property, plant, and equipment

The depreciable items of property, plant, and equipment amounted to EUR 12,736 thousand as at December 31, 2017 (EUR 11,462 thousand as at December 31, 2016) (Note 10). The remaining balance includes land, which does not depreciate; and construction in process. Management has estimated useful lifetimes for depreciable property, plant, and equipment. However, the actual useful lifetimes can be different than those estimated by the management. If the average useful lifetime would be 10% longer (shorter) than estimated by the management, it would decrease (increase) the depreciation charge by EUR 149 thousand (decrease/increase by EUR 144 thousand in 2016).

c) Net realisable value and fair value less cost to sell of inventories

The Group has its agricultural produce in inventory as of the year-end (Note 8). The agricultural produce and inventories for commodities trading have been valued to fair value less cost to sell. The fair value of the grain is determined based on the market statistics published by APK-Inform or in case the Group had sold or had sales contracts for its inventory then those actual prices were used. Would the prices be lower (higher) than estimated by 10%, the value of the inventories would be EUR 679 thousand less (more) and the equity smaller (bigger) by the equal amount (in 2016: EUR 464 thousand).

d) Recoverable values of property, plant, and equipment

No impairment test was necessary for 2017 and 2016 for the assets in Ukraine.

For the assets in milk production in Russia impairment test was carried out in 2017 and 2016. The value-in-use method was applied to determine the recoverable values of non-current assets. The total value of the non-current assets and net working capital in milk production in Russia on December 31, 2017, amounted to EUR 8,408 thousand (2016: EUR 8,335 thousand). Cash flows were projected, including revenues, operating expenses, investment requirements and working capital needs. In 2017 and 2016, the test demonstrated that the segment´s assets value in use is higher than the carrying amount of these assets. The Group used in the model its target yields and prices for milk based on forecasts. The Group applied 4% long-term growth rate (2016: 1.5%) that has been aggregated from the long-term growth perspective in Russia and estimation of the growth in food prices in relation to other inputs. The discount rate applied was 15.6% (2016: 14.3%).

In 2017 and 2016, the following reasonable changes in major sensitive inputs would have caused the decrease of the recoverable amount below the carrying amount:

Major sensitive inputs 2017:

EUR thousand	Change	Impairment
Increase in discount rate	2pp	-2,106
Decrease in milk price from 2019 onwards	5%	-1,609
Decrease in terminal growth rate	1pp	-424

Major sensitive inputs 2016:

EUR thousand	Change	Impairment
Increase in discount rate	2pp	-755
Decrease in milk price from 2018 onwards	5%	-857
Increase in OPEX per cow from 2017 onwards	5%	-2,149

For 2017, the reasonable change in OPEX per cow (increase by 5% from 2018 onwards) would not have caused any decrease in the recoverable amount below the carrying value. For 2016, the reasonable change in terminal growth rate by 0.5 percent points would not have caused any decrease in the recoverable amount below the carrying value.

e) Fair value of land

The fair value of land is reliant on significant assumptions and unobservable inputs. See Note 10.1 for the measurement of fair value of land and financial impact of a potential change in the value per hectare.

4.2 OTHER RISK FACTORS

RISKS RELATED TO UKRAINIAN LAND RENTAL

Ukrainian law imposes several restrictions on ownership of agricultural land. Foreign citizens or foreign legal entities are not allowed to acquire agricultural land, and it is unclear whether a Ukrainian company controlled by non-Ukrainians may own agricultural land in Ukraine. Moreover, there is a blanket moratorium against selling freeholds of agricultural land until the adoption of the particular legal act on the land market and land cadaster in Ukraine.

The Group owns the buildings and structures of its Ukrainian farms and controls the Ukrainian land through registered long-term leases supplemented with a right of first refusal to acquire the freehold, or through signed, but not yet registered, leases. However, under the current legislation, the Group may not be able to exercise its right of first refusal to acquire the freehold. In the event that the Group’s title to any of its land is challenged, and the Group is unable to defend such a claim, the Group risks losing its rights to such land which could materially affect the Group’s business, financial condition, and operational results.

RISKS RELATED TO LAND OWNERSHIP IN RUSSIA

Russian law does not allow a foreign entity nor a foreign controlled Russian entity to own agricultural land in Russia. A Russian entity is considered a foreign-controlled entity when more than 50 percent of its share capital is owned by a foreign entity.

The Russian agricultural land (Note 10) of the Group is currently owned by Russian operating companies, which are wholly-owned subsidiaries of the relevant holding companies incorporated in Russia. The Russian parent holding companies are, in turn, owned (depending on the Company, directly or indirectly) by the parent company. While this structure technically complies with the Russian law restriction on the foreign ownership of Russian agricultural land, no assurances can be given that the ownership structure could not be challenged on the basis that they possibly violate the spirit of the law. The Russian courts and legal system generally tend to adopt a formal approach to legislative interpretation. However, no assurance can be given as to how a Russian court would treat each particular situation brought to its consideration or as to future developments in the Russian legal system which may give greater weight to substance over form.

If the Russian agricultural land holding structure of the Group is found to breach the above mentioned Russian law restriction, the Group could be forced to either sell its land, or return the land to the previous owner (in which case it will be entitled to require the purchase price back from the previous owner), or introduce Russian shareholders to its subsidiaries, which may have a material adverse effect on the Group's business, financial condition and operational results.

4.3 SITUATION IN UKRAINE AND RUSSIA AND POTENTIAL IMPACT ON THE GROUPS´S OPERATIONS

Ukraine

The ongoing political and economic instability in Ukraine has led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and a depreciation of the national currency against major foreign currencies has continued in 2017. The inflation rate in Ukraine during 2017 amounted to 13.7% (as compared to 12% in 2016). As at March 12, 2018, the official exchange rate of Hryvnia against euro was UAH 32.40 per EUR 1, compared to UAH 33.5 per EUR 1 as at 31 December 2017 (31 December 2016: UAH 28.42 per EUR 1). In 2017, the National Bank of Ukraine ("NBU") made certain steps to ease the currency control restrictions introduced previously. In particular, the required share of foreign currency for mandatory sale was decreased to 50% and the settlement period for export-import transactions in foreign currency was increased from 120 to 180 days starting from May 26, 2017. Also starting from June 12, 2017, remittance of funds to foreign investors related to the disposal of shares/corporate rights, charter capital decrease and exit of foreign investors from legal entities is now allowed in the amount not exceeding an equivalent of USD 5 million per month. Early repayment of loans secured by international financial organizations (e.g. guarantee, letter of credit, etc.) is now permitted.

IMF continued to support Ukrainian government under four-year Extended Fund Facility ("EFF"). In April 2017, Ukraine received a USD 1 billion installment of its USD 17.5 billion financial support for the reform program of the government, following the IMF's review of the state of the country's economy. Further disbursements of IMF tranches depend on the implementation of Ukrainian government reforms, and other economic, legal and political factors.

The banking system remains fragile due to its: weak level of capital; its weakening asset quality caused by the economic situation; currency depreciation; and other factors. NBU has also agreed with the owners of top 40 commercial banks the three-year plans for their recapitalisation.

The conflict in the parts of Eastern Ukraine which started in spring 2014 has not been resolved to date. However, there was no substantial escalation of the conflict since the signing of ceasefire agreements in September 2014. The relationships between Ukraine and the Russian Federation remained strained. On January 1, 2016, the agreement on the free trade area between Ukraine and the EU came into force. The Russian government reacted to this event by implementing a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products. The final resolution and the ongoing effects of the political and economic situation are difficult to predict but they may have further severe effects on the Ukrainian economy and the Company's business.

Russia

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. In 2017, however, Russian economy grew for the first time in 3 years and inflation reached a record-low in December 2017, at just 2.5%, well below the central bank´s target of 4%. However, considering the sensitivity of the economy to oil and gas prices, the economic situation in the future is difficult to predict and management's current expectations and estimates could differ from actual results. Management is taking necessary measures to ensure sustainability of the Group's operations.

5. CASH AND CASH EQUIVALENTS

in EUR thousand	31.12.2017	31.12.2016
Cash on hand	1	1
Short-term bank deposits	1,679	3,635
Cash in transaction	-	10
	1,680	**3,646**

Short-term bank deposits bear interest of 0%-11% on annualised base (in 2016 0.0% – 12%)

The credit quality of cash at bank according to banks external credit rating (Moody's) is given in the following table:

in EUR thousand	31.12.2017	31.12.2016
A1**	6	176
Aa3**	495	2,336
Baa3**	223	438
Ba2	90	3
B1	1	-
Caa3	160	-
Ca	-	234
Other*	704	458
	1,679	**3,645**

*As at December 31, 2017, Other includes cash in UkrSibbank (Ukraine), Energomashbank (Russia), Megabank (Ukraine), First Ukrainian International Bank (Ukraine)- not rated (the same in 2016).

** As at December 31, 2017, the parent company ratings were used for the money at AS SEB Pank (Estonia), AS Swedbank (Estonia), PJSC OTP Bank (Ukraine) and PJSC Credit Agricole Bank (Ukraine) (the same in 2016).

The split of cash between currencies:

in EUR thousand	31.12.2017	31.12.2016
Ukrainian hryvna	1,040	707
US dollar	492	2,830
Euro	33	104
Russian rouble	104	3
Other currencies	11	2
	1,680	**3,646**

6. TRADE AND OTHER RECEIVABLES

in EUR thousand	31.12.2017	31.12.2016
Trade receivables	615	951
Other receivables	658	228
Prepayments for taxes	2,990	2,101
Prepayments to suppliers	418	3,655
Total receivables and prepayments	**4,681**	**6,935**
Less non-current portion:		
Prepayments for non-current assets	-39	-222
Other receivables	-10	-12
Total non-current portion	**49**	**234**
Current portion	**4,632**	**6,701**

The fair values of trade and other receivables are not materially different from the carrying values based on the expected discounted cash flows. All non-current receivables are due within more than one year from the balance sheet date. Non-current prepayments will realize in non-current assets, like property, plant, and equipment. For a breakdown of trade and other receivables by category please refer to Note 7.

The ageing of trade receivables is as follows:

in EUR thousand	**31.12.2017**	**31.12.2016**
including receivables not due	575	704
including receivables overdue up to 3 months	1	242
including receivables overdue up 3 to 6 months	-	1
including receivables overdue over 6 months	39	4

The ageing of other receivables is as follows:

in EUR thousand	**31.12.2017**	**31.12.2016**
including receivables not due	658	227
including receivables overdue up to 3 months	-	-
including receivables overdue over 6 months	-	1

Overdue trade receivables are not considered impaired based on the individual assessment of each significant receivable.

The credit quality of trade receivables that are not overdue can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

in EUR thousand	**31.12.2017**	**31.12.2016**
Group 1	327	103
Group 2	209	593
Group 3	39	8
Total unimpaired trade receivable	**575**	**704**

Group 1 – new customers/related parties (less than 6 months).
Group 2 – existing customers/related parties (more than 6 months) with no defaults in the past.
Group 3 – existing customers/related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

As at December 31, 2017, Other receivables not due are from counterparties with no or some defaults in the past (no or some defaults in the past in as at December 31, 2016). There was no impairment loss recognized in 2017 (2016: loss of EUR 1 thousand). In 2017, the Group wrote off prepayments (including prepayment for fertilizers) in the amount of EUR 1,389 thousand (2016: other receivables EUR 55 thousand) (Note 23).

in EUR thousand	**2017**	**2016**
At January 1	**-1**	**-163**
Provision for receivables impairment	-	-1
Receivables written off during the year as uncollectible	1	175
Currency translation differences	-	-12
At December 31	-	**-1**

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

in EUR thousand	31.12.2017	31.12.2016
US dollar	35	-
Russian rouble	169	156
Ukrainian hryvna	911	985
Euro	158	38
	1,273	**1,179**

The maximum exposure to credit risk arising from trade and other receivables at the reporting date is the carrying amount of each class of receivable mentioned above. The Group does not hold any collateral as security for the trade receivable.

7. FINANCIAL INSTRUMENTS BY CATEGORY

In EUR thousand	31.12.2017 Loans and receivables	31.12.2016 Loans and receivables
Assets as per balance sheet		
Cash and cash equivalents (Note 5)	1,680	3,646
Trade and other receivables excluding prepayments (Note 6)	1,273	1,179
	2,953	**4,825**
Liabilities as per balance sheet	**31.12.2017 Financial liabilities at amortised cost**	**31.12.2016 Financial liabilities at amortised cost**
Trade and other payables excluding social security, other taxes and prepayments from clients (Note 12)	1,180	1,661
Borrowings excluding finance lease liabilities (Note 13)	10,121	10,054
Finance lease liabilities (Note 13)	2,037	28
	13,338	**11,743**

Prepayments are excluded as this analysis is required only for financial assets.

8. INVENTORIES

Inventory breakdown, EUR thousand	31.12.2017	31.12.2016
Grain for sale	6,785	4,643
Raw materials, supplies	3,912	2,137
Fieldworks in process	759	507
Total	**11,456**	**7,287**
Incl. own produced inventory	**7,832**	**6,010**

Grain for sale as at December 31, 2017, includes grain from third parties in the amount of EUR 259 thousand (EUR 3 thousand as at December 31, 2016). Raw materials, supplies include materials and supplies purchased from third parties in the amount of EUR 3,365 thousand as at December 31, 2017 (EUR 1,274 thousand as at December 31, 2016). Net changes in inventories for 2016 include a loss of EUR 437 thousand from discontinued operations (Note 32).

in EUR thousand	2017	2016
At 1 January	**6,010**	**7,018**
Changes in balances of finished product stocks:	4,277	28
- Agricultural production recognised at the fair value (Note 9)	23,878	26,142
- Dairy production recognised at the fair value	3,483	2,626
- Capitalization of costs to fieldworks in process	1,158	1,151
- Reclassification from fieldworks in process to biological assets at the moment of seeding	-796	-1,419
- Cost of own production on realization to third parties	-23,911	-28,389
- Inventory revaluation	465	354
- Loss from disposal (Note 32)	-	-437
For internal use*	-1,100	-904
Currency translation differences	-1,355	-132
At 31 December	**7,832**	**6,010**

*Own produced inventory for internal use includes seeds, fertilizer and animal feed, which are presented in the Income statement on the line Raw materials and consumables used for production purposes (Note 19).

Inventories that are measured at fair value are categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13.

Grain for sale is revalued by the Group on each balance sheet date using contracted and market prices. Market prices were retrieved from APK-Inform as at the end of January for both years as the year-end prices do not reflect the real market situation due to the long holiday season in Ukraine and therefore the very low volume of trades. The Group uses market prices from the moment when trading volumes are restored and the market becomes active. The judgment as to whether a market is active includes the consideration of the availability of prices for different grains, and the volatility of prices over a period – the prices tend to be less volatile the more frequent the trading activity becomes. Own produced inventories are measured at net realizable value. In determining the NRV (net realizable value), the Group also considers existing sales agreements at balance sheet date, and actual sales transactions by the Group shortly after the balance sheet date.

As at December 31, 2017, inventories in the amount of EUR 294 thousand were pledged at a carrying value for the benefit of the bank (2016: no inventories were pledged).

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2017	Grain for sale, agricultural produce, EUR thousand	Tonnes	Average price used, EUR / t
Wheat	1,309	9,911	132
Barley	1	7	132
Sunflower	3,684	12,875	286
Corn	572	4,782	120
Rapeseed	23	73	318
Soya	894	2,964	302
Other	302	1,878	161
Total	**6,785**	**32,490**	**209**

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2016	**Grain for sale, agricultural produce, EUR thousand**	**Tonnes**	**Average price used, EUR/t**
Wheat	443	2,926	152
Barley	3	23	113
Sunflower	2,897	8,744	331
Corn	1,230	9,494	130
Rapeseed	3	8	337
Soya	5	16	323
Other	62	383	162
Total	**4,643**	**21,594**	**215**

9. BIOLOGICAL ASSETS

in EUR thousand	**Plant cultivation**	**Animal husbandry**	**Total**
Carrying amount at 31.12.2016	**2,027**	**1,881**	**3,908**
Non-current biological assets	113	1,881	1,994
Current biological assets	1,914	-	1,914
2017			
Decrease due to sales	-	*-1*	-1
Gain/loss of biological assets arising from changes in fair value less cost to sell:	565	634	1,199
- Increases due to new plantations/birth	*24,465*	*182*	*24,647*
- Harvest (Note 8)	*-23,878*	-	*-23,878*
- Decreases due to written-off biol.assets	*-22*	*-331*	*-353*
- Other changes in fair value	-	*783*	*783*
Currency translation differences	-353	-169	-522
Carrying amount at 31.12.2017	**2,239**	**2,345**	**4,584**
Non-current biological assets	102	2,345	2,447
Current biological assets	2,137	-	2,137

in EUR thousand	**Plant cultivation**	**Animal husbandry**	**Total**
Carrying amount at 31.12.2015	**2,367**	**1,544**	**3,911**
Non-current biological assets	118	1,544	1,662
Current biological assets	2,249	-	2,249
2016			
Increases due to purchases	*373*	-	373
Decrease due to sales	*-373*	-	-373
Gain/loss of biological assets arising from changes in fair value less cost to sell:	-290	-49	-339
- Increases due to new plantations/birth	*26,650*	*154*	26,804
- Harvest (Note 8)	*-26,142*	-	-26,142
- Decreases due to written-off biol.assets	*-79*	*-374*	-453
- Loss from disposal (Note 32)	*-719*	-	-719
- Other changes in fair value	-	*171*	171
Currency translation differences	-50	386	336
Carrying amount at 31.12.2016	**2,027**	**1,881**	**3,908**
Non-current biological assets	113	1,881	1,994
Current biological assets	1,914	-	1,914

	Animals, pcs	Winter crops, hectares
Physical quantities at 31.12.2017	2,026	27,112
Physical quantities at 31.12.2016	1,852	32,133

Gain/loss of biological assets arising from the changes in fair value less cost to sell for 2016 included a loss of EUR 719 thousand from discontinued operations (Note 32).

As at the balance sheet date, Current biological assets in plant cultivation include winter crops seeded for the next harvest. The fair value of these crops is measured at cost, which is used as an approximation of fair value as little biological transformation has taken place. Non-current biological assets in plant cultivation include grasslands, which are used for harvesting animal feed. Non-current assets in animal husbandry include dairy herd, both mature and immature. Animal husbandry is measured at fair value less cost to sell.

The gain arising from changes in fair value includes changes in both physical quantities due to the growth of plants/animals and changes in market prices of the biological assets.

The fair value of the livestock is based on the valuation from the independent valuator. The valuator used the market prices of livestock of similar age, breed and genetic merit based on the relevant market, taking into account transaction prices on the most advantageous market, and the market situation in the dairy sector. The fair value measurements are categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13. As of December 31, 2017, the independent valuator has reached a conclusion that considering the improvements in the overall health of the dairy herd and increased milk yield, the fair value of the animals has increased. Therefore, in 2017, the gain from revaluating 2,026 animals was recorded at EUR 783 thousand in the Income Statement. In total, the fair value of the herd (2,026 animals), as of December 31, 2017, stood at EUR 2,345 thousand (EUR 1,881 thousand as at December 31, 2016).

As at December 31, 2017, biological assets in Ukraine were pledged at a carrying value of EUR 839 thousand (2016: EUR 664 thousand) for the benefit of the bank.

10. PROPERTY, PLANT AND EQUIPMENT

Depreciation charge during 2016 in the amount of EUR 86 thousand is presented within discontinued operations (Note 32). In 2016, property, plant and equipment in the carrying value of EUR 947 thousand were reclassified to the assets of disposal group held for sale and remeasured to their fair value less cost to sell resulting in a total loss of EUR 947 thousand (Note 32).

The Group's acquisitions of property, plant and equipment during 2017 stood at EUR 4,710 thousand (EUR 657 thousand in 2016).

The total amount of owned land as of December 31, 2017, stood at 14 thousand hectares out of which 10 thousand hectares are classified as land held for sale (2016: 13 thousand hectares out of which 10 thousand hectares are classified as land held for sale).

In 2016, due to lack of available financing and revisited the strategic decision, the Group reclassified land in Milk production segment not being used in production cycle as an asset held for sale. This land was remeasured in 2016 to its fair value less cost to sell based on fair value assessment performed by independent valuators, using sales comparison approach adjusted by significant unobservable inputs and bids from potential buyers obtained by the management. Upon a change in use and remeasurement, a revaluation loss in respect of the asset was recognized in 2016, totaling

EUR 6,041 thousand, including EUR 1,303 thousand recognized in other comprehensive income (Note 17) to the extent of the existing revaluation surplus in respect of that asset. As these land plots were not used in 2017, the quality of the land deteriorated even further due to the infestation of land with bushes and trees. The cleaning of the land plots, however, would require additional capital, which is not feasible for the Group. Hence, considering the unsatisfactory condition of the land plots as well as a limited number of willing buyers in that region, the Group received the final offer and accepted it at just EUR 171 thousand, resulting in a revaluation loss of EUR 1,335 thousand being recorded in the Income Statement for 2017.

Additionally, the remaining land in Milk production segment used for production was also revalued to fair value based on fair value assessments performed by independent valuators. The valuators used sales comparison approach adjusted by significant unobservable inputs. A revaluation loss in respect of the land was recognized in the Income Statement amounting to EUR 56 thousand in 2017 (loss of EUR 722 thousand in 2016).

In Ukraine, the Group finalized the land registration process in 2017 and now has a total of 483 hectares of land in ownership at a carrying value at EUR 347 thousand (2016: 0 thousand). The land was revalued using the income approach and revaluation gain in the amount of EUR 283 thousand recorded through Other Comprehensive Income (Note 17).

The disposals in 2017 mostly comprise of the net assets of the disposed part of the non-core elevator business (Note 23).

in EUR thousand	Land	Buildings	Vehicles & machinery	Furniture, fittings & equipment	Construction in process	Total
31.12.2016						
Cost	913	11,640	15,359	836	1,420	30,168
Accumulated depreciation	-	-3,106	-12,506	-761	-	-16,373
Net book amount	**913**	**8,534**	**2,853**	**75**	**1,420**	**13,795**
2017						
Additions	67	44	4,146	101	352	4,710
Revaluation through Other Comprehensive Income	283	-	-	-	-	283
Revaluation through Income statement	-56	-	-	-	-	-56
Disposals	-	-261	-129	-2	-43	-435
Reclassification balance sheet items/between groups	-	35	474	-	-509	-
Depreciation charge	-	-422	-1,028	-40	-	-1,490
Currency translation differences	-31	-911	-719	-14	-192	-1,867
Closing net book amount	**1,176**	**7,019**	**5,597**	**120**	**1,028**	**14,940**
31.12.2017						
Cost	1,176	10,369	18,502	900	1,028	31,975
Accumulated depreciation	-	-3,350	-12,905	-780	-	-17,035
Net book amount	**1,176**	**7,019**	**5,597**	**120**	**1,028**	**14,940**

in EUR thousand	Land	Buildings	Vehicles & machinery	Furniture, fittings & equipment	Construction in process	Total
31.12.2015						
Cost	8,460	11,158	18,779	807	1,363	40,567
Accumulated depreciation	-	-2,669	-14,363	-748	-	-17,780
Net book amount	**8,460**	**8,489**	**4,416**	**59**	**1,363**	**22,787**
2016						
Additions	-	18	466	50	123	657
Revaluation through Other Comprehensive Income	-1,303	-	-	-	-	-1,303
Revaluation through Income statement	-5,460	-	-	-	-	-5,460
Reclassification to assets held for sale	-1,554	-	-	-	-	-1,554
Loss from disposal (Note 32)		-	-935	-5	-7	-947
Disposals	-3	-29	-31	-	-104	-167
Reclassification balance sheet items/between groups	-	1	-114	3	110	-
Depreciation charge	-	-439	-973	-29	-	-1,441
Currency translation differences	773	494	24	-3	-65	1,223
Closing net book amount	**913**	**8,534**	**2,853**	**75**	**1,420**	**13,795**
31.12.2016						
Cost	913	11,640	15,359	836	1,420	30,168
Accumulated depreciation	-	-3,106	-12,506	-761	-	-16,373
Net book amount	**913**	**8,534**	**2,853**	**75**	**1,420**	**13,795**

The change in total property, plant and equipment carrying value was also influenced by the change in the exchange rate of Russian rouble and Ukrainian hryvna. Ukrainian hryvna in 2017 decreased its value in relation to the euro by 15% (decreased in 2016 by 8%). Russian rouble in 2017 decreased in relation to the euro by 7% (increased in 2016 by 25%). Please see Note 3.1 for further information.

Land in Russian Milk production was not mortgaged in 2017 (2016: mortgaged at a carrying value of EUR 226 thousand). Buildings, machinery, and equipment in Russia were pledged at a carrying value of EUR 281 thousand (2016: EUR 390 thousand). Buildings, machinery and equipment in Ukraine were pledged at a carrying value of EUR 3,675 thousand (2016: EUR 4,484 thousand).

The net book value of assets leased under finance lease (vehicles and machinery) as at December 31, 2017, stood at EUR 3,196 thousand (as at December 31, 2016, EUR 52 thousand).

10.1 FAIR VALUE OF LAND

The fair value of freehold land as at December 31, 2017, is EUR 1,176 thousand (EUR 913 thousand as at December 31, 2016). Had the assets been carried under the cost model, the balance as at December 31, 2017, would have been EUR 946 thousand (EUR 913 thousand as at December 31, 2016). In 2017, revaluation loss through Income Statement stood at 56 thousand and revaluation gain through Other Comprehensive Income amounted to EUR 283 thousand. In 2016, a revaluation loss of land shown in the Income Statement amounted to EUR 5,460 thousand, a decrease in the amount of EUR 1,303 thousand was recorded through Other Comprehensive Income and reclassification to land held for sale amounted to EUR 1,554 thousand.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. The valuation as at December 31, 2017, was performed by Pskovskaja Fondovaja Kompania LLC for the land in Russian Dairy cluster (2016: Pskovskaja Fondovaja Kompania). The land in Ukraine was revalued using the income approach performed by the management.

RUSSIAN MILK PRODUCTION SEGMENT

Gdov (land carried using the revaluation method as at December 31, 2017)
Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 31.12.2017 (EUR thousand)	Unobservable inputs	Range	Weighted average
Agricultural land Sales comparison approach				
Russian dairy cluster	829	Rate per hectare (EUR)	230-346	288
		Adjustments applied to comparison data:		
		Size adjustment	0%	
		Location adjustment	0%	
		Bargaining discount	-20%	

Gdov (land carried using the revaluation method as at December 31, 2016)
Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 31.12.2016 (EUR thousand)	Unobservable inputs	Range	Weighted average
Agricultural land Sales comparison approach				
Russian dairy cluster	908	Rate per hectare (EUR)	188-417	305
		Adjustments applied to comparison data:		
		Size adjustment	from -11% to -4%	
		Location adjustment	0%	
		Bargaining discount	-5%	

Dedovichi/Dno (land classified as held for sale as at December 31, 2016)
Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 31.12.2016 (EUR thousand)	Unobservable inputs	Range	Weighted average
Agricultural land Sales comparison approach				
Russian dairy cluster	1,554	Rate per hectare (EUR)	42-362	156
		Adjustments applied to comparison data:		
		Size adjustment	from -12% to -4%	
		Location adjustment	0%	
		Bargaining discount	from -23% to -5%	

UKRAINE SEGMENT

Ukraine (land carried using the revaluation method as at December 31, 2017)
Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 31.12.2017 (EUR thousand)	Unobservable inputs	Rate per hectare (EUR)
Agricultural land			
Income approach			
Ukraine cluster	347	Rate per hectare (EUR)	718
		Fair value calculation inputs:	
		Land usage right initial payment	500
		Annual land rent	61
		Discount rate	22%
		Terminal growth	2%

Sales comparison approach was applied for the land in Russia. It is a valuation methodology whereby the subject property is compared to recently sold or to sales quotes of properties of a similar nature with fair value determined through the application of positive and negative adjustments for their differing attributes.

Unobservable inputs within the sales comparison approach:

Size adjustment – the valuer's assessment of the price differential between the valued property and compared property attributable to their size difference.

Location adjustment – the valuer's assessment of the price differential between the valued property and compared property attributable to differences in their location.

Bargaining discount – the valuer's assessment of the average price discount generally obtained compared to quoted asking prices of property.
Relationship of unobservable inputs to fair value: The fair value measurements listed above are all sensitive to a significant increase (decrease) in the unobservable inputs. The higher the rate per hectare, the higher the fair value. If the value per hectare had been 10% higher/lower, the fair value as at December 31, 2017, would have been EUR 118 thousand higher/lower (EUR 91 thousand as at December 31, 2016). If a bargaining discount of 30% were used for Gdov instead of 20% then the fair value would have been EUR 83 thousand lower.

11. PREPAID LAND RENTS AND LAND USAGE RIGHTS

The Group's land in Ukraine is used mainly based on lease agreements. There were 43 thousand hectares of land under medium to long-term lease agreements as of December 31, 2017 (as of December 31, 2016: 46 thousand hectares). The Group has made prepayments or has recognised land usage rights in business combinations to get access to that land. These prepayments and land usage rights are amortised during the period of the lease (Note 21).

in EUR thousand	**31.12.2017**	**31.12.2016**
Balance at the beginning of the period	**1,045**	**1,246**
Additional prepayments made	-	2
Amortization recognised	-125	-134
Unrealised exchange rate differences	-104	-69
Balance at the end of the period	**816**	**1,045**

12. TRADE AND OTHER PAYABLES

in EUR thousand	31.12.2017	31.12.2016
Trade payables	333	447
Prepayments from clients	484	472
Social security and other taxes	675	1,365
Accrued expenses	928	1,060
Amounts due to related parties (Note 31)	22	95
Other payables	363	448
	2,805	**3,887**
Less: non-current portion	-29	-18
	2,776	**3,869**

Fair values of trade and other payables are not materially different from book values due to short maturities. The social security and other taxes decreased from EUR 1,365 thousand as at December 31, 2016, to EUR 675 thousand as at December 31, 2017, mostly resulting from decreased VAT liability from prepayments to suppliers (Note 6).

The carrying amounts of the Group's financial liabilities (trade and other payables, excluding prepayments, tax liabilities and payables to employees) are denominated in the following currencies:

in EUR thousand	31.12.2017	31.12.2016
US dollar	8	9
Russian rouble	214	132
Ukrainian hryvna	286	195
Euro	672	1,325
	1,180	**1,661**

13. BORROWINGS

The total borrowings of the Group as at December 31, 2017, amounted to EUR 12,158 thousand (EUR 10,082 thousand as at December 31, 2016). In 2016, the SEK 350,000,000 11% Bond Loan was converted into equity (Note 16).

Details of the borrowings' currencies, interest rates, and maturities are shown in the included tables. Total finance costs in 2017 amounted to EUR 1,212 thousand (EUR 6,242 thousand in 2016) (Note 24).

The Group has transferred its trade receivables (current and future) for milk sales to the factor. The Group retains credit risk related to trade receivables thus the arrangement is accounted for as borrowing that is secured by the trade receivable. The amount of this factoring as at December 31, 2017, stood at EUR 619 thousand including the accrued interest (2016: EUR 725 thousand). The amount of the trade receivable related to the borrowing as at December 31, 2017, is EUR 26 thousand (2016: EUR 22 thousand).

in EUR thousand	31.12.2017	31.12.2016
Current		
Bank borrowings	10,121	10,054
Finance lease payables	897	18
	11,018	**10,072**
Non-current		
Finance lease payables	1,140	10
	1,140	**10**
Total borrowings	**12,158**	**10,082**

31.12.2017, in EUR thousand	31.12.2017	Maturity	Interest rate
RUB-nominated	304	2018-2021	5%-26.9%
RUB-nominated	619	2018	CBR base rate+3%
USD-nominated	7,086	2018-2020	5.1%-6.5%
USD-nominated	2,492	2018	LIBOR+5.05%
UAH-nominated	1,657	2020	LIBOR+ 3.9%-14.8%
	12,158		
Less: non-current portion	1,140		
	11,018		
Less accrued interest	-66		
Current portion excl accrued interest	**10,952**		

31.12.2016, in EUR thousand	31.12.2016	Maturity	Interest rate
RUB-nominated	290	2017-2018	13.5%-25.5%
RUB-nominated	725	2017	CBR base rate+3%
USD-nominated	4,974	2017	9.5%
USD-nominated	4,092	2017	LIBOR+9.5%
UAH-nominated	1	2017	no interest
	10,082		
Less: non-current portion	10		
	10,072		
Less accrued interest	-90		
Current portion excl accrued interest	**9,982**		

	31.12.2017		31.12.2016	
	Bank borrowings	**Finance lease payables**	**Bank borrowings**	**Finance lease payables**
Floating rate:				
– Expiring within one year	3,111	761	4,817	-
– Expiring beyond one year	-	896	-	-
Fixed rate:				
– Expiring within one year	7,010	136	5,237	18
– Expiring beyond one year	-	244	-	10
	10,121	**2,037**	**10,054**	**28**

	31.12.2017		31.12.2016	
in EUR thousand	**Bank borrowings**	**Finance lease payables**	**Bank borrowings**	**Finance lease payables**
US dollar	9,318	260	9,066	-
Russian rouble	803	120	988	27
Ukrainian hryvna	-	1,657	-	1
	10,121	**2,037**	**10,054**	**28**

in EUR thousand	Cash	Finance leases due within 1 year	Finance leases due after 1 year	Borrow. due within 1 year	Borrow. due after 1 year	Total
Net debt as at 31 December 2016*	**3,646**	**-18**	**-10**	**-9,964**	**-**	**-6,346**
Cash flows	-1,562	2,267	-	-2,424	-	-1,719
Acquisition of finance leases	-	-3,188	-1,264	-	-	-4,452
Foreign exchange adjustments	-404	101	124	1,434	-	1,255
Other non-cash movements**	-	-59	10	899	-	850
Net debt as at 31 December 2017*	**1,680**	**-897**	**-1,140**	**-10,055**	-	**-10,412**

* Net debt reconciliation is shown excluding the interest liability

** Most of the amount is related to the factoring

Total future minimum payments

in EUR thousand	**31.12.2017**	**31.12.2016**
up to 12 months	1,090	23
1-5 years	1,312	11
	2,402	**34**
Future interests	365	6
Present value of the lease	2,037	28

Out from all short-term borrowings standing at December 31, 2016, the Group in 2017 prolonged USD 6,437 thousand (EUR 6,158 thousand) and RUB 42,021 thousand (EUR 654 thousand).

All the loan and lease arrangements have been concluded under regular terms in the respective country. Lease agreements are related to the purchase of buildings, machinery and equipment in the Group's production clusters of Ukraine and Russia. All these leases are classified as finance lease because the ownership of leased assets passes to the Group at the end of lease term. The Group has an operating lease of land, office premises, and machinery in several locations (for further details on operating lease payments please refer to Note 21. The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant or market rates are not significantly different from actual borrowing rates. The borrowings are classified as Level 3 under the fair value hierarchy, as defined by IFRS 13.

14. INCOME TAX

in EUR thousand	**2017**	**2016**
Current tax:		
Current tax on profits for the year	108	129
Adjustments in respect of prior years	2	-2
Total current tax	**110**	**127**
Deferred tax (Note 15):		
Impact of change in tax rate (Ukraine)	-35	-36
Total deferred tax	**-35**	**-36**
Income tax expense	**75**	**91**

*Income tax expense includes continuing and discontinuing operations (Note 32).

The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

in EUR thousand	**2017**	**2016**
Profit / loss before tax	**3,555**	**-1,484**
Loss before tax from entities not subject to Income tax by statutory legislation	7,862	2,124
Profit / loss before tax from entities subject to income tax	**-4,307**	**-3,608**
Tax calculated at domestic tax rates applicable to profits in the respective countries	-6,296	-1,037
Tax effects of:		
Income not subject to tax	-11,205	-8,321
Expenses not deductible for tax purposes	17,599	7,773
Utilisation of previously unrecognised tax losses	-288	-140
Tax losses for which no deferred income tax asset was recognised	263	1,818
Adjustments in respect of prior years	2	-2
Tax charge	**75**	**91**

The weighted average applicable tax rate was 18.0% (2016: 16.0%). The increase is caused by a change in the profitability of the Group's subsidiaries in the respective countries.

The Group does not have material deferred tax assets or liabilities in companies, which are active in agricultural production. This is due to the following reasons:

1) The Group companies in Estonia are subject to income tax only when the profits are distributed. No corporate income tax is imposed on earnings; therefore, there are no temporary differences between the tax and accounting bases of assets and liabilities.

2) All of the Group companies in Ukraine that are producing agricultural produce are not subject to income tax but to the unified agricultural tax. The agricultural tax is based on hectares of arable land the company uses, not on its earnings and therefore no deferred tax arises. All other companies in Ukraine (companies that are related to sales and trading and storage elevators) are under regular tax regime and subject to income tax.

3) The Group companies in Russia, except for sub-holding companies, are subjects of the agricultural tax and not income tax. Agricultural tax regime means that the agricultural producer pays tax only from non-agricultural profits. Major income not subject to tax relates to currency translation differences. Major expenses not deductible for tax purposes related to interests on intra-group borrowings.

15. DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

in EUR thousand	**2017**	**2016**
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	-	-
– Deferred tax asset to be recovered within 12 months	-	-
	-	-
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	605	750
– Deferred tax liability to be recovered within 12 months	-	-
	605	**750**
Deferred tax liabilities (net)	**605**	**750**

The gross movement on the deferred income tax account is as follows:

in EUR thousand	2017	2016
At 1 January	750	852
Currency translation differences	-110	-66
Income statement charge related to change in deferred tax assets/ liability (Note 14)	-35	-
Tax charge /(credit) relating to components of other comprehensive income	-	-36
At 31 December	**605**	**750**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred income tax assets of EUR 263 thousand (EUR 1,818 thousand in 2016) in respect of losses amounting to EUR 1,485 thousand (EUR 8,901 thousand in 2016) that can be carried forward against future taxable income. The accumulated amount of tax losses where tax asset was not recognized as at 31.12.2017 was 29,119 EUR thousand (2016: EUR 26,649 thousand) that can be carried forward against future taxable income. Losses amounting to EUR 28,963 thousand (EUR 26,642 thousand 2016) have unlimited usage, rest of losses will expire during 4 to 10 years.

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Other	Total
At 31 December 2015	**826**	**28**	**854**
Charged/(credited) to the income statement	-38	-	-38
Currency translation differences	-66	-	-66
At 31 December 2016	**722**	**28**	**750**
Charged/(credited) to the income statement	-35	-	-35
Currency translation differences	-110	-	-110
At 31 December 2017	**577**	**28**	**605**

Deferred tax assets	Other	Total
At 31 December 2015	**-2**	**-2**
Charged/(credited) to the income statement	2	2
Currency translation differences	-	-
At 31 December 2016	-	-
Charged/(credited) to the income statement		
Currency translation differences	-	-
At 31 December 2017	-	-

16. SHARE CAPITAL

in EUR thousand	Number of shares	Incl. ordinary shares	Share capital	Share premium	Total
31.12.2015	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
Reduction in share capital	-	-	-63,517	-	-63,517
Issuance of share capital	1,598,730,000	1,598,730,000	15,987	20,072	36,059
31.12.2016	**1,728,357,479**	**1,728,357,479**	**17,284**	**120,013**	**137,297**
Issuance of share capital	13,773,821	13,773,821	137	138	275
Purchase of treasury shares	-4,221	-4,221	-	-	-
Reverse share split	-1,724,709,987	-1,724,709,987	-	-	-
31.12.2017	**17,421,313**	**17,421,313**	**17,421**	**120,151**	**137,572**
Including treasury shares	42	42	-	-	-

As at December 31, 2017, the total number of issued shares was 17,421,313 including 42 treasury shares with a par value of 1 EUR per share, whereas, at December 31, 2016, the number of shares was 1,728,357,479 (par value of 0.01 EUR per share as at December 31, 2016). All shares have been fully paid. The shares of Agromino A/S are listed on the main market of Small Cap segment on NASDAQ Stockholm.

In 2016 the share capital was reduced by nominally EUR 63,517,464.71 from nominally EUR 64,813,739.50 to nominally EUR 1,296,274.79 to cover losses, by way of decreasing the nominal value of each share from EUR 0.5 to EUR 0.01. In 2016 share capital increased as a result of the issuance of 1,598,730,000 shares following the debt to equity conversion (Note 13), which was completed on December 5, 2016. As a result of this conversion in 2016, the share capital increased by EUR 15,987 thousand, share premium increased by EUR 20,072 thousand and a gain representing the difference between carrying a value of the debt and fair value of issued equity of EUR 2,121 thousand (Note 24) was recorded under financial income.

In 2017, the share capital increased firstly, by the issuance of 13,773,792 shares each of nominal value EUR 0.01 due to warrants being exercised and secondly, by issuing 29 new shares (par value of 0.01 per share) to J. Bertorp.

In May 2017, the reverse share split took place by the consolidation of 100 shares of a nominal value of EUR 0.01 each into one share of a nominal value of EUR 1.00 each. Agromino A/S had to redeem the 4,221 Remaining Fractional Shares at a price EUR 0.02 per 1 share with a nominal value EUR 0.01 each, following the reverse share split the number of treasury shares stood at 42 shares of a nominal value of EUR 1.00 each.

Hence, a total number of issued shares as of December 31, 2017, amounted to 17,421,313 shares of nominal value EUR 1 each, including 42 treasury shares.

Warrants

On November 30, 2016, Agromino A/S issued 209,398,236 warrants, out of which 199,563,420 (95.30%) warrants were subscribed by the end of subscription period (December 30, 2016). The warrants can be exercised during two periods, first of which started on February 1, 2017, and ended February 28, 2017, and the second period which starts January 1, 2020, and ends January 31, 2020. During the exercise periods, the warrant holders can subscribe for shares in Agromino A/S. From January 31, 2017, the warrants have been admitted to trading on NASDAQ FIRST NORTH.

The first period for the exercise of warrants commenced on February 1, 2017, and ended on February 28, 2017, allowing warrant holder to subscribe for one new share at a price of EUR 0.02 per share. During the first period, 6.9% of the warrants were exercised for a total cash consideration of EUR 275 thousand and Agromino A/S issued 13,773,792 new shares each of nominal value EUR 0.01. In total, the share capital increased by EUR 137 thousand and share premium was recorded in the amount of EUR 138 thousand.

As a consequence of the share consolidation in May 2017, the terms of the warrants were amended to the effect that a warrant holder will be required to hold 100 warrants to subscribe for one (1) share of nominal value EUR 1.00 to reflect the 100:1 reverse share split. Hence, during the second period for the exercise of the warrants from January 1, 2020, till January 31, 2020, 100 warrants will give the right to subscribe for one share for the price of EUR 3.00.

17. OTHER RESERVES

in EUR thousand	Revaluation of land*	Translation differences	Total
31.12.2015	**1,303**	**-66,139**	**-64,836**
Currency translation differences	-	1,300	1,300
Other comprehensive income recycled to Income statement in relation to discontinued operation (Note 32)	-	18,903	18,903
Revaluation of land (Note 10)	-1,303	-	-1,303
31.12.2016	**-**	**-45,936**	**-45,936**
Currency translation differences	-	-3,260	-3,260
Revaluation of land (Note 10)	283	-	283
31.12.2017	**283**	**-49,196**	**-48,913**

As at December 31, 2017, land reserve amounts to EUR 283 thousand (December 31, 2016: no reserve) included in Other reserves attributable to the holders of the parent.

18. REVENUE AND OTHER INCOME

in EUR thousand	2017	2016
Sales of cereals	25,868	34,602
Sales of milk	3,321	2,478
Revenue from elevator services	1,315	1,833
Other revenue	515	277
TOTAL revenue	**31,019**	**39,190**
Subsidies	132	178
Other income	475	108
Total other income	**607**	**286**

Government grants recognized as income include subsidies for both plant cultivation and animal husbandry. Government grants have been received within the framework of the Russian government. Revenues of EUR 7,089 thousand (2016: EUR 3,240 thousand) are derived from one external customer, revenues of EUR 5,577 thousand (2016: EUR 2,721 thousand) are derived from the second external customer and revenues of EUR 3,036 thousand (2016: 2,477 thousand) are derived from the third external customer. Revenue from the first two customers is attributable to the Ukraine segment and revenue from the third customer is attributable to the Milk production segment.

19. RAW MATERIALS AND CONSUMABLES USED FOR PRODUCTION PURPOSES

in EUR thousand	2017	2016
Seeds, fertilizers, chemicals	6,326	5,241
Animal feed	1,682	1,281
Repairs	1,746	1,778
Fuel, gas, electricity	2,021	1,947
Land tax and land rental	3,983	3,138
Other services and materials	2,476	2,473
	18,234	**15,858**

Higher costs for 2017 were mostly down to increased quantity and price for fertilizers, animal feed, and land rental fees.

20. EMPLOYEE BENEFITS EXPENSE

in EUR thousand	2017	2016
Wages and salaries	4,085	4,143
Social security costs	778	680
	4,863	**4,823**

The average number of employees in 2017 stood at 879 (2016: 969). Remuneration to the Board of Directors and Executive Board is disclosed in Note 31.

21. OPERATING LEASE PAYMENTS

In 2017, operating lease payments amounted to EUR 3,682 thousand (in 2016 EUR 2,997 thousand). Lease expense is included in Raw material and consumables used (Note 19), in Other administrative expenses (Note 22) and in Loss for the period from discontinued operations (Note 32) in the Income statement.

Lease agreements have been concluded under regular terms, there are no renewal or purchase options for the underlying assets.

Calculating future land lease payments in Ukraine include uncertainties as the land rental cost per hectare is not fixed but depends on a number of variables. For example, the land rental cost is calculated as a certain percentage of the value of the land, land rent might be dependent on the financial results and position of the lessee, land rent should be adjusted with the inflation and depends on other matters regulated in the rental agreements.

The future aggregate estimated operating lease payments under non-cancellable operating lease agreements include mainly land lease agreements and are as follows:

in EUR thousand	2017	2016
up to 12 months	3,648	2,771
1-5 years	13,443	10,504
Over 5 years	32,845	29,029
	49,936	**42,304**

22. OTHER ADMINISTRATIVE EXPENSES

in EUR thousand	2017	2016
Legal and consulting fees	664	1,737
Office and administration expenses	1,000	946
Other expenses	143	176
	1,807	**2,859**

23. OTHER (LOSSES)/GAINS-NET

in EUR thousand	2017	2016
Write down of doubtful receivables and prepayments (Note 6)	-1,389	-56
Foreign exchange losses/gains net	767	441
Gain on disposal of a part of non-core elevator business	642	-
Other losses / gains net	-397	-771
	-377	**-386**

In 2017, the Gain on disposal of a part of non-core elevator business was recorded at EUR 642 thousand as the closing net assets on the date of the transaction stood at EUR 406 thousand (Note 10) and the commission fee amounted to EUR 59 thousand. The net proceeds from this disposal amounted to EUR 1,107 thousand.

The Group wrote off the prepayment for the undelivered fertilizers in 2017 amounting to EUR 1,337 thousand. The Company is in the process of recovering the prepayment for fertilizer in the Ukrainian courts, although significant uncertainty exists in this respect.

24. FINANCE INCOME AND FINANCE COST

in EUR thousand	2017	2016
Interest income	22	20
Gain from debt to equity conversion (Note 16)	-	2,121
Other finance income	-	23
	22	**2,164**
Interest expense at effective interest rate:		
Finance lease liabilities	-160	-7
Bank borrowings	-934	-1,556
Bond interests	-	-4,646
Related parties (Note 31)	-114	-28
Other finance costs	-4	-5
	-1,212	**-6,242**

In 2016, as a result of conversion of bond to share capital, the share capital increased by EUR 15,987 thousand, share premium increased by EUR 20,072 thousand (Note 16) and a gain representing the difference between carrying value of the debt and fair value of issued equity of EUR 2,121 thousand was recorded under financial income.

25. PROFIT/LOSS PER SHARE

Basic earnings/loss per share is calculated by dividing the profit attributable to the equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Following the reverse share split in May 2017 (Note 16), the Group restated its Earnings/loss per share figure for previous periods as the consolidation of ordinary shares reduced the number of ordinary shares outstanding without a corresponding reduction in resources. The number of ordinary shares outstanding before the event was adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Accordingly, the new weighted average number of ordinary shares outstanding was calculated for 2016 and 2017 by dividing the number of shares by 100 from January 2016 till May 2017. The diluted number of shares was calculated to include the number of shares post-conversion of warrants. As at December 31, 2016, the diluted number of shares includes the possible conversion of warrants into shares totaling 1,995,634 new shares (adjusted for reversed share split). As at December 31, 2017, the diluted number of shares includes the possible conversion of warrants into shares totaling 1,857,896 new shares (Note 16).

in EUR thousand	**2017**	**2016**
Profit/Loss attributable to equity holders of the parent (EUR thousand)	3,450	-25,097
Weighted average number of ordinary shares outstanding (thousands)	17,398	17,284
Basic profit / loss per share (EUR per share)	**0.20**	**-1.45**
From continuing operations	0.20	-0.09
From discontinued operations (Note 32)	-	-1.36

Earnings per share for profit attributable to the ordinary equity holders of the company: (EUR per share)	**2017**	**2016**
Basic earnings per share	0.20	-1.45
Diluted earnings per share	0.18	-1.30

26. SEGMENT REPORTING

Primary measures monitored by the Executive Board are a segment´s OPEX (which is defined as operating expenses less Depreciation and amortization) and a segment´s EBITDA (which is defined as a Total segment revenue, other income and fair value adjustments adjusted with Changes in inventories of agricultural produce and work in process less operating expenses before Depreciation and amortization). OPEX comprises of Raw materials and consumables used for production purposes (Note 19), Other administrative expenses (Note 22) and Employee benefits expense (Note 20).

The management considers two business segments (Ukraine and Milk production). The Group uses the equity method to record the accounts of the Milk production segment in Estonia as the profit/loss on the Income Statement is shown under the line Share of loss/profit of investments accounted for using the equity method. Ukraine segment includes cereals production, storage, and trading operations, while Milk production segment comprises of dairy business in Russia. In Russia, the Group has a Milk production farm in the St Petersburg region, around 250 kilometres South West of St Petersburg. The facilities, which have a capacity of 1,200 cows, were built in 2008.

Cereals are produced for sale only in cereal production segment located in the Black Earth regions in Ukraine. In the Milk production segment, cereals are produced only in crop rotation order and used mainly as animal feed. In this segment, cereals are considered to be side production.

The Group’s business is seasonal by its nature. The largest increase in fair value of biological assets occurs during the plant growth season from March to September and consequently, the largest gains are recognized in the second quarter. The harvest starts in the last days of June and usually lasts until the end of October but subject to weather conditions can continue also to November. During the harvest time, the prices for the cereals are usually lowest and the Group may use its storage capacities to keep the crops until the price increases.

The income from milk sales has no significant seasonal nature.

2017, in EUR thousand	Ukraine	Milk production	Total
Revenue from external customers	27,544	3,475	31,019
Total segment revenue	**27,544**	**3,475**	**31,019**
Subsidies	-	132	132
Other income	472	3	475
Gain/loss of biological assets arising from changes in fair value less cost to sell	565	634	1,199
Total revenue, other income and fair value adjustments	**28,581**	**4,244**	**32,825**
Net changes in inventories of agricultural produce and work in process	3,788	489	4,277
Cost of purchased goods	-4,980	-	-4,980
OPEX	-21,204	-3,700	-24,904
Revaluation of land	-	-1,391	-1,391
Other (losses)/gains - net	-302	-75	-377
EBITDA	**5,883**	**-433**	**5,450**
Depreciation and amortization			-1,629
Finance income/costs			-1,754
Share of profit of investments accounted for using the equity method		1,487	1,487
Profit before income tax			3,554
Additions of Property, plant and equipment	**4,506**	**204**	**4,710**

2016, in EUR thousand	Ukraine	Milk production	Total
Revenue from external customers	36,583	2,607	39,190
Total segment revenue	**36,583**	**2,607**	**39,190**
Subsidies	-	178	178
Other income	105	3	108
Gain/loss of biological assets arising from changes in fair value less cost to sell	430	-50	380
Total revenue, other income and fair value adjustments	**37,118**	**2,738**	**39,856**
Net changes in inventories of agricultural produce and work in process	60	405	465
Cost of purchased goods	-6,231	-7	-6,238
OPEX	-20,584	-2,956	-23,540
Revaluation of land	-	-5,460	-5,460
Other (losses)/gains - net	-299	-87	-386
EBITDA	**10,064**	**-5,367**	**4,697**
Depreciation and amortization			-1,505
Finance income/costs			-3,231
Share of loss of investments accounted for using the equity method		-1,445	-1,445
Loss before income tax			-1,484
Additions of Property, plant and equipment	**408**	**249**	**657**

27. CONTINGENCIES

TAXES

UKRAINE:

Tax legislation. Ukrainian tax, currency, and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. The tax authorities in Ukraine may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties, and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

The tax consequence of transactions for Ukrainian taxation purposes is frequently determined by the form in which transactions are documented and the underlying accounting treatment prescribed by Ukrainian GAAP.

RUSSIA:

Tax legislation. Russian tax legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Russian tax authorities may be taking a more assertive and sophisticated approach in their interpretation of the legislation and tax examinations. This includes them following guidance from the Supreme Arbitration Court for anti-avoidance claims based on reviewing the substance and business purpose of transactions. Combined with a possible increase in tax collection efforts to respond to budget pressures, the above may lead to an increase in the level and frequency of scrutiny by the tax authorities. In particular, it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties, and interest may be assessed.

Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

Russian transfer pricing legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of all controllable transactions, the list of which is established by the Russian Tax Code.

Controllable transactions include transactions with interdependent parties, all cross-border transactions (irrespective whether performed between related or unrelated parties), transactions where the price applied by a taxpayer differs by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time, and barter transactions. There is no formal guidance as to how these rules should be applied in practice. The arbitration court practice has not yet taken shape.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible with the evolution of the interpretation of the transfer pricing rules in the Russian Federation and the changes in the approach of the Russian tax authorities, that such transfer prices could be challenged. Given the brief nature of the current Russian transfer pricing rules, the impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

ESTONIA:

The tax authorities may at any time inspect the books and records within three to five years subsequent to the reported tax year and may impose additional tax assessments and penalties in Estonian subsidiaries of the Group. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

28. COMMITMENTS

The Group leases land and passenger cars under non-cancellable operating lease agreements. Future rent payments from non-cancellable lease agreements are disclosed in Note 21. The Group has no other commitments.

29. INTEREST IN ASSOCIATE

The Group's interest in Trigon Dairy Farming Estonia is carried using the equity method. Carrying amount of investment into associate is comprised of Fair value of investment recognised on loss of control decreased in 2016 due to disposal of 10.74% shares (EUR 2,122 thousand) for a cash consideration of EUR 1,504 thousand and a loss of EUR 617 thousand was recognized in the Income statement under Share of loss/profit of investments accounted for using the equity method. In 2017, Group's share in the profit of the associate stood at EUR 1,487 thousand (2016: Group´s share in the loss totaled EUR 828 thousand, while the total loss of the associate for the Group in 2016 amounted to EUR 1,445 thousand). Difference between Carrying amount of investment in associate and Group's share of associate's net assets is due to the difference between Subsidiary's net assets and its fair value at loss of control.

Summarised balance sheet in EUR thousand	**As at 31 December 2017**	**2016**
Current		
Assets	9,935	6,664
Liabilities	-2,736	-2,514
Total current net assets	**7,199**	**4,150**
Non-current		
Assets	38,093	38,016
Liabilities	-14,627	-15,524
Total non-current net assets	**23,466**	**22,492**
Net assets	**30,665**	**26,642**

Summarised income statement	**For the period ended 31 December**	
in EUR thousand	**2017**	**2016**
Revenue	14,039	9,940
Profit/(loss) before income tax	3,904	-1,873
Income tax expense/income	-	-
Post-tax profit/loss	3,904	-1,873
Other comprehensive income/expense	119	14
Total comprehensive income/expense	**4,023**	**-1,859**
Total comprehensive income allocated to non-controlling interests	-	-

Reconciliation to carrying amounts: As at December 31 in EUR thousand	**2017**	**2016**
Opening net assets	26,642	28,501
Profit/(loss) for the period	3,904	-1,873
Other comprehensive income/expense	119	14
New capital invested	-	-
Closing net assets	**30,665**	**26,642**
Group's share in %	39.24%	39.24%
Group's share in EUR thousand	12,033	10,455
Adjustment to equity value	-3,621	-3,531
Carrying amount	**8,412**	**6,924**

30. GROUP STRUCTURE

The Group's parent company Agromino A/S is registered in Denmark. The parent company owns directly six subsidiaries (including a branch in Estonia), which are holding companies for the Group operations in Ukraine, Russia, and Estonia. These holdings are Trigon Farming Ltd (Estonia), TC Farming Ukraine Ltd. (Cyprus), Trigon Dairy Farming Ltd (Estonia), Trigon Security Llc. (Ukraine), LLC Trigon Moloko (Russia), Agromino Ltd Eesti filiaal (Estonia).

Trigon Dairy Farming AS owns 39.24% stake in AS Trigon Dairy Farming Estonia (a holding company for milk production operations in Estonia).

Transfer of funds from subsidiaries to Agromino A/S is not restricted. However, transfer of funds from Ukraine and Russia to intermediary holdings may be subject to restrictions in relation to foreign currency transactions due to the occasional limitations in local legislation. Currently, there are currency controls in place in Ukraine.

As of December 31, 2017, and 2016, the Group included the following companies:

	Country of registration	**Segment**	**Ownership percentage in 2017**	**Ownership percentage in 2016**	**Legal Status in the Group**
Agromino A/S	Denmark	-	100%	100%	Parent company
TC Farming Ukraine Ltd.	Cyprus	-	100%	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	-	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	100%	Subsidiary
LLC Trigon Security	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Trigon Farming Kharkiv	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Trigon Agro 2	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Agro Capital Center	Ukraine	Ukraine	100%	100%	Subsidiary
OJSC Krasnokutskagrohim	Ukraine	Ukraine	65.31%	65.04%	Subsidiary
LLC Kirovograd agroinvestment company	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Objedinjonnye Agrarnye Sistemy	Ukraine	Ukraine	100%	100%	Subsidiary
PAC Molniya-1	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Trigon Farming	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Trigon-Export	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Trigon-Elevator	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Kovyaqovskoye	Ukraine	Ukraine	100%	100%	Subsidiary
CJSC Vovchanskiy Combinat Khliboproduktiv	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Ludmilovsky elevator	Ukraine	Ukraine	-	100%	Subsidiary
OJSC Yavkinskiy elevator	Ukraine	Ukraine	92.33%	92.33%	Subsidiary
OJSC Novomirgorodski elevator	Ukraine	Ukraine	85.72%	85.70%	Subsidiary
Trigon Dairy Farming Ltd.	Estonia	Milk production	100%	100%	Subsidiary
LLC Trigon Moloko	Russia	Milk production	100%	100%	Subsidiary
LLC Dobruchi-2	Russia	Milk production	100%	100%	Subsidiary
CJSC ST-1	Russia	Milk production	100%	100%	Subsidiary
LLC Novaja Ferma	Russia	Milk production	100%	100%	Subsidiary
CJSC Agrokompleks	Russia	Milk production	100%	100%	Subsidiary
LLC Agrokompleks	Russia	Milk production	100%	100%	Subsidiary
CJSC ST-2	Russia	Milk production	100%	100%	Subsidiary
LLC Korovka	Russia	Milk production	100%	100%	Subsidiary
CJSC Novaja Ferma	Russia	Milk production	100%	100%	Subsidiary
LLC Schastlivaja Burjonka	Russia	Milk production	100%	100%	Subsidiary
LLC Schastlivy bychok	Russia	Milk production	100%	100%	Subsidiary
LLC Morskoi Klub	Russia	Milk production	100%	100%	Subsidiary
LLC Russtroi	Russia	Milk production	100%	100%	Subsidiary
LLC Russian Agro Investors	Russia	-	100%	100%	Subsidiary

	Country of registration	Segment	Ownership percentage in 2017	Ownership percentage in 2016	Legal Status in the Group
Trigon Dairy Farming Estonia Ltd. (Note 29)	Estonia	Interest in associates	39.24%	39.24%	Associate

31. RELATED PARTY TRANSACTIONS

The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities.

Associate Ltd Trigon Dairy Farming Estonia (a holding company for milk production operations in Estonia where the Group has a 39.24% stake) is considered a related party.

Other related parties comprise of companies which are controlled by the Group´s management personnel or the members of the Board of Directors.

in EUR thousand **Sales and purchases**	**2017**	**2016**
Other sales (Companies under control of Members of Board of Directors)	145	-
Interest paid to related parties (Companies under control of Members of Board of Directors)	-114	-28
Purchase of goods and services from related parties (Companies under control of Members of Board of Directors)	-63	-83

The following table sets forth the aggregate gross amounts of salaries and other remuneration by the Group to the members of its Board of Directors and Executive Board in 2017 and in 2016.

in EUR thousand	**Salary (incl social security costs)**	**Total**
2017		
Members of Board of Directors	87	87
Members of the Executive Board	175	175
	262	**262**
2016		
Members of Board of Directors	92	92
Members of the Executive Board	325	325
	417	**417**

The payments from the company to the Executive Board members in 2017 amounted to EUR 175 thousand (in 2016 EUR 325 thousand). As of December 31, 2017, the Group had liability to Board of Directors members in the amount of EUR 21 thousand (EUR 23 thousand as of December 31, 2016).

Balances from sales / purchases of goods / services	**31.12.2017**	**31.12.2016**
Payable to related parties (Companies under control of Members of Board of Directors) (Note 12)	22	95

Loans from related parties (Companies under control of Members of Board of Directors) in EUR thousand	2017	2016
Beginning of the year	-	-
Loans advanced	1,415	900
Loan repayments made	-1,415	-900
Interest charged	114	28
Interest paid	-114	-28
End of the period (Note 12)	-	-

In 2017, the Group received loans from related parties in the amount of SEK 13,500 thousand (EUR 1,415 thousand). The loan and interest were fully repaid during 2017.

32. DISCONTINUED OPERATIONS AND DISPOSAL GROUP

On November 3, 2015, the Group announced that a framework agreement for the divestment of its Rostov cluster was signed (Russian cereals production) and on June 2, 2016, the divestment transaction was completed, for the total price of EUR 13,300 thousand.

The loss from discontinued operations in 2016 amounted to EUR 23,504 thousand, including re-measurement due to change in agreement terms in the amount of EUR 3,303 thousand and Currency translation differences recycled from Other comprehensive income to Income statement in the amount of EUR 20,091 thousand.

The results of operations related to Rostov cluster are distinguished from continuing operations and shown as discontinued operations. Financial information related to the Rostov cluster is set out below.

Income statement information in EUR thousand	2017	.2016
Total revenue, other income and fair value adjustments and net changes in inventories	-	3,501
Expenses	-	-4,333
Gain/losses from exchange rate differences*	-	722
Profit before income tax from discontinued operations	-	-110
Income tax	-	-
Profit after income tax from discontinued operations	-	-110
Remeasurement to fair value less cost to sell (Note 8,9,10)	-	-3,303
Currency translation differences recycled from Other comprehensive income to Income statement	-	-20,091
Loss from discontinued operations	-	-23,504

Other Comprehensive income / expense information in EUR thousand	2017	2016
Loss for the period from discontinued operations	-	-23,504
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences from discontinued operations	-	-1,188
Currency translation differences recycled from Other comprehensive income to Income statement	-	20,091
Other comprehensive income / expense for the period; net of tax from discontinued operations	-	18,903
Total comprehensive income / expense for the period from discontinued operations	-	-4,601

33. FEES TO THE AUDITORS APPOINTED BY THE SHAREHOLDERS

The following fees have been paid to PricewaterhouseCoopers:

in EUR thousand	2017	2016
Audit	182	241
Tax advice and consultations	40	33
Other services	18	62
	240	**336**

PricewaterhouseCoopers was not elected as the statutory auditor, and thus did not audit the annual report for the following companies:

- LLC Dobruchi-2
- OJSC Yavkinskiy elevator
- OJSC Novomirgorodski elevator
- LLC Russian Agro Investors
- Trigon Farming AS

Audit fees, other than fees to PricewaterhouseCoopers, amounted to EUR 15 thousand in 2017 (EUR 13 thousand in 2016). Fees for non-audit services provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amounted to EUR 29 thousand. Non-audit services mainly comprise tax consultancy services relating to income tax return, including CFC (controlled foreign corporation) income tax.

34. EVENTS AFTER THE BALANCE SHEET DATE

In January 2018, the Group announced that a share purchase agreement for the sale of PrJSC "Novomirgorodskiy Elevator" for a price of USD 2.6 million has been signed. As of December 31, 2017, the net assets of the Elevator stood at EUR 1.6 million and thus, the preliminarily estimated effect from the transaction is a profit of EUR 0.5 million (subject to future FX differences) to be accounted for in 1Q 2018, less the cumulative amount of the exchange differences (approximately EUR -8.3 million) recognized in previous periods in Other

Comprehensive Income and accumulated in the separate component of the Equity, has to be recycled to the Income Statement. The total net loss from this transaction for 1Q 2018 stands at EUR 7.8 million. The net assets of this elevator are not classified as held for sale at year end, as based on management assessment the sale could not be considered highly probable at year end.

In conjunction with the disposal of the assets held for sale (Note 10), the currency translation difference of EUR -1.7 million (subject to future exchange rate differences) has to be recycled from the Other Reserves to the Income Statement in 1Q 2018. Please note, that this is a non-cash item and has no effect on the Total Equity or liquidity of the Group.

As announced on 28 February 2018, Agromino A/S has recalled the directorship of one of its executive directors. Agromino A/S has, following the termination received a letter from the former director with allegations that certain transfers of shares in Agromino A/S involving board members and other individuals in his opinion have been made in violation of the Market Abuse Regulation.

The board regards the allegations to be unfounded and intending to put undue pressure on the board. For the sake of good order and to avoid any conflict of interests, Agromino A/S has voluntarily reported the letter and the allegations to the Swedish Financial Supervisory Authority (Sw: Finansinspektionen).

On the 27th March the company announced that the Board of Directors had appointed Petr Toman as member of the executive board and CEO, replacing Simon Boughton. It was also announced that the Tallinn office would be closed with immediate effect, its employees given notice and that the tasks performed by the Tallinn office would be undertaken by the Kiev office.

An internal investigation has been initiated based on indications that in 2017 certain assets may have been divested on terms not viable from a commercial point of view, resulting in the company not receiving the full benefit from the transactions. The transactions in question were described in press releases 29 January and 22 February 2018. An internationally renowned forensic firm has been retained to conduct the investigation, which specifically relates to certain advisory contracts, sales of land, subsidiaries and other assets. Several unclear circumstances remain to be investigated, but according to initial indications, the company may have received up to USD 5 million less than it should have received if the transactions had been made on commercially viable terms. Agromino A/S will inform the market of the conclusion of the investigation if prompted by circumstances, or when it is closed.

On the 28th March it was announced that, member of the board of directors, Richard Warburton would support the CEO during an interim period and that the company will initiate a process to find a solution going forward.The matters subject to investigation do not, as far as managers can currently assess, materially affect 2017 Consolidated financial statements.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

in EUR thousand	Note	31.12.2017	31.12.2016
ASSETS			
Current assets			
Cash and cash equivalents	5	483	2,333
Trade and other receivables	7	9,931	12,928
		10,414	**15,261**
Non-current assets			
Investments in subsidiaries	6	40,876	59,976
Trade and other receivables	7	5,273	1,111
Tangible assets		21	36
		46,170	**61,123**
Total assets		**56,584**	**76,384**
LIABILITIES			
Current liabilities			
Trade and other payables	8	4,541	6,485
Borrowings	9	753	805
		5,294	**7,290**
Total liabilities		**5,294**	**7,290**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	10	17,421	17,284
Share premium	10	120,151	120,014
Accumulated deficit		-86,282	-68,204
Total equity		**51,290**	**69,094**
Total equity and liabilities		**56,584**	**76,384**

The notes on pages 97 to 105 are an integral part of the parent company financial statements.

STATEMENT OF THE COMPREHENSIVE INCOME OF THE PARENT COMPANY

in EUR thousand	Note	2017	2016
Revenues	11	16,112	12,974
Other income		1	3,031
Cost of purchased goods for trading purposes	12	-14,010	-11,059
Employee benefits expense	13	-693	-881
Other expenses		-510	-1,883
Impairment losses	15	-16,712	-16,867
Gains/losses from exchange rate differences		-415	4,717
Interest income	14	1,693	3,370
Interest expense	14	-144	-4,824
Dividend income from subsidiary	16	-	2,463
Profit from sale of investment	6,16	201	4,085
Loss from sale of investments	6,16	-3,602	-14,215
Other finance income/costs	14	-	2,127
Net loss before income tax		**-18,079**	**-16,962**
Corporate income tax		-	-
Net loss for the period		**-18,079**	**-16,962**
Other comprehensive income		-	-
Total comprehensive loss for the period		**-18,079**	**-16,962**

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

in EUR thousand	Share capital	Share premium*	Accumulated deficit	Total
Balance at 31.12.2015	**64,814**	**99,941**	**-114,759**	**49,996**
Reduction in share capital	-63,517	-	63,517	-
Share capital increase	15,987	20,073	-	36,060
Total comprehensive loss for the period	-	-	-16,962	-16,962
Balance at 31.12.2016	**17,284**	**120,014**	**-68,204**	**69,094**
Issuance of share capital	137	138	-	275
Total comprehensive loss for the period	-	-	-18,079	-18,079
Balance at 31.12.2017	**17,421**	**120,151**	**-86,283**	**51,290**

* Share premium can be distributed as dividend.

The notes on pages 97 to 105 are an integral part of the parent company financial statements.

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

In EUR thousand	Note	2017	2016
Cash flows from operating activities			
Cash receipts from customers	11	16,069	18,747
Cash paid to suppliers and employees	12,13,16	-17,401	-14,996
Interest received		-	2
Net cash used in / generated from operating activities		**-1,332**	**3,753**
Cash flows from investing activities			
Contribution to share capital of subsidiary	16	-	-1,950
Loans issued to subsidiaries	16	-931	-9,888
Proceeds from loan repayments from subsidiaries	16	393	5,951
Proceeds from interest repayments from subsidiaries	16	-	24
Purchase of tangible assets		-	-49
Net cash used in / generated from investing activities		**-538**	**-5,912**
Cash flows from financing activities			
Proceeds from issues of shares		275	-
Lease repayments	9	-	-39
Interest paid	14	-	-4,077
Interest paid to subsidiaries	14,16	-	-8
Interest paid to related parties	14,16	-209	-
Loans received	16	-	450
Loans received from subsidiaries	16	15	8,493
Loans received from related parties	16	1,386	900
Loan repayments		-	-450
Loans repaid to subsidiaries	16	-2	-32
Loans repaid to related parties	16	-1,424	-900
Net cash generated from used in financing activities		**41**	**4,337**
Net increase in cash and cash equivalents		-1,829	2,178
Effects of exchange rate changes on cash and cash equivalents		-21	28
Cash and cash equivalents at beginning of period	5	2,333	127
Cash and cash equivalents at end of period	5	**483**	**2,333**

The notes on pages 97 to 105 are an integral part of the parent company financial statements.

Non-cash transactions 2016

During 2016 the parent company has received assigned loan receivable from a group company in the amount of 248 thousand euros which was set-off against liabilities.

Loan payable in the amount of 1,950 thousand euros was fully set-off with shareholder's contribution.

The parent company acquired shares from a subsidiary in the amount of EUR 10,702 thousand which was fully set-off against a loan receivable.

Dividends receivable from subsidiary were set-off against loan payable in the amount of EUR 4,085 thousand.

Due to the conversion of Bond Loan into equity liabilities decreased by EUR 38,181 thousand and equity increased by EUR 36,059 thousand. This did not result in cash movements (Note 10).

NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. GENERAL INFORMATION

The Company was established on December 11, 2006. Agromino A/S (“the Company”) is the parent company of the Agromino Group. The Company is a limited liability company incorporated and domiciled in Denmark. The address of its registered certificates of subscription office is Sundkrogsgade 5, DK-2100 Copenhagen.

The Parent Company has in 2011 established a branch "Agromino Eesti Filiaal" in Estonia. The branch employs the people who perform overall management of the subsidiaries, consolidation, legal, controlling etc.

The Company prepares its separate financial statements in accordance with IFRS and further requirements in the Danish Financial Statements Act.

The principal accounting policies applied in the preparation of these financial statements are set out below.

2. ACCOUNTING PRINCIPLES

Basis of preparation of the financial statements of the parent company

The financial statements of Agromino A/S have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU (IFRS) and further requirements in the Danish Financial Statements Act. The parent company has applied the same accounting policies as the Group, except for the investments in subsidiaries as described below. See Note 2 to the Consolidated Financial Statements, for the summary of significant accounting policies of the Group.

Long-term investments in subsidiaries and associate companies

In the separate financial statements of the parent company, the investments in subsidiaries are recognised and measured at cost. Equity interests in foreign currencies are translated to the reporting currency using the historical exchange rate prevailing at the time of the transaction. Where cost exceeds the recoverable amount, the carrying value is written down to the recoverable amount. Dividends from investments in subsidiaries, joint ventures, and associates are recognized as income in the financial year when the dividends are distributed.

3. CRITICAL ACCOUNTING ESTIMATES

An impairment test was performed as at December 31, 2017, and 2016.

The value-in-use method was applied to determine the recoverable value of investment in subsidiaries in Ukraine and milk production in Russia. Cash flows were projected in each segment, in which subsidiaries operate, including revenues, operating expenses, investment requirements and working capital needs. The test demonstrated that the Ukraine segment assets recoverable value is higher than the carrying amount of the investment as at December 31, 2017, and 2016. Based on the test performed impairment of investments in 2017 Ukrainian segment’s subsidiaries amounted to EUR 16,712 thousand (no impairment in 2016 was recognised) and in

2016 impairment of investments in Russian milk production segment’s subsidiaries in the total amount of EUR 8,635 thousand was recognised. The parent company has used in the model its target yields and prices for cereals and milk based on forecasts. The parent company has applied 5.0% (1.5% in 2016) long-term growth rate that has been aggregated from the long-term growth perspective in the respective country and estimation of the growth in food prices in relation to other inputs for both Ukrainian and Russian milk production segments. The discount rates applied in Ukraine 19.7% (21.8% in 2016). If budgeted EBITDA had been 10% lower or discount rate had been 1% higher, impairment loss for 2017 would have been EUR 5,207 thousand and EUR 3,045 thousand higher respectively. In Russian milk production, no discounts were applied in 2017 (14.3% in 2016).

4. FINANCIAL RISK MANAGEMENT

Financial risk management principles of Agromino A/S correspond to the principles used for the whole Group. For further information on the financial risk management principles used please refer to the consolidated financial statements Note 3. For details concerning the parent company please refer to the other Notes of the financial statements of the parent company.

The Company is exposed to foreign exchange risk arising primarily from exposures to the US dollar. Refer to Notes 7,8,9 for the amounts of assets and liabilities nominated in the US dollar.

As at December 31, 2017, if the US dollar rate against euro had been 10% higher with all other variables held constant, profit for the year would have been EUR 186 thousand lower (2016: EUR loss 103 thousand). If the US dollar rate against euro had been 10% higher with all other variables held constant, profit for the year would have been higher by the same amount.

5. CASH AND CASH EQUIVALENTS OF THE PARENT COMPANY

in EUR thousand	**2017**	**2016**
Cash at bank and on hand	483	2,333
	483	**2,333**

As at December 31, 2017 (and December 31, 2016) there was no cash on bank deposits. The credit rating (Moody`s) of the banks where the cash was held was Aa3.

6. LONG TERM INVESTMENTS IN SHARES OF SUBSIDIARIES

Breakdown of investments in subsidiaries by companies is given in the table below:

in EUR thousand	2017	2016
TC Farming Ukraine Ltd.	23,801	40,513
United Grain (SUISSE) Ltd.	-	834
Ltd Trigon Dairy Farming	14,345	14,345
Llc Trigon Security	28	28
Trigon Farming Ltd.	2,187	2,187
Ennivolorous Holding Limited	-	-
LLC Trigon Moloko	515	515
CJSC ST-2	-	107
CJSC ST-1	-	787
LLC Novaja Ferma	-	511
LLC Agrokompleks	-	149
	40,876	**59,976**

In 2017 the Company has divested United Grain (SUISSE) Ltd., CJSC ST-2, CJSC ST-1, LLC Novaja Ferma, LLC Agrokompleks, TC Farming Russia Ltd. Net loss from shares sale amounted to EUR 3,401 thousand (Note 14, 16). Additional impairment of investments was recognised in the amount of EUR 16,712 thousand (Note 15). Refer to the parent company financial statements Note 3 for further information about the impairment test. In 2016 the parent company has sold shares of Kenuria Holding Limited for EUR 4,084 thousand. Profit from sale of investment was recorded in the amount of EUR 4,084 thousand (Note 14).

In 2016 the parent company has purchased shares of milk production companies in the amount of EUR 10,702 thousand. The investment was assessed for impairment as at December 31, 2016, and an impairment loss in the amount of EUR 8,635 thousand was recognised (Note 15).

As of December 31, 2017, the parent company owned directly the following companies:

	Country of registration	Segment	Ownership percentage	Legal Status in the Group
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
Ltd Trigon Dairy Farming	Estonia	Milk production	69%	Subsidiary
Llc Trigon Security	Ukraine	-	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	Subsidiary
LLC Trigon Moloko	Russia	Milk production	100%	Subsidiary

As of December 31, 2016, the parent company owned directly the following companies:

	Country of registration	Segment	Ownership percentage	Legal Status in the Group
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
United Grain (SUISSE) Ltd.	Switzerland	Trading	100%	Subsidiary
Ltd Trigon Dairy Farming	Estonia	Milk production	69%	Subsidiary
Llc Trigon Security	Ukraine	-	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	Subsidiary
LLC Trigon Moloko	Russia	Milk production	100%	Subsidiary
CJSC ST-2	Russia	Milk production	100%	Subsidiary
CJSC ST-1	Russia	Milk production	100%	Subsidiary
LLC Novaja Ferma	Russia	Milk production	100%	Subsidiary
LLC Agrokompleks	Russia	Milk production	100%	Subsidiary

7. TRADE AND OTHER RECEIVABLES

in EUR thousand	2017	2016
Current receivables:		
Receivables from subsidiaries (Note 16)	3,353	7,770
Short-term loans given to subsidiaries (Note 16)	6,336	5,065
Other receivables	156	25
Total current receivables	**9,845**	**12,860**
Current prepayments:		
Prepayments	81	-
Prepayments for indirect taxes	5	68
	86	**68**
Total current receivables and prepayments	**9,931**	**12,928**
Non-current receivables:		
Receivables from subsidiaries	-	-
Loans to subsidiaries (Note 16)	-	1,104
Other non-current receivables	5,273	7
Total non-current receivables	**5,273**	**1,111**
Total receivables and prepayments	**15,204**	**14,039**

Breakdown of the receivables from subsidiaries and group companies by companies is given below:

in EUR thousand	31.12.2017	31.12.2016
TC Farming Ukraine Ltd.	7,442	12,360
Russian Agro Investors Ltd.	1	-
Trigon Dairy Farming Ltd.	967	1,122
LLC Trigon Farming Kharkiv	1,278	257
LLC Agro Capital Center	-	200
Other	1	-
Total receivables	**9,689**	**13,939**

During 2017 no receivables or loans from the group companies were impaired. During 2016 receivables from the group companies were impaired in the amount of EUR 3,130 thousand and loans to the group companies were impaired in the amount of EUR 5,102 thousand (including interest receivable) to reflect the losses from the discontinued operations (Note 15).

Trade and other receivables are not due as at December 31, 2017, and December 31, 2016.

The effective interest rates on non-current receivables were as follows:

	2017	2016
Loans to related parties	7.0-11.0%	7.0-11.0%

The carrying amounts of the trade and other receivables were denominated in the following currencies:

in EUR thousand	31.12.2017	31.12.2016
US dollar	2,713	457
Russian ruble	1	-
Euro	12,490	13,582
	15,204	**14,039**

8. TRADE AND OTHER PAYABLES

in EUR thousand	31.12.2017	31.12.2016
Trade payables	460	696
Trade payables to related parties (Note 16)	962	2,860
Social security and other taxes	13	12
Accrued expenses	276	415
Amounts due to related parties (Note 16)	2,830	2,502
	4,541	**6,485**
Less: non-current portion	-	-
	4,541	**6,485**

The carrying amounts of the trade and other payables were denominated in the following currencies:

in EUR thousand	31.12.2017	31.12.2016
US dollar	1,295	3,306
Euro	3,246	3,179
	4,541	**6,485**

9. BORROWINGS

in EUR thousand	31.12.2017	31.12.2016
Current		
Borrowings from subsidiaries (Note 16)	753	710
Borrowings from Related parties (Note 16)	-	95
Total borrowings	**753**	**805**

in EUR thousand	31.12.2017	31.12.2016
Euro	753	805
	753	**805**

10. SHARE CAPITAL OF THE PARENT COMPANY

in EUR thousand	Number of shares	Ordinary shares	Share capital	Share premium	Total
Balance at 31.12.2015	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
Reduction in share capital	-	-	-63,517	-	-63,517
Share capital increase	1,598,730,000	1,598,730,000	15,987	20,072	36,059
Balance at 31.12.2016	**1,728,357,479**	**1,728,357,479**	**17,284**	**120,013**	**137,297**
Issuance of share capital	13,773,821	13,773,821	137	138	275
Purchase of treasury shares	-4,221	-4,221	-	-	-
Reverse share split	-1,724,709,987	-1,724,709,987	-	-	-
Balance at 31.12.2017	**17,421,313**	**17,421,313**	**17,421**	**120,151**	**137,572**
Including treasury shares	42	42	-	-	-

As at December 31, 2017, the total number of issued shares was 17,421,313 including 42 treasury shares with a par value of 1 EUR per share, whereas, at December 31, 2016, the number of shares was 1,728,357,479 (par value of 0.01 EUR per share as at December 31, 2016). All shares have been fully paid. The shares of Agromino A/S are listed on the main market of Small Cap segment on NASDAQ Stockholm.

In 2017, the share capital increased firstly, by the issuance of 13,773,792 shares each of nominal value EUR 0.01 due to warrants being exercised and secondly, by issuing 29 new shares (par value of 0.01 per share) to J. Bertorp.

In May 2017, the reverse share split took place by the consolidation of 100 shares of a nominal value of EUR 0.01 each into one share of a nominal value of EUR 1.00 each.

Hence, a total number of issued shares as of December 31, 2017, amounted to 17,421,313 shares of nominal value EUR 1 each, including 42 treasury shares.

During 2016 share capital was reduced by EUR 63,517 thousand to cover losses of prior periods. On November 30, 2016, the company has completed debt-to-equity swap transaction. As a result, additional 1,598,730 thousand shares were issued. The increase of share capital amounted to EUR 15,987 thousand and share premium EUR 20,073 thousand.

Warrants

On November 30, 2016, Agromino A/S issued 209,398,236 warrants, out of which 199,563,420 (95.30%) warrants were subscribed by the end of subscription period (December 30, 2016). The warrants can be exercised during two periods, first of which started on February 1, 2017, and ended February 28, 2017, and the second period which starts January 1, 2020, and ends January 31, 2020. During the exercise periods, the warrant holders can subscribe for shares in Agromino A/S. From January 31, 2017, the warrants have been admitted to trading on NASDAQ FIRST NORTH.

For more information please refer to Note 16 of the Annual Report.

11. REVENUE

in EUR thousand	**2017**	**2016**
Sales of cereals	15,964	12,759
Sales of services	148	215
TOTAL revenue	**16,112**	**12,974**

Revenues of EUR 7,089 thousand (2016: EUR 3,240 thousand) are derived from the external customer A, revenues of EUR 5,577 thousand (2016: EUR 2,721 thousand) are derived from the external customer B, revenues of EUR 1,460 thousand (2016: EUR 2,860 thousand) are derived from the external customer C and revenues of EUR 738 thousand (2016: EUR 1,487 thousand) are derived from the external customer D. These revenues are attributable to Sales of cereals. Sale of services includes revenue from related parties in amount EUR 145 thousand (2016: EUR 197 thousand) (Note 16).

12. COST OF PURCHASED GOODS FOR TRADING PURPOSES

in EUR thousand	2017	2016
Cost of goods sold (Note 16)	-14,010	-11,059
Total cost of goods sold	**-14,010**	**-11,059**

13. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense in the amount of EUR 693 thousand (EUR 881 thousand in 2016) includes salary expenses in the amount of EUR 549 thousand (EUR 739 thousand in 2016) and social tax expenses in the amount of EUR 148 thousand (EUR 142 thousand in 2016).

The average number of employees in 2017 was 13 (16 in 2016).

in EUR thousand	2017	2016
Fees of Members of Board of Directors and Executive Board (Note 16)	225	393
Social security costs related to fees of Members of Board of Directors and Executive Board (Note 16)	37	24
	262	**417**
Wages and salaries	320	346
Social security costs	111	118
	431	**464**
	693	**881**

14. FINANCE INCOME AND FINANCE COST

in EUR thousand	2017	2016
Interest income from related parties (Note 16)	1,693	3,370
TOTAL interest income	**1,693**	**3,370**
Bond interests (Note 9)	-	-4,646
Other interests	-144	-178
TOTAL interest expense	**-144**	**-4,824**
Gain from debt to equity conversion (Note 10)	-	2,121
Other finance gain	-	6
TOTAL other finance income / costs	-	**2,127**

15. IMPAIRMENT LOSSES

in EUR thousand	2017	2016
Receivables impairment (Note 7)	-	-3,130
Impairment of investments (Note 6)	-16,712	-8,635
Loans impairment (Note 7)	-	-5,102
	-16,712	**-16,867**

The impairment loss in 2017 and 2016 was recognised mostly due to adverse changes in the economic environment.

16. RELATED PARTY TRANSACTIONS

in EUR thousand		
Sales and purchases	**2017**	**2016**
Sale of services to subsidiaries (Note 11)	-	197
Sale of services to other related parties (Note 11)	145	-
Cost of purchased goods for trading purposes from subsidiaries (Note 12)	13,111	11,059
Purchase of goods and services from other related parties	-	83
Shares purchase from subsidiaries (Note 6)	-1,036	-10,702
Dividend income from subsidiaries (Note 14)	-	2,463
Profit from sale of investments to the subsidiary (Note 6,14)	201	-
Loss from sale of investments to subsidiaries (Note 6,14)	-3,602	-
Interest income from subsidiaries (Note 14)	1,693	3,370
Interest expense from subsidiaries (Note 14)	-30	-123
Cash flow transactions		
Contribution to share capital of subsidiary	-	-1,950
Cash paid to subsidiaries	-14,920	-12,120
Cash paid to other related parties	-	-129
Loans issued to subsidiaries	-931	-9,888
Proceeds from loan repayments from subsidiaries	387	5,951
Proceeds from interest repayments from subsidiaries	-	24
Loans received from subsidiaries	15	8,493
Loans received from shareholders	1,386	900
Loans repaid to shareholders	-1,424	-900
Interest payment to shareholders	-209	-32

The following table sets forth the aggregate gross amounts of salaries and other remuneration to the Board of Directors and Executive Board in 2017 and 2016.

in EUR thousand	Salary (incl social security costs)	Total
2017		
Members of Board of Directors	87	87
Members of the Executive Board	175	175
	262	**262**
2016		
Members of Board of Directors	92	92
Members of the Executive Board	325	325
	417	**417**

Balances from subsidiaries and other group companies

in EUR thousand	31.12.2017	31.12.2016
Receivables (Note 7)	8,619	7,770
Loan receivables (Note 7)	6,336	6,169
Payables (Note 8)	3,792	5,362
Borrowings (Note 9)	753	710

Balances from other related parties	31.12.2017	31.12.2016
Payable to related parties (Note 8)	22	95

17. FEES TO THE AUDITORS OF THE PARENT COMPANY

in EUR thousand	2017	2016
Audit	170	218
Tax advice and consultations	40	25
Other services	18	62
	228	**305**

MANAGEMENT´S STATEMENT

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Agromino A/S for the financial year 1 January – 31 December 2017.

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Moreover, the Annual Report is prepared in accordance with further requirements in the Danish Financial Statements Act.

In our opinion, and with regard taken to what is stated in note 34, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Group and the Company and of the results of the Group and Company operations and cash flows for the financial year 1 January – 31 December 2017.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting

April 4, 2018

Petr Krogman

Chairman of the

Board of Directors

Richard Warburton

Vice Chairman of the

Board of Directors

Johannes Bertorp

Member of the

Board of Directors

Jens Bruno

Member of the

Board of Directors

Petr Toman

CEO, Member of the

Executive Board

INDEPENDENT AUDITOR´S REPORT

To the shareholders of Agromino A/S

Our qualified opinion

In our opinion, excepting the effect of the matter mentioned in the section *Basis for qualified opinion*, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2017 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Agromino A/S for the financial year 1 January to 31 December 2017 comprise balance sheet, income statement and statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements, including summary of significant accounting policies for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for qualified opinion

As explained in the Note 34 to the Consolidated Financial Statements, an investigation has been initiated on the divestment of certain assets at terms that may not have been commercially viable. The investigation specifically relates to advisory contracts and sales of subsidiaries and other assets. The investigation concerns first the sales of land that in the Consolidated Financial Statements as of 31 December 2017 was carried as assets held for sale at the book value of EUR 171 thousand that were disposed of in 2018, and for which revaluation loss of EUR 1,335 thousand was recognized in the income statement of 2017. Second, the investigation concerns the sales of elevators that were disposed of in 2018, resulting in a profit of approximately EUR 500 thousand. In Parent Company's Financial Statements, the disposal of the subsidiaries in conjunction with the transaction of selling the land resulted in a loss of EUR 3,602 thousand in 2017. As the investigation is ongoing Management has not provided us the representations regarding the above described transactions and we are unable to obtain sufficient appropriate audit evidence about these transactions. Consequently, we are unable to determine whether there will be any adjustments to the financial impact from the transactions.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

Following the admission of the shares of Agromino A/S for listing on Nasdaq Stockholm, we were first appointed auditors of Agromino A/S on 28 April 2011. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 7 years including the financial year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2017. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment testing of non-current assets in Dobruchi dairy cluster As set out in Note 4.1(d) of the financial statements, the Group operates dairy production cluster in Dobruchi, North-Western Russia. During 2017 the Russian economy continued to reflect high inflation rates and low economic growth. Management has considered the adverse economic circumstances in Russia to be an impairment indicator and has carried out an impairment test for non-current assets located in Dobruchi cluster. The impairment test performed on non-current assets located in Dobruchi cluster demonstrated that their recoverable amount was higher than their carrying amount, thus no need for impairment loss was identified by management. The impairment test on non-current assets is considered a key audit matter due to its potential magnitude as well as the judgement involved in assessing the recoverability of the assets. The judgement involved relates predominantly to future cluster performance, which is, among others, dependent on the expected milk yields and milk price levels on the local market. Furthermore determining the weighted average cost of capital (WACC) is judgmental.	We obtained and evaluated management's impairment model. Our audit procedures included challenging management on the reasonableness of the key assumptions underlying the cash flow forecast such as revenue growth through performing the following: • assessing the reliability of cash flow forecasts through a review of actual past performance, comparison to previous forecasts and comparison to management's internal forecasts; • performing sensitivity analyses of the models; • where possible comparison of assumptions with external data sources and market outlooks. We assessed the impact of the developments of the Russian economic environment on the revenues and Earnings before interest, taxes, depreciations and amortizations (EBITDA), for example through estimating the impact of inflation and foreign currency movements on the cost of goods or services. We involved our internal valuation experts to evaluate the reasonableness of WACC applied and to assist us with the audit of the impairment calculation model. An independent WACC calculation was prepared and compared to the WACC that was used by management. The audit of the model included verification that the impairment methodology was consistently applied and that the model was mathematically accurate.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, April 4, 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Tue Stensgård Sørensen	Thomas Lauritsen
State Authorised Public Accountant	State Authorised Public Accountant
mne32200	mne34342

DEFINITIONS

Acid test	*(Total current assets – Inventories (inventories including biological assets)-Assets held for sale (including Assets of disposal group classified as held for sale)/Total current liabilities*. The acid test or quick ratio measures a company's ability to use its near cash or quick assets to immediately extinguish or retire its short-term liabilities (liabilities due within the next twelve months).
Current ratio	*Total current assets/Total current liabilities*. The current ratio measures a company's ability to meet short-term obligations (liabilities due within the next twelve months).
Earnings per share	*Net result attributable to the shareholders of the Company/ year-end number of common shares outstanding during the period* (in accordance with IAS 33). Earnings/loss per share for profit attributable to the equity holders of the Company during the year, both basic and diluted.
EBITDA	EBITDA is calculated by adding to the operating profit the annual depreciation of the fixed assets and amortisation of land-related long-term prepayments.
Equity ratio	*Total equity/Total assets.* The equity ratio indicates how much debt a company uses to finance its assets relative to equity.
Net debt	*Total borrowings and the fair value of derivative financial instruments (including Liabilities directly associated with assets classified as held for sale -Cash and cash equivalents.* Net debt is a measure of a company's ability to repay its debts if they were all due today.
Return on assets (ROA)	*Net profit attributable to the owners of the parent company/Average total assets.* Return on assets compares income with total assets measuring management's ability and efficiency in using the firm's assets to generate profits.
Return on equity (ROE)	*Net profit attributable to the owners of the parent company/Average equity excluding minority interest.* Return on equity relates income with the equity capital measuring management´s ability and efficiency in generating a return to the shareholders of the Company
Book value per share	*Total Stockholders' equity/ year-end number of common shares outstanding during the period (in accordance with IAS 33).* The book value per share measures the per share value of a company based on its equity available to shareholders.