

Trigon Agri A/S: Preliminary agreement on the full debt to equity swap

- **A preliminary agreement with major shareholders and bondholders has been reached on the main terms and conditions of a proposed full conversion of the SEK 350,000,000 11% bonds (ISIN SE0004019008) (the “Bonds”) into new shares of Trigon.**
- **Trigon is targeting to implement required legal actions to issue new shares and the Warrants by the end of 2016.**
- **The agreed debt restructuring solution will allow Trigon to move forward and enable management to concentrate on the Ukrainian farming and Russian Dairy business.**

CEO comment

Simon Boughton, CEO, commented “As a management team we are very grateful that a sensible solution has been reached with our major stakeholders. This will dramatically reduce the liabilities and strengthen our balance sheet and give the business a fresh start. We are looking forward to the challenge of focusing on developing the company and delivering value to all our stakeholders going forward. The proposed full debt for equity swap negates the need for the exercising of the convertible bond.”

Trigon Agri A/S (“Trigon”) is pleased to announce that following negotiations, the major shareholders and bondholders have reached a preliminary agreement on the main terms and conditions of a proposed full conversion of the Bonds into new shares of Trigon.

The main terms and conditions of a proposed conversion include two principal components:

1. Issue of new shares by way of a conversion of the Bonds into the share capital of Trigon

The shareholders will be requested to confirm the conversion of all outstanding Bonds into new shares of Trigon at an extraordinary general meeting of Trigon to be held within the 4th quarter of 2016. In conjunction with the extraordinary general meeting Trigon will also request the bondholders to approve the conversion of all outstanding Bonds into new shares of Trigon. These two processes will run in parallel.

Following the completion of the conversion of the Bonds into new shares of Trigon the holders of the Bonds will in aggregate hold 92.5% of the share capital and the current shareholders will in aggregate hold 7.5% of the share capital of Trigon.

The more detailed terms and conditions of the full conversion of the Bonds into new shares are available on

<http://www.trigonagri.com/wp-content/uploads/2016/09/Formal-debt-equity-swap-offer-2016-09-05.pdf>

2. Warrant issuance

In conjunction with the issue of new shares, the extraordinary general meeting of Trigon will be also requested to issue 209,498,956 (“Warrants”) warrants free of charge to the current shareholders entitling them to subscribe for up to 209,498,956 new ordinary shares of Trigon.

Following a full exercise of the Warrants the current shareholders will in aggregate hold 17.5% and the holders of the Bonds will in aggregate hold 82.5% of the share capital of Trigon.

The more detailed description of the terms and conditions of the proposed Warrants, including information on exercise, the strike price and the rights pertaining to the Warrants are available on

<http://www.trigonagri.com/wp-content/uploads/2016/09/Formal-debt-equity-swap-offer-2016-09-05.pdf>

Preliminary approval by major shareholders and bondholders

In order to confirm their commitment to implement full conversion of the Bonds into new shares and issue the Warrants, the major shareholders and bondholders of Trigon have provided their reciprocal supporting voting undertakings.

As of the date of the present announcement shareholders whose shares represent 30.65% of the share capital in Trigon have communicated their binding commitment and intention to approve the terms of the full conversion of Bonds into new shares and the issue of the Warrants.

As of the date of the present announcement bondholders controlling 21,780 Bonds with the total nominal amount of SEK 217,800,000 representing 62.22% of the total amount of Bonds have communicated their binding commitment and intention to approve the terms of the full conversion of Bonds into new shares and the issue of the Warrants.

The exact parameters (including the exact numbers of the shares and the Warrants) for allocation of the new shares of Trigon to the bondholders and the Warrants to the current shareholders as well as exact conditions of the exercise periods and related issues can prior to respective voting be adjusted/rounded up to guarantee the equal treatment of all shareholders and bondholders.

Possible financial impact

In case of the conversion of the Bonds and accrued interest, up to the moment of the issue of the new shares, into the share capital of Trigon by the way of issuing new Trigon shares, the Bonds in the approximate principal amount of EUR 38.1 million (SEK 350 million) and the accrued interest, currently shown as a liability in the balance sheet of Trigon will be converted into the share capital of Trigon.

Following the conversion of the Bonds the principal amount of the interest bearing liabilities will be reduced from EUR 54.8 million to EUR 14.2 million (Ukrainian working capital loans of EUR 12.6 million and Russian Dairy operations related liabilities of EUR 1.6 million).

If the current shareholders opt out to exercise the Warrants in full within the first exercise period, Trigon will receive up to EUR 4.8 million in equity contribution which will further strengthen the financial position of Trigon.

The new equity and substantially improved financial position of Trigon will allow the management to focus on developing the profitable Ukraine farming business and Russian Dairy business.

Further actions

Having received the support and binding commitment evidence from its major shareholders and bondholders, Trigon will continue to work further with its legal advisors and prepare all relevant documentation which will be further submitted to the shareholders and bondholders according to applicable legislation and binding agreements for necessary approvals. Trigon is targeting to implement required legal actions to issue new shares and the Warrants by the end of 2016.

Investor enquiries:

Mr. Simon Boughton, CEO of Trigon Agri A/S, Tel: +372 6191 500, E-mail: mail@trigonagri.com

About Trigon Agri

Trigon Agri A/S is a leading Agribusiness manager. We are a highly experienced team that are 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.

For subscription to Company Announcements please contact us: mail@trigonagri.com.

If you do not want to receive Trigon Agri press releases automatically in the future please send an e-mail to the following address: unsubscribe@trigonagri.com.

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