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ANNUAL REPORT 2015

TRIGON Agri

Trigon Agri is an integrated soft commodities producer, storage provider and trader. Its core operation is cereals production in Central-Eastern Ukraine.

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Business update

2015 was a year that brought huge challenges for the Company. The rapidly deteriorating economic and financial environment in both Ukraine and Russia had a material negative impact on the Company. In Russia where the Company is looking to dispose of non-core assets the economic contraction combined with and partly caused by a serious lack of liquidity in the financial system made it extremely challenging to find buyers interested in the assets. In Ukraine, where the Company continued to operate profitably in 2015, tightening capital controls caused by Ukraine's need to conserve its limited hard currency reserves caused the Company challenges in managing its group-wide cash requirements outside of Ukraine. The Group related challenges should not however detract attention from the very solid profit indicators the Company was again able to achieve in its Ukrainian operations.

In a nutshell the Company had to service its debt burden whilst trying to effect non-core asset divestments in the most difficult of environments. Collapsing hard currency denominated asset prices in Russia, difficulties in using Ukrainian cash to service obligations outside of Ukraine and global and regional soft commodity prices at historically low levels.

On the divestment front the Company managed to enter into a framework agreement on the disposal of its Rostov cluster. The Company targets to complete the divestment before the August term set in the agreement. Work continues on the divestment of the remaining two non-core assets; the Dobruchi dairy production business in North-Western Russia and the minority stake in the Estonian dairy production business. A block of shares amounting to 10.74% in the Estonian business was sold this January for roughly EUR 1.5 million, the proceeds of which were paid into an account controlled by the bondholders.

In order to raise capital needed to keep the Company operational under the demanding circumstances described above the Company called for an EGM which on March 4, 2016 gave the Board of the Company authority to approve the issuance of convertible bonds. It turned not to be possible however to find equity investors who could reach agreement with the bondholders on the terms and conditions for subscribing to the convertible note.

Accordingly it was decided to proceed with a transaction where the bondholders themselves subscribed for the convertible bonds.

The Board of the Company authorized the transaction details of which can be seen in stock exchange release published on March 23. This transaction covers the immediate cash needs of the Company outside of Ukraine.

Moving forwards the Company has the benefit of working with the bondholders who will also have an effective majority of the post-conversion share capital of the Company. Accordingly the focus of the Company will remain to effect controlled divestments of its non-core business holdings whilst maximizing the operational performance of its Ukrainian core operations. Clearly the new structure of the Company's shareholding means that the key stakeholders of the Company now share an incentive to optimize the value of the Company as a going concern.

For further information on the situation of the Group, please refer to Note 4.4 in this report.

Financial result of the Group

- Total revenue, other income, fair value adjustments and net changes in inventory from continuing operations amounted to **EUR 41.8 million** (EUR 66.9 million in 2014). Out of that decline, EUR 13.9 million was due to the deconsolidation of the Estonian milk business starting from Q2 2015 and lower milk prices, while EUR 2.1 million was due to lower volumes of third party grains handled by our trading operation in Ukraine.
- **EBITDA from continuing operations** stood at **EUR 10.0 million** (EUR 16.7 million in 2014). Out of that drop, EUR 3.7 million was related to the de-consolidation of the Estonian milk business and a sharp drop in milk prices.
- **The Net loss** was **EUR 53.0 million** (loss of EUR 13.3 million in 2014) including loss from discontinued operations as revaluation of land and buildings to transaction value in relation to the Rostov framework agreement resulted in a loss of EUR 31.3 million.

Income statement, EUR thousand	2015	2014
Continuing operations:		
Total revenue, other income and fair value adjustments and net changes in inventories	41,764	66,857
Cost of purchased goods for trading purposes	-5,780	-9,735
OPEX	-27,862	-41,572
Other (losses)/gains - net	1,832	1,183
EBITDA from continuing operations	**9,954**	**16,733**
EBIT	7,754	12,345
Gains/losses from exchange rate differences	-5,141	-6,927
Finance income and finance cost	-6,644	-6,884
Share of profit of investments accounted for using the equity method	317	-
Corporate income tax	-7	36
Loss for the period from continuing operations	**-3,721**	**-1,430**
Loss for the period from discontinued operations	-49,234	-11,871
Loss for the period	**-52,955**	**-13,301**

Balance sheet, EUR thousand	31.12.2015	31.12.2014
Total assets	67,848	149,591
incl Assets of disposal group classified as held for sale	8,000	-
incl Non-current assets	35,766	119,792
incl Property, plant and equipment	22,787	104,438
Investment in property, plant and equipment	4,478	24,180
Net debt	60,423	74,434
Total equity	541	61,906

Cash flow statement, EUR thousand	2015	2014
Cash flows from operating activities	9,127	7,942
Cash flows from investing activities	-1,130	-5,673
Cash flows from financing activities	-9,622	-2,006
Effects of exchange rate changes	-599	-1,135
Cash and cash equivalents at beginning of period	4,125	4,997
Cash and cash equivalents at end of period	1,901	4,125

Key figures	31.12.2015	31.12.2014
Number of shares, end of the period	129,627,479	129,627,479
Total number of employees	1,011	1,269
Land under control, hectares	123,544	144,103
Land of disposal group, hectares	64,136	-

Ratios	2015	2014
Earnings per share (EPS), EUR	-0.41	-0.10
Book value per share, EUR	0.00	0.48
Return on assets (ROA)	-48%	-8%
Return on equity (ROE)	-99%	-18%
Equity ratio, %	1%	41%
Current ratio	1.16	0.48
Acid test	0.48	0.20

OVERVIEW OF TRIGON AGRI

TRIGON AGRI IS AN INTEGRATED SOFT COMMODITIES PRODUCER, STORAGE PROVIDER AND TRADER. ITS CORE OPERATION IS CEREALS PRODUCTION IN CENTRAL-EASTERN UKRAINE.

The Group has divided its assets between core and non-core assets and assets belonging to the disposal group are classified as assets held for sale.

CORE ASSETS

Core operation of the Group is:

- Cereal production and storage and trading in Central Eastern Ukraine

The cereals production farms in Ukraine are clustered close to major population centres of Kharkov and Kirovograd in the Black Earth region of Ukraine. The proximity to urban areas, storage facilities and transport networks facilitates logistics, transport as well as access to qualified personnel.

In Ukraine the Group controls a total land bank of 46 thousand hectares under long-term land rental agreements, all of which was also cropped in 2015.

To support its cereals production operations, the Group has five operational elevators in Ukraine with a total storage capacity of 322 thousand tonnes.

To have an efficient sales set-up the Group operates its own cereals sales and trading arm. The primary purpose of this division is to maximise the sales prices received for Group’s own commodities and also on a case-by-case basis engage in intermediation of third-party goods if such trading supports the sales of its own production.

NON-CORE ASSETS

Non-core operations of the Group are:

- Milk production operation in the St Petersburg region of Russia.
- Shareholding in a milk production operation in Estonia.

DISPOSAL GROUP-ASSETS HELD FOR SALE

- Cereal production in Russia (Rostov cluster). Rostov cluster is classified as discontinued operation.

COMPETITIVE STRENGTHS

The Group believes that its main competitive strengths are:

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 centres 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 where many competitors are substantially smaller in size and rely on out-dated Soviet-era machinery.

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 allows 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 EXPERTISE

The Group has its own elevator storage facilities which strengthens independence from regional traders and storage providers. The Group’s sales and trading business allows the Group to obtain best available prices for its commodities through the execution of deliveries 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 volumes and average prices achieved.

State-of-the-art equipment base

HISTORY

2006

Trigon Agri was established in May 2006 by the asset management company Trigon Capital. The initially committed start-up capital of EUR 20 million was raised from Trigon Capital and primarily Finnish high net worth individuals. Trigon Capital remains a non-controlling shareholder in the Group while its wholly-owned subsidiary Trigon Agri Advisors provides management services to the Group.

With the start-up capital raised, the Group made its first investments in farming companies in 2006 by acquiring cereal farming operations in eastern Ukraine nearby the city of Kharkov. The acquisitions marked the establishment of the first production cluster of the Group. The Group's dairy farms were acquired during the second half of 2006. Since the St Petersburg farm was of greenfield character, commercial milk production did not start until April 2008.

2007

On May, 17 2007, Trigon Agri completed a private placing of shares to institutional investors and high net worth individuals in several European Union member states and in the United States securing approximately EUR 50 million, before issue costs. Following the private placing, the Group's shares were listed on the NASDAQ OMX First North alternative stock exchange in Stockholm on 18 May 2007.

With the capital raised in 2007, the Group continued the expansion of its cereal farming in Kharkov and made the first investments into railroad connected large storage facilities (elevators) pursuing its strategy of building an integrated production, storage and trading operation.

2008

During the first quarter of 2008, the Group also established a second production cluster nearby the city of Kirovograd in Ukraine, and two further clusters nearby the cities of Samara and Penza in Russia. After the set-up of operations in three additional cereal production clusters in the Black Earth region, the Group had by the middle of 2008 established a strong platform for cereal production, storage and trading throughout the Black Earth regions of Ukraine and Russia.

On April, 7 2008, Trigon Agri entered into an agreement with Ramburs Group, a leading Ukrainian commodities trading group, for the establishment of the joint venture company Ramburs Trigon. The joint venture handled sales and trading activities as well as the management of the cereal storage operations of the Group.

On May, 6 2008, Trigon Agri completed a further follow-on capital raising of EUR 105 million to fund the expansion of its operations in the Black Earth regions of Ukraine and Russia. The funds raised from the placing were intended for financing investment programmes in the existing production clusters.

2009

In late 2009, the Group acquired the fifth operational cereal cluster in Stavropol, Russia.

Additionally, the Group acquired a brownfield elevator site next to its farming operations in the Penza region and increased its freehold ownership of land in Russia to 80,276 hectares.

In December 2009, the Group signed an agreement to acquire a brownfield elevator site next to its farming operations in the Stavropol region.

2010

In August 2010, the Group acquired the non-controlling share of Ramburs Trigon, thereby fully taking over the operations of its sales and trading joint venture.

Since December 8, 2010 the shares of Trigon Agri A/S are listed on main market of Small Cap segment on NASDAQ OMX Stockholm.

2011

In 2Q 2011 Trigon Agri concluded a four-year bond issue in amount of SEK 350 million with an annual interest rate of 11%.

Since December 14, 2011 the bonds of Trigon Agri are listed on the Corporate Bond List of NASDAQ OMX Stockholm.

2012

In April 2012 the Group finalized acquisition of Estonian dairy farm AS Väätsa Agro, the largest milk production farm in Estonia in terms of milk quota. At the time of the acquisition the company farmed 4,160 hectares of farmland and had 3,386 dairy animals, including 1,685 milking cows.

In 4Q 2012 Trigon Agri carried out a land-swap transaction in Russia involving the acquisition of a new 71 thousand hectares production cluster in Rostov Oblast in exchange for its two current Russian production clusters in Samara and Stavropol.

2013

As part of the Group's longer-term planning the Group divided its assets into core and non-core with focus on core assets. The core assets of the Group are cereals production operations in Ukraine and cereals production operations in the Rostov cluster in Russia. The non-core assets of the Group are cereals production operations in Penza, Russia and milk production operations in St Petersburg region in Russia and in Estonia.

In 2Q 2013 the Group completed a limited capital raising for its Estonian dairy farming subsidiary AS Trigon Dairy Farming Estonia ('TDFE'). As a part of the transaction, the Ingman Group from Finland acquired 21% of TDFE.

In 4Q 2013 the Group disposed 15.3% in AS Trigon Dairy Farming Estonia. Following the transaction Trigon Agri retains an ownership stake of 63.7% in AS Trigon Dairy Farming Estonia.

2014

In 2014, Trigon Agri completed the divestment of 36,000ha in Penza, Russia.

2015

On February 26, 2015 Trigon Agri SEK 350 million bond was extended until August 31, 2017.

In 1Q 2015, the Group's Estonian milk production subsidiary AS Trigon Dairy Farming Estonia (TDFE) completed a new share issue of EUR 2 million subscribed by Ingman Development Oy Ab. In July 2015 TDFE completed the second phase of the new share issue in amount of EUR 2.12 million subscribed by Ingman Development Oy Ab and other non-controlling shareholders in TDFE. As a result, the shareholding of Ingman Development Oy Ab increased to 39.16% in TDFE and Trigon Agri's shareholding dropped to 49.98%. Consequently, as of April 1, 2015 the Milk production segment in Estonia is no longer consolidated into Trigon Agri's accounts due to loss of control.

In November 2015, a framework agreement for the divestment of its Rostov cluster was signed. The agreement foresees closing of the transaction no later than August 28, 2016.

2016

In January 2016 the Group announced the partial disposal of the stake in Trigon Dairy Farming Estonia (TDFE). The transaction completed involved selling 10.74% in TDFE. Following the transaction Trigon Agri retains an ownership stake of 39.24% in TDFE. The shares were acquired by Ingman Development Oy Ab.

On March 4, 2016 the Company held an extraordinary general meeting where all proposed resolutions were adopted. Among other items the extraordinary general meeting authorised the Board of Directors to issue convertible bonds.

On March 23, 2016 the Company announced that the Board of Directors decided to exercise its authorisation to issue convertibles. As part of the transaction EUR 1.5 million was released to the Company, conditional upon a partial debt to equity swap to its bondholders.

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. Operations in Russian cereals production (Rostov cluster) are considered as discontinued operations and therefore are not part of the segment report. Results of the Russian cereals production operations are provided on page 16 as part of the financial and operational review and in Note 32.

In 2015, the Group's EBITDA from continuinf operations was EUR 10.0 million influenced by falling prices, lower crop yields compared to last year and loss from de-consolidating the Milk production segment in Estonia. EUR 3.7 million decline in Milk production segment EBITDA was related to the de-consolidation of the Estonian milk business and a sharp drop in milk prices. Out of the EUR 3.7 million decline, EUR 1.1 million was an one-off loss recognized at the time of de-consolidation. Please note that 2015 EBITDA includes only the 1Q results of the dairy operations in Estonia (full year results in 2014).

The EBITDA by segments is explained as follows.

EBITDA in Ukraine declined by EUR 3.0 million during 2015 as prices declined and harvest was impacted by unfavorable weather conditions.

In the Milk production segment the Group de-consolidated its subsidiaries in Estonia (TDFE) as of April 1, 2015. One-off loss in amount of EUR 1.1 million was recorded under Other (losses)/gains-net. Starting from 2Q 2015, Trigon Agri's shareholding in TDFE is recorded in Trigon Agri's accounts using the equity method.

Summary of the financial results by segments can be seen in the following tables. For detailed explanations on each operational segment, please refer to further sections in this report.

2015, EUR thousand	**Ukraine**	**Milk production**	**Total**
Revenue from external customers	34,799	4,819	39,618
Total segment revenue	**34,799**	**4,819**	**39,618**
Subsidies	-	377	377
Other income	191	41	232
Change in biol.assets	-41	109	68
TOTAL income	**34,949**	**5,346**	**40,295**
Change in inventories	1,019	450	1,469
Cost of purchased goods	-5,773	-7	-5,780
OPEX	-22,282	-5,580	-27,862
Other (losses)/gains - net	2,933	-1,101	1,832
EBITDA	**10,846**	**-892**	**9,954**

2014, EUR thousand	Ukraine	Milk production	Total
Revenue from external customers	38,209	13,854	52,063
Total segment revenue	**38,209**	**13,854**	**52,063**
Subsidies	-	1,351	1,351
Other income	133	6	139
Change in biol.assets	567	752	1,319
TOTAL income	**38,909**	**15,963**	**54,872**
Change in inventories	8,259	3,726	11,985
Cost of purchased goods	-9,726	-9	-9,735
OPEX	-24,793	-16,779	-41,572
Other (losses)/gains - net	1,233	-50	1,183
EBITDA	**13,882**	**2,851**	**16,733**

BALANCE SHEET ASSETS

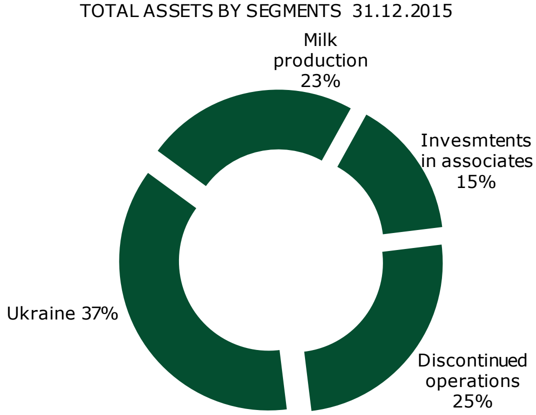
The consolidated assets of the Group as at December 31, 2015 amounted to EUR 67.8 million (EUR 149.6 million at December 31, 2014). The Group classified land (including prepayment for land) and buildings of the Rostov cluster (Russian cereals production) as held for sale, revalued to fair value less cost to sell, resulting in the decrease of assets. As of April 1, 2015 the Group no longer consolidates its Milk production segment in Estonia.

The total land under control as at December 31, 2015 stood at 123.5 thousand hectares (144 thousand as at December 31, 2014). The land in Russia is held for sale and stated on the balance sheet as 'Assets of disposal group classified as held for sale'. During 1Q 2015 the Group finalized the land acquisition in Milk production segment in Russia (recorded as non-current prepayment in amount of EUR 2.7 million on the December 31, 2014 balance sheet).

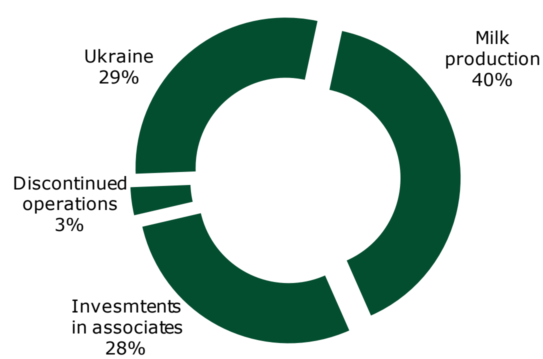
Land under control, hectares	**31.12.2014**	**31.12.2015**
Cereal production Ukraine		
Land under rental agreements	46,753	46,223
Total Cereal production Ukraine	**46,753**	**46,223**
Cereal production Russia related to assets held for sale		
Land in ownership	78,345	47,581
Land under rental agreements	1,656	14,899
Land in ownership acquisition process	318	1,656
Total Cereal production Russia related to assets held for sale	**80,319**	**64,136**
Milk production Russia		
Land in ownership	8,851	13,180
Land under rental agreements	-	5
Total Milk production Russia	**8,851**	**13,185**
Milk production Estonia		
Land in ownership*	4,696	-
Land under rental agreements	3,484	-
Total Milk production Estonia	**8,180**	**-**
Total		
Land in ownership*	91,892	60,761
Land under rental agreements	51,893	61,127
Land in ownership acquisition process	318	1,656
Total	**144,103**	**123,544**

*including usufruct agreements in Estonia

TOTAL ASSETS BY SEGMENTS 31.12.2015



NON-CURRENT ASSETS BY SEGMENTS 31.12.2015

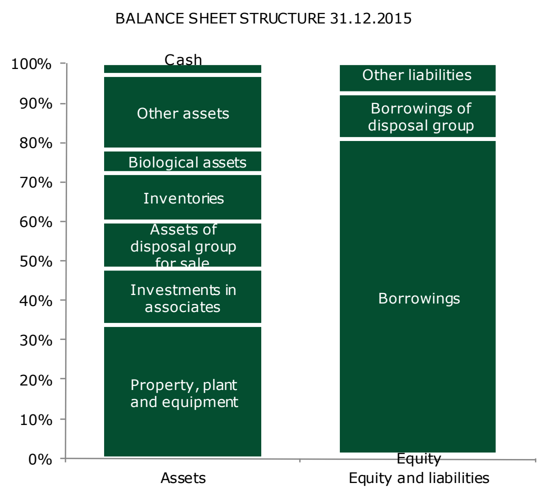


Investments in associates represents the shareholding in the Milk production business in Estonia.

NET DEBT AND LIQUIDITY POSITION

The total borrowings of the Group as at December 31, 2015 amounted to EUR 54.4 million (EUR 78.1 million as at December 31, 2014). Additionally, the borrowings of the Rostov cluster (Russian cereals production) in amount of EUR 7.9 million are shown on the balance sheet under 'Liabilities directly associated with assets classified as held for sale'. As of April 1, 2015 the Group no longer consolidates its subsidiaries in Milk production segment in Estonia and therefore also the debt in the Estonian dairy operations is not on the Group's balance sheet.

The net debt of the Group as at December 31, 2015 amounted to EUR 60.4 million, including the borrowings of the disposal group held for sale (EUR 74.4 million as at December 31, 2014).



INVESTMENTS

The investment cash flows from continuing and discontinued operations are presented separately. Net investments into continuing operations amounted to just under EUR 1.4 million. As the Group ceased to consolidate its subsidiaries in Milk production segment in Estonia as of April 1, 2015, the Cash outflow from loss of control over subsidiary was recorded in amount of EUR 2.6 million (i.e. the cash balance of the Estonian milk production segment as at April 1, 2015).

Cash flows from investing activities, EUR thousand	**2014**	**2015**
Cash outflow from loss of control over subsidiary	-	-2,564
Proceeds from issuance of subsidiary´s shares to non-controlling interest	-	2,000
Purchase of biological assets	-2	-
Purchase of property, plant and equipment	-13,811	-1,380
Proceeds from sales of property, plant and equipment	258	200
Net cash inflow from discontinued operations:	7,882	614
Net cash used in investing activities	**-5,673**	**-1,130**

UKRAINE

The Group has its cereals production operations in the Black Earth regions in Kharkov, Nikolaev and Kirovograd and owns five operational elevators with total storage capacity of 322 thousand tonnes. The Group is also engaged in intermediation of third-party crops.

The EBITDA for 2015 was EUR 10.8 million (EUR 13.9 million in 2014) driven by lower prices and yields compared to last year.

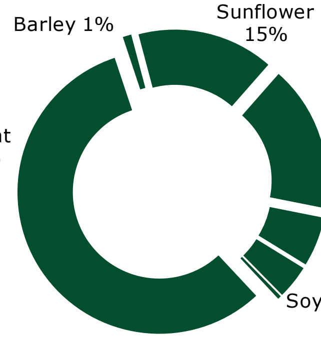
FINANCIAL REVIEW

The segment´s revenue is made up primarily from sales of own produced cereals. The revenue declined from EUR 38.2 million in 2014 to EUR 34.8 million, including EUR 2.1 million decline in revenue from trading third party crops and the rest of the decline attributable to lower crop prices and yields compared to 2014.

Change in inventories for 2015 amounted to EUR 1.0 million (EUR 8.3 million in 2014) as the Group had a lower year-end inventory balance in 2015 compared to 2014 and in 2015 the Group sold larger amounts of previous year's harvest compared to 2014, which decreases the Change in inventories line. For details about quantities and prices, please refer to the included tables.

The Ukraine segment benefitted from devaluation of Ukraine national currency, lowering the hryvna based costs such as land rental and employee benefits in euro terms. Lower share of export sales with CPT terms in 2015 translated into decline of transportation costs to port.

CEREALS SOLD, TONNES 2015



Ukraine		
in EUR thousand	**2014**	**2015**
Revenue from external customers	38,209	34,799
Total segment revenue	**38,209**	**34,799**
Other income	133	191
Change in biol.assets	567	-41
TOTAL income	**38,909**	**34,949**
Change in inventories	8,259	1,019
Cost of purchased goods	-9,726	-5,773
OPEX	-24,793	-22,282
Other (losses)/gains - net	1,233	2,933
EBITDA	**13,882**	**10,846**

Operating expenses breakdown: Ukraine

in EUR thousand	2014	2015
Seeds, fertilizers, chemicals	-5,528	-6,339
Repairs	-951	-1,196
Fuel, gas, electricity	-2,344	-1,813
Land tax and land rental	-2,916	-2,552
Transportation, other services and materials	-3,105	-2,280
Employee benefits expense	-4,716	-3,973
Office and administration expenses	-1,143	-866
Operational management fee	-2,063	-1,780
Legal, consulting and audit fees	-1,694	-1,248
Other expenses	-333	-235
Total expenses	**-24,793**	**-22,282**

Ukraine

	Own produced			Third party			Total		
2015	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**
Wheat	96,578	11,921	123	15,343	2,153	140	111,921	14,074	126
Barley	8	1	125	1,916	227	118	1,924	228	119
Sunflower	27,528	8,260	300	3,137	907	289	30,665	9,167	299
Corn	21,080	2,490	118	11,755	1,346	115	32,835	3,836	117
Rapeseed	8,745	2,676	306	2,417	734	304	11,162	3,410	306
Soya	5,537	1,854	335	2,064	604	293	7,601	2,458	323
Other	789	25	32	-	-	-	789	25	32
Total	**160,265**	**27,227**	**170**	**36,632**	**5,971**	**163**	**196,897**	**33,198**	**169**

	Own produced			Third party			Total		
2014	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**	**Tonnes**	**Revenue, EUR thousand**	**Price EUR/t**
Wheat	86,114	15,500	180	20,525	3,611	176	106,639	19,111	179
Barley	490	49	100	2,469	281	114	2,959	330	112
Sunflower	20,093	5,145	256	3,747	952	254	23,840	6,097	256
Corn	18,887	1,875	99	8,044	957	119	26,931	2,832	105
Rapeseed	14,725	5,249	356	5,646	2,164	383	20,371	7,413	364
Soya	123	37	301	552	144	261	675	181	268
Other	2,167	157	72	-	-	-	2,167	157	72
Total	**142,599**	**28,012**	**196**	**40,983**	**8,109**	**198**	**183,582**	**36,121**	**197**

Grain available for sale in stock

	31.12.2014			31.12.2015		
	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t
Wheat	8,311	1,239	149	162	20	124
Barley	82	10	122	79	9	116
Sunflower	14,355	4,711	328	16,916	5,427	321
Corn	6,562	792	121	3,524	461	131
Rapeseed	1	-	-	5	1	292
Soya	3,951	1,335	338	1	-	286
Total	**33,262**	**8,087**	**243**	**20,687**	**5,918**	**286**

CEREALS PRODUCTION OPERATIONAL REVIEW

In 2015 gross harvest production reduced from the record high of 177 thousand tonnes in 2014 to 162 thousand tonnes in 2015 as delayed harvesting process diluted the yield for early crops and drought effected corn output. The Group completed autumn sowing in 2015 with 28 thousand hectares seeded with wheat, rapeseed and barley. The situation on the ground today in Ukraine has been detrimentally affected by the prolonged drought that started in early August. No appreciable rainfall in three months with the first rains arriving in mid-November has resulted in very weak crop development. The rape crop has also suffered from both drought and unseasonal frosts in October and is in a very weak condition.

Trigon Agri, anticipating a higher than average loss of winter crops, has been proactive and has already ensured a sensible level of supply of spring cereals and spring rapeseed to cover the inevitable spring re-sowing of failed autumn sown crop.

Ukraine

Crop plan, ha	**2011**	**2012**	**2013**	**2014**	**2015**
Wheat	20,519	21,204	20,768	20,756	23,218
Sunflower	13,115	13,319	10,606	11,934	12,222
Rapeseed	3,851	6,095	8,814	8,011	6,742
Corn	4,889	6,053	4,875	3,547	3,199
Barley	2,014	1,066	379	116	-
Soya	4,804	4,003	3,116	2,348	1,248
Other, sugarbeet	922	722	-	176	-
Total	**50,114**	**52,462**	**48,560**	**46,888**	**46,629**

Gross production, t	**2011**	**2012**	**2013**	**2014**	**2015**
Wheat	88,878	67,332	84,347	101,188	95,997
Sunflower	31,970	22,080	26,400	27,077	32,658
Rapeseed	5,508	9,719	16,560	16,082	10,035
Corn	50,549	44,393	42,951	26,561	20,864
Barley	6,622	1,544	809	439	-
Soya	10,405	6,246	4,367	4,313	2,406
Other, sugarbeet	13,795	32,921	-	1,273	-
Total	**207,727**	**184,235**	**175,435**	**176,932**	**161,960**

Gross yield, t/ha	2011	2012	2013	2014	2015
Wheat	4.33	3.18	4.06	4.88	4.13
Sunflower	2.44	1.66	2.49	2.27	2.67
Rapeseed	1.43	1.59	1.88	2.01	1.49
Corn	10.34	7.33	8.81	7.49	6.52
Barley	3.29	1.45	2.13	3.77	-
Soya	2.17	1.56	1.40	1.84	1.93
Other, sugarbeet	14.96	45.60	-	7.23	-
Total	**4.15**	**3.51**	**3.61**	**3.77**	**3.47**

Kharkov (Ukraine)

Gross yield, t/ha	2007	2008	2009	2010	2011	2012	2013	2014	2015
Winter wheat	2.95	5.66	4.14	3.85	4.71	3.74	4.73	5.61	4.38
Corn	5.26	6.24	5.78	2.22	8.03	4.07	-	-	-
Winter rapeseed	-	-	-	3.01	1.52	1.61	2.04	2.00	1.51
Sunflower	2.52	2.74	2.71	1.86	2.95	2.73	2.84	2.89	2.93
Soya	-	1.30	1.40	0.99	2.22	1.57	1.40	1.84	1.86

Kirovograd (Ukraine)

Gross yield, t/ha	2008	2009	2010	2011	2012	2013	2014	2015
Winter wheat	3.61	5.26	4.94	4.93	2.17	4.79	5.91	3.04
Corn	5.33	7.98	7.67	11.55	8.03	8.79	7.42	6.52
Winter rapeseed	2.13	2.43	1.70	-	-	-	-	-
Sunflower	2.04	2.36	2.14	-	-	-	1.32	2.77
Soya	1.02	1.91	1.47	1.95	-	-	-	-

Nikolaev (Ukraine)

Gross yield, t/ha	2008	2009	2010	2011	2012	2013	2014	2015
Winter wheat	3.43	3.59	3.52	3.57	1.02	2.14	3.37	3.47
Corn	-	-	-	-	2.63	10.59	11.24	-
Winter rapeseed	1.61	1.35	2.37	1.33	0.62	1.02	-	1.08
Sunflower	1.49	1.47	2.15	1.70	0.82	1.90	1.26	2.09
Soya	-	-	1.56	0.35	0.94	-	-	3.29

RUSSIA

The Group's cereals production operations in Russia are located in the Black Earth region in Rostov. On November 3, 2015 the Group signed a framework agreement for the divestment of its Rostov cluster. The agreement foresees closing of the transaction no later than August 28, 2016. Part of the Rostov land (38,684 hectares) was disposed in 2015, for which the Group has an EUR 6.5 million receivable on the balance sheet. Consequently, the Group reports the operations in Russian cereals production unit in this interim report as discontinued operations and its fixed assets and related liabilities as held for sale.

FINANCIAL REVIEW

The EBITDA for 2015 was a loss of EUR 32.8 million, including loss from discontinued operations as re-measurement of land and buildings to fair value resulted in a loss of EUR 31.3 million.

The revenue is made up primarily from sales of own produced cereals. Revenue decline from EUR 7.1 million to EUR 4.5 million in 2015 is attributable to lower yield and price for wheat (in EUR terms). OPEX in 2015 declined as the Group decided to conserve cash and lower the expenditure on fertilizers (due to the dry weather conditions in spring). Additionally, OPEX was lower in 2015 as Penza cluster was divested in 2Q 2014.

CEREALS PRODUCTION OPERATIONAL REVIEW

In Russia the Group finished its wheat harvest in 2015 with a lower yield than last year as the application of fertilizer was limited – due to the dry spring it was decided to conserve cash. In total 43 thousand tonnes of wheat was collected from 21 thousand hectares.

The Group completed seeding of 15 thousand hectares of winter wheat in 2015 the majority of which are currently in a good condition.

Russia		
in EUR thousand	**2014**	**2015**
Revenue from external customers	7,066	4,484
Total revenue	**7,066**	**4,484**
Subsidies	4	186
Other income	49	12
Change in biol.assets	393	-234
TOTAL income	**7,512**	**4,448**
Change in inventories	166	234
Cost of purchased goods	-	-22
OPEX	-7,213	-5,742
Other (losses)/gains - net	-3,563	-31,718
EBITDA	**-3,098**	**-32,800**

Operating expenses breakdown: Russia		
in EUR thousand	**2014**	**2015**
Seeds, fertilizers, chemicals	-2,163	-986
Repairs	-538	-283
Fuel, gas, electricity	-462	-227
Land tax and land rental	-215	-131
Transportation, other services and materials	-882	-608
Employee benefits expense	-1,404	-983
Office and administration expenses	-334	-244
Operational management fee	-694	-632
Legal, consulting and audit fees	-416	-1,611
Other expenses	-105	-37
Total expenses	**-7,213**	**-5,742**

	2014			2015		
	Tonnes	Revenue, EUR thousand	Price EUR/t	Tonnes	Revenue, EUR thousand	Price EUR/t
Wheat	57,159	6,570	115	39,237	4,320	110
Sunflower	1,346	243	181	-	-	-
Corn	141	14	100	-	-	-
Rapeseed	108	21	194	-	-	-
Other	1,721	123	71	-	-	-
Total	**60,475**	**6,971**	**115**	**39,237**	**4,320**	**110**

Grain available for sale in stock

	31.12.2014			31.12.2015		
	Tonnes	Value, EUR thsd	Average price, EUR/t	Tonnes	Value, EUR thsd	Average price, EUR/t
Wheat	185	26	141	126	15	122
Corn	3	-	-	-	-	-
Total	**188**	**26**	**138**	**126**	**15**	**122**

Russia

Crop plan, ha	2011	2012	2013	2014	2015
Wheat	15,184	12,285	20,494	16,079	20,866
Sunflower	19,771	9,222	3,230	1,085	-
Rapeseed	1,693	8,654	-	-	-
Corn	-	-	201	45	-
Barley	845	4,275	4,214	-	-
Soya	1,473	-	-	-	-
Other, sugarbeet	47	-	1,251	2,591	-
Total	**39,013**	**34,436**	**29,391**	**19,800**	**20,866**

Gross production, t	2011	2012	2013	2014	2015
Wheat	42,652	10,696	47,151	59,738	42,536
Sunflower	24,340	10,270	1,910	1,364	-
Rapeseed	2,134	4,576	-	-	-
Corn	-	-	844	95	-
Barley	1,899	10,882	10,359	-	-
Soya	1,593	-	-	-	-
Other, sugarbeet	50	-	2,514	3,188	-
Total	**72,668**	**36,424**	**62,779**	**64,385**	**42,536**

Gross yield, t/ha	2011	2012	2013	2014	2015
Wheat	2.81	0.87	2.30	3.72	2.04
Sunflower	1.23	1.11	0.59	1.26	-
Rapeseed	1.26	0.53	-	-	-
Corn	-	-	4.19	2.10	-
Barley	2.25	2.55	2.46	-	-
Soya	1.08	-	-	-	-
Other, sugarbeet	1.06	-	2.01	1.23	-
Total	**1.86**	**1.06**	**2.14**	**3.25**	**2.04**

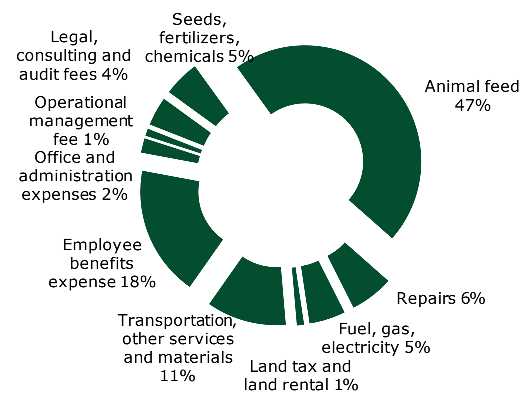
MILK PRODUCTION

The Group's milk production operations are located in Estonia and in the St Petersburg region of Russia.

In 1Q 2015, the Group's Estonian milk production subsidiary AS Trigon Dairy Farming Estonia (TDFE) completed a new share issue of EUR 2 million subscribed by Ingman Development Oy Ab. In July 2015 TDFE completed the second phase of the new share issue in amount of EUR 2.12 million subscribed by Ingman Development Oy Ab and other non-controlling shareholders in TDFE. As a result, the shareholding of Ingman Development Oy Ab has increased to 39.16% in TDFE. Trigon Agri's shareholding in TDFE is 49.98%. Consequently, as of April 1, 2015 the Milk production segment in Estonia is no longer consolidated into Trigon Agri's accounts and a loss from disposing subsidiary in amount of EUR 1.1 million was recorded under Other (losses)/gains-net. Starting from 2Q 2015, Trigon Agri's shareholding in TDFE is recorded in Trigon Agri's accounts using the equity method, meaning that Trigon Agri'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'.

Please note that the following Milk production segment results are not comparable year on year as they include the milk production operations in Estonia for the twelve months in 2014, but only for the first three months in 2015. The EBITDA of the milk production operations in Russia was EUR 0.5 million on both years.

MILK PRODUCTION OPEX 2015



Milk production segment in EUR thousand	2014	2015
Revenue from external customers	13,854	4,819
Total segment revenue	**13,854**	**4,819**
Subsidies	1,351	377
Other income	6	41
Change in biol.assets	752	109
TOTAL income	**15,963**	**5,346**
Change in inventories	3,726	450
Cost of purchased goods	-9	-7
OPEX	-16,779	-5,580
Other (losses)/gains - net	-51	-1,101
EBITDA	**2,850**	**-892**

EVENTS AFTER THE BALANCE SHEET DATE

In January 2016 the Group announced the partial disposal of the stake in Trigon Dairy Farming Estonia. The transaction completed involved selling 10.74% in AS Trigon Dairy Farming Estonia at a total price of EUR 1.5 million. This was EUR 0.6 million below the book value of the disposed stake. Following the transaction Trigon Agri retains an ownership stake of 39.24% in AS Trigon Dairy Farming Estonia. The shares were acquired by Ingman Development Oy Ab. The proceeds were not at this stage used to partially redeem the bonds in accordance with the terms and conditions of the bonds (as amended and restated on 26 February 2015), but were deposited on a bank account pledged in favor of the bondholders in accordance with a waiver granted by the holders' committee.

On March 4, 2016 the Company held an extraordinary general meeting where all proposed resolutions were adopted. The Company's 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. As part of the proposal, the relevant amendments to the articles of association of the Company were adopted. Among other items the extraordinary general meeting authorised the Board of Directors to issue convertible bonds. The extraordinary general meeting authorised the Board of Directors until 1 December 2016 in one or more issues to obtain one or more loans with an aggregate face value of minimum EUR 3,000,000 and up to an aggregate face value of EUR 6,000,000 against issuance of bonds, which give the lender right to convert his/her loan into shares in the Company ("convertible bonds"). Existing shareholders will have no pre-emptive right. The convertible bonds will be issued at market price which can be below par value of the convertible bonds. In addition hereto, the general meeting authorised the Board of Directors to carry out the related share capital increase with a maximum nominal amount of EUR 1,950,000 by issuing up to 195,000,000 new additional shares. The conversion price shall correspond to the market price, which is determined by the Board of Directors at the time of issue of the convertible bonds.

On March 23, 2016 the Company announced that EUR 1.5 million that was held on a bank account pledged in favor of the bondholders was released to Trigon Agri A/S, conditional upon a partial debt to equity swap to its bondholders. Trigon Agri A/S ("Trigon") has entered into an agreement with a committee of holders (the "Holders' Committee") under its SEK 350,000,000 11% bonds with ISIN SE0004019008 (the "Bond Loan"). Pursuant to the agreement, EUR 1.5 million will be released to Trigon from a blocked account which now serves as security for the holders of the Bond Loan (the "Bondholders"). Following fulfilment of certain conditions, a SEK amount equivalent to EUR 6 million in aggregate (rounded down to the nearest whole SEK per Bond) will be redeemed from the Bond Loan and the Bondholders may jointly through a Swedish public limited liability company (the "Subscriber"), assuming full conversion, become owners of 195 million shares in Trigon (equivalent to 60 per cent. of the shares and votes in Trigon on a pro forma basis). Trigon is obliged to repay EUR 1.5 million to the blocked account if all applicable conditions are not fulfilled by 17 May 2016. For further information please refer to the full announcement text available on the Company website.

GOING CONCERN

The accounts have been prepared under going concern principle and the Management is of the opinion that the plans described below represent a realistic description of likely events. These projections and assumptions laid out below are important for the Group to have sufficient liquidity for the next twelve months.

As at December 31, 2015 the current assets of the Group amounted to EUR 24,082 thousand and current liabilities amounted to EUR 19,729 (excluding assets and liabilities of disposal group classified as held for sale). The cash and cash equivalents balance as at December 31, 2015 was EUR 1,901 thousand. Total equity amounted to EUR 541 thousand, including EUR 223 thousand attributable to the equity holders of the Company. 2015 net loss from continuing operations was EUR 3,721 thousand and loss from discontinued operations EUR 49,234 thousand.

If the plans and actions described below do not progress as expected or the outcome differs significantly from the expectations, there may be a material risk that the Group will not have sufficient liquidity to finance the Group's operations in 2016, and continue as a going concern. Below are listed the most important plans and actions for 2016, in the assessment of the Group's ability to continue as a going concern:

- Projected 2016 operating cash flow amounts to EUR 13 million (including changes in inventories, receivables and payables balances, but excluding discontinued operations) and projected operating cash flow for the current harvest year from discontinued operations is EUR 1.3 million. The assumed wheat yields for Ukraine in 2016 have been discounted from the five-year average due to a prolonged autumn drought in all regions that resulted in the majority of the crop not germinating until mid-November. With regards to winter oilseed rape and the spring crops in Ukraine, it is assumed that they will yield at the five year average net level. Assumed crop sales prices are in line with prices achieved in 2015.
- As at December 31, 2015 the Group had loans in Ukraine in amount of EUR 13,605 thousand. Out of these loans EUR 4,064 thousand (limit of USD 5,000 thousand) has a maturity date in May 2016 (similarly to previous years). Work on extending this loan has already been started and the Group should be able to extend this loan. The remaining loans in Ukraine have maturity dates in December 2016. As in previous years the Group will work to extend these credit lines to secure sufficient working capital for the next growing season.
- EUR 6,500 thousand receivable for the Rostov transaction is expected to realize by August 2016. This receivable for land is part of the framework agreement for the divestment of the Rostov cluster. If that were not to happen, the Group would need to negotiate a new payment schedule for the loan related to the Rostov cluster. The current maturity date of the loan is October 30, 2016 and the final payment due on the maturity date is EUR 6,390 thousand. Additionally, the Group has classified as held for sale the remaining land in the Rostov cluster that is on the balance sheet with a value of EUR 8,000 thousand. Please refer to the November 3, 2015 stock exchange release for more information on the transaction.
- According to the bond terms the Company has to transfer at the beginning of each quarter EUR 325 thousand to an account pledged in favour of the bondholders. The currently effective deadline for the first two payments in total amount of EUR 650 thousand is due on April 1, 2016; however, as per discussions with the bondholders' committee, this payment and the following payments will be postponed.
- As of today, annual bond interest in the amount of EUR 4.1 million is due on August 31, 2016. By that time the bondholders are expected to have converted their convertible bond into a 60% shareholding in the Company. Management believes from its discussions with bondholder representatives that the

bond interest will be capitalized if this is required for cash flow purposes.

Management is of the opinion that the plans and actions described above represent a realistic expectation of likely outcome of events. However, the plans and circumstances also indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

MARKET DYNAMICS AND OUTLOOK

GLOBAL MARKET FOR GRAINS AND OILSEEDS

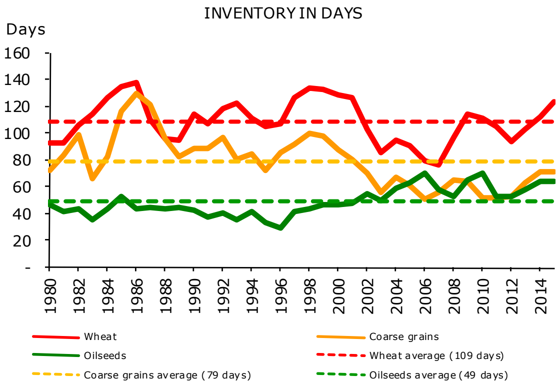
World ending stock according to the latest estimate by USDA is set to archive another record breaking year, with China holding the largest inventory. Prices under those conditions are continuously staying under pressure, further developments are related to the movement in oil price and macroeconomic data.

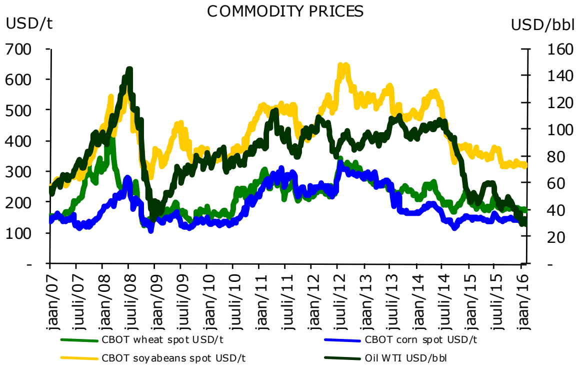
World use of grains, millions of tonnes	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Wheat						
Total production	652	697	659	715	726	736
Total production y-o-y, %	-5%	7%	-6%	9%	1%	1%
Total use	655	697	680	698	705	711
Total use y-o-y, %	1%	6%	-2%	3%	1%	1%
Ending stocks	198	199	175	194	215	239
Ending stocks y-o-y, %	-2%	1%	-12%	11%	11%	11%
Inventory in days	110	104	94	101	111	123
Coarse grains						
Total production	1,099	1,151	1,136	1,281	1,297	1,264
Total production y-o-y, %	-1%	5%	-1%	13%	1%	-3%
Total use	1,131	1,152	1,136	1,233	1,267	1,261
Total use y-o-y, %	1%	2%	-1%	9%	3%	0%
Ending stocks	166	165	169	211	242	245
Ending stocks y-o-y, %	-15%	0%	2%	25%	15%	1%
Inventory in days	54	52	54	62	70	71
Oilseeds						
Total production	456	446	476	504	536	527
Total production y-o-y, %	2%	-2%	7%	6%	6%	-2%
Total use	444	467	469	493	517	524
Total use y-o-y, %	5%	5%	1%	5%	5%	1%
Ending stocks	82	65	69	78	91	91
Ending stocks y-o-y, %	14%	-21%	7%	12%	17%	0%
Inventory in days	67	51	54	58	64	64

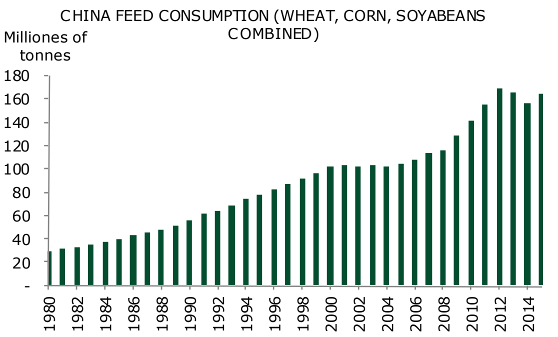
Source: USDA, estimates as of February 12, 2016

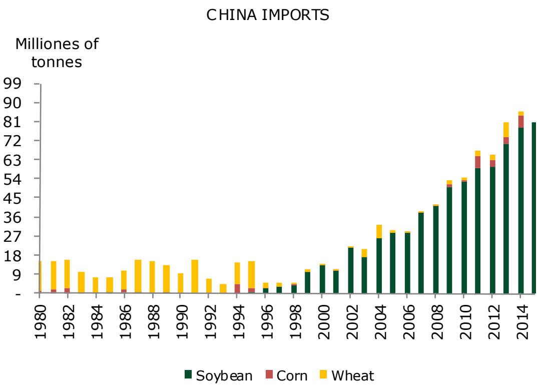
	12.02.2016	**CBOT 6 m future**	**CBOT 1 year future**
Wheat CBOT USD/t	172	172	180
Corn CBOT USD/t	137	145	150
Soybeans CBOT USD/t	320	324	327
Oil WTI USD/bbl	29	37	41

Source: Bloomberg

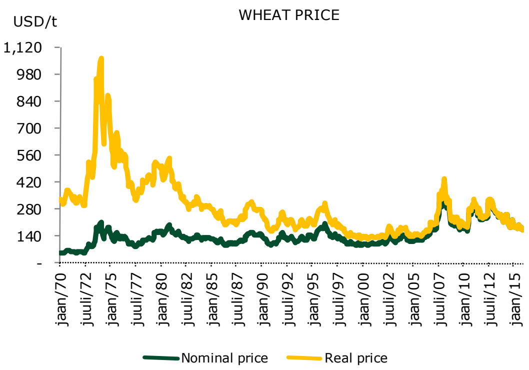


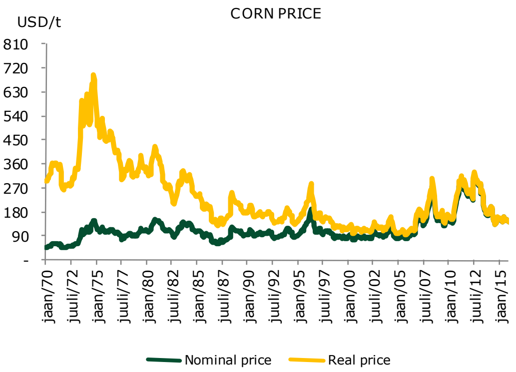


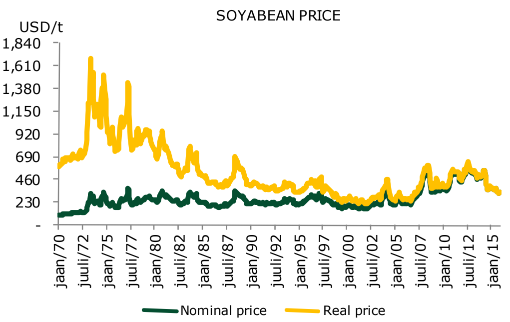




Source: USDA and Bloomberg







Price chart comments:

- Prices are monthly averages until January 2016
- S&P GSCI Index (1 January 1970 = 100) first converted to CBOT Futures prices (USd/bushel) and then to USD/tonnes. *Source: Bloomberg*.
- Real values adjusted with US CPI (1982-84=100 rebased to Current prices = 100). Source: Bureau of Labor Stat

UKRAINIAN MARKET FOR GRAINS AND OILSEEDS

2015 output for Ukraine, forecasted by the USDA, is 4% below the record harvest in 2014, affected by unfavorable weather conditions. Exports for 2015 are still strong at 39 million tonnes, fueled by devaluation of national currency and sufficient supply. Domestic prices for 2015 were significantly lower compared to 2014 and have declined further in early 2016. According to the estimates by APK-Inform, smaller area under winter crops for 2016 will be compensated by increased spring plantings, thus keeping the harvest area for 2016 at the same level as in 2015.

Grains and oilseeds

Ukraine	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Arable area, millions of ha	32	32	33	33	33	33
Harvested area, millions of ha	21	22	22	23	23	23
Average yield, tonne/ha	2.3	3.1	2.7	3.4	3.5	3.4
Harvest, millions of tonnes	50	69	58	79	80	77
Harvest y-o-y, %	-11%	40%	-16%	36%	2%	-4%
Exports, millions of tonnes	15	26	25	36	40	39
Exports y-o-y, %	-35%	73%	-4%	45%	11%	-2%
Consumption, millions of tonnes	34	41	36	40	39	40
Consumption y-o-y, %	3%	21%	-13%	13%	-2%	1%
Ending stocks, millions of tonnes	6	8	5	8	9	8

Source: USDA and FAO

USD per tonne excl VAT	**31.12.2012**	**31.12.2013**	**31.12.2014**	**31.12.2015**	**12.02.2016**
Wheat 3rd class EXW Ukraine	224	181	159	138	126
Wheat 3rd class FOB Ukraine	340	295	262	194	182
Wheat CBOT	282	223	229	173	172
Corn EXW Ukraine	205	134	135	121	125
Corn FOB Ukraine	305	205	190	167	171
Corn CBOT	278	163	155	140	137
Sunflower EXW Ukraine	521	349	365	352	348
Sunflower FOB Ukraine	670	480	435	440	430

Source: Bloomberg, APK-Inform

CORPORATE GOVERNANCE

INTRODUCTION

The full Report on Corporate Governance during the period of 1 January 2015 - 31 December 2015 ("Report") is published at the same time with the Annual Report on the Company's web page (available http://www.trigonagri.com/wp-content/uploads/2012/03/Trigon-Agri-Report-on-Corporate-Governance-2015.pdf).The following constitutes Trigon Agri's statutory reporting on corporate governance in accordance with Section 107 b (1)(3) of the Danish Financial Statements Act.

Despite the absence of any Danish law requirement to apply the Danish Recommendations on Corporate Governance ("Code", available at www.corporategovernance.dk), the Board of Directors and Executive Board feel strongly about sound corporate governance and applies the Code within Trigon Agri.

The principles of corporate governance in Trigon Agri 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 Trigon Agri deviates from the Code, as is required by the 'comply or explain' principle in the Code.

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

The governance of Trigon Agri 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

The Board of Directors consists of four members. 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 Trigon Agri having all four independent members of the Board of Directors (Peter Gæmelke, Raivo Vare, David Mathew and René Nyberg).

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.

Peter Gæmelke (born 1955, male)

Member of Board of Directors of Trigon Agri since 27 April 2015, Chairman of Board of Directors of Trigon Agri since 14 December 2015.

Shareholdings in Company: None.

Other current active positions:

- an independent farmer since 1983 at Røj Farm
- Danske Spil A/S, Chairman
- Lovenholm Fund, Chairman
- NatureEnergi BioGas A/S, Chairman
- Organisation NLP, Chairman
- Kirkbi A/S, member of the Board
- DLR Kredit A/S, member of the Board
- Tryghedsgruppen, member of the Board
- HCP A/S, member of the Board
- Gl. Estrup Manor House Museum, member of the Board
- Askov Folk High School, member of the Board
- the liberal party of Denmark, Venstre, member of the Executive Board and Central Committee
- Sydbank A/S, member of the Committee of Representatives
- Hedeselskabet, member of the Committee of Representatives

- the National Bank of Denmark, member of the Committee of Representatives
- TryghedsGruppen, member of the Committee of Representatives

Experience (highlights of former positions):

- Danish Agricultural Organization, Chairman
- Danish Agricultural Council, President (1995-2009)
- Danish Bacon and Meat Council, member of the Board
- the Danish Economy Council, member of the Board
- Sydbank, member of the Board
- the Local Agricultural Organizations, member of the Board

René Nyberg (born 1946, male)

Member of Board of Directors of Trigon Agri since 7 March 2008 (Supervisory Board until its dissolution in 2010).

Shareholdings in Company: 15,000.

Other current active positions: None

Experience (highlights of former positions):

- East Office of Finnish Industries, CEO 2008-2013
- Foreign Ministry of Finland (1971-2008):

  – Assistant Secretary General of the Finnish-Soviet Economic Commission

  – Director for Security Policy

  – Director for Eastern Affairs

  – Ambassador of Finland, CSCE, Vienna

  – Ambassador of Finland, Moscow

  – Ambassador of Finland, Berlin

Raivo Vare (born 1958, male)

Member of Board of Directors of Trigon Agri since 26 April 2012.

Shareholdings in Company: None.

Other current active positions:

- Live Nature OÜ, Owner
- AS Smart City Group, Member of the Supervisory Council
- AS Mainor Ülemiste, Member of the Supervisory Council
- 3D Technologies R&D AS, Member of the Supervisory Council
- Estonian Railways Ltd, Chairman of the Supervisory Council
- AS Sthenos Grupp, Chairman of the Supervisory Council
- Member of Supervisory Board/Board of Directors, Trigon Agri Group companies (2)

Experience (highlights of former positions):

- Minister of State
- Minister of Transport and Communications
- Development Director and Member of the Management Board of Estonian Railways Ltd
- Chief Executive Officer and Member of the Management Board of Pakterminal Ltd
- Director and Member of the Management Board of the Bank of Tallinn
- Supervisory Board/Board of Directors member in Trigon Agri Group companies
- Supervisory Board/Board of Directors member in Trigon Capital Group companies
- Chairman of the Supervisory Council/Board of Directors of the Estonian Development Foundation
- Chairman/Member of the Supervisory Council/Board of Directors of AS SmartCap
- Member of Board of Directors/Supervisory Council in several other different companies in telecom, real estate etc.
- Industrial Advisor, EQT Funds Management Ltd.
- Member of Advisory Board of Norwegian Eastern Europe Group
- Member of Transport Industry Task Force of EU-Russia Industrialists' Round Table

David Mathew (born 1954, male)

Member of Board of Directors of Trigon Agri since 26 April 2012.

Shareholdings in Company: None.

Experience (highlights of former positions):

- Director of Robert Fleming
- Director of Baring Brothers Hong Kong
- Director of Jardine Matheson China

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.

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 2015 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 Trigon Agri, 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 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. One of the managers of the Executive Board shall be appointed the CEO.

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.

Joakim Helenius (born 1957)

CEO and President of the Executive Board of Trigon Agri since 1 January 2016.

Chairman of the Board of Directors of Trigon Agri in 2007 – 2015

Shareholdings in Company: 10,424,034[1].

Other current active positions:

- Supervisory Board member in Trigon Capital
- Supervisory Board/Management Board member in Trigon Capital Group Companies (5)
- Supervisory Board member in Trigon Capital affiliated companies (Trigon Capital ownership less than 50%) (6)
- Supervisory Board/Management Board member in other Trigon Agri Group companies (7)
- OÜ Helenius Baltic, owner, member of Management board

Experience (highlights of former positions):

- Baltic Republics Fund, Board of Directors
- AS Baltika, Supervisory Board
- EMV, Supervisory Board
- FKSM, Supervisory Board
- Estonian Savings Bank, Supervisory Board
- Hansapank, Supervisory Board
- Reval Hotelligrupi AS, Supervisory Board
- Koger & Sumberg, Supervisory Board
- Gutta, Supervisory Board
- Olainfarm, Supervisory Board
- Sylvester and Sanitas, Supervisory Board
- Merrill Lynch International Bank, Board of Directors
- Goldman Sachs International Limited, Vice President of fixed income division
- AS Estonian Air, Supervisory Board
- AS Marat, Supervisory Board
- ERGO Funds AS, Supervisory Board
- Supervisory Board member in Trigon Capital Group companies

Konstantin Kotivnenko (born 1978)

Member of the Executive Board of Trigon Agri since 13 October 2010, responsible for sourcing, structuring and set-up of the majority of Trigon Agri A/S acquisitions in Ukraine and Russia.

Shareholdings in Company: None.

Other current active positions:

- Supervisory Board member in Trigon Agri Group companies (3)
- Management Board member in Trigon Agri Group companies (1)
- Supervisory Board in Trigon Capital Subsidiary Company (1)

Experience (highlights of former positions):

- Law Firm Sorainen, Attorney at Law
- Supervisory Board member of Trigon Agri Group companies

The Executive Board shall be accountable to the Board of Directors for managing the company in accordance with applicable law in force, the

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1 Owns 305,700 shares directly and 10,118,334 indirectly, i.e. controls an entity (55.69 per cent) which holds 10,118,334 shares in the Company.

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 section 'related Party Transactions'.

ADVISORY AGREEMENT

Trigon Agri entered into the Advisory Agreement with Trigon Agri Advisors. Pursuant to the Advisory Agreement, Trigon Agri Advisors was the exclusive provider of strategic management services and general management services to Trigon Agri, including strategic and financial management, structuring of land and farm acquisitions and designing financing solutions.

The Agreement was terminated in 2015.

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 2015 stood at 1,151 (2014: 1,404).

RULES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Amendments of the Company'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 favour 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 Company. The authorisation is subject to a number of requirements.

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

AUTHORISATIONS TO THE BOARD OF DIRECTORS

Pursuant to the Company's Articles of Association, the Board of Directors is authorised until 1 December 2016 in one or more issues to obtain one or more loans with an aggregate face value of minimum EUR 3,000,000 and up to an aggregate face value of EUR 6,000,000 against issuance of bonds, which give the lender right to convert his/her loan into shares in the Company ("convertible bonds"). The convertible bonds will be issued at market price which can be below par value of the convertible bonds.

The Board of Directors is also authorised to carry out related to the above-mentioned issue share capital increase with a maximum nominal amount of EUR 1,950,000 by issuing up to 195,000,000 new additional shares. The conversion price shall correspond to the market price, which is determined by the Board of Directors at the time of issue of the convertible bonds.

COMMITTEES

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

<u>Audit committee</u>

The responsibilities of the Audit Committee include: (i) reviewing significant accounting and reporting issues; (ii) giving recommendations to the Board of Directors prior to the release of the interim reports, annual reports and preliminary results' announcements whether these should be approved by the Board of Directors; (iii) assisting the Board of Directors with the oversight of the financial reporting process; and (iv) reviewing, on an annual basis, the performance of the external auditors.

The members of the Audit Committee shall be appointed by the Board of Directors and among its members. Trigon Agri's Audit Committee currently consists of David Mathew (Chairman) and Peter Gæmelke.

The Audit Committee shall meet as frequently as the Chairman of the Audit Committee deems necessary. In 2015, the Audit Committee held two physical meetings.

<u>Nomination Committee</u>

The Nomination Committee's duties include: (i) identifying and recommending members to 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 Trigon Agri and its subsidiaries. The members of the Nomination Committee shall be appointed by the Board of Directors and among its members. The Nomination Committee currently consists of Raivo Vare (Chairman) and David Mathew.

In 2015, the Nomination Committee held one physical meeting.

<u>Remuneration Committee</u>

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 Trigon Agri'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 Trigon Agri and its subsidiaries. Trigon Agri's Remuneration Committee consists of Peter Gæmelke (Chairman), Raivo Vare and René Nyberg. The Remuneration Committee shall convene as often as considered necessary by the Chairman of the Committee and at least once a year.

In 2015 the Remuneration Committee held one physical meeting.

INTERNAL CONTROL

The Executive Board is responsible for the organisation and administration of the Company, 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 Company'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 Company'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 Company has prepared written instructions and formal routines for 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 Company'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 Company 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 electronic form.

The internal control system followed in 2015 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 Company is exposed to. The main risks have been identified as 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 in the accounting and reporting systems such as finance 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 is 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 from the Report and outlines the Code recommendations the Company did not follow as well as explanation why the Company did not comply with the recommendation. Regardless, the Company is satisfied with its Code adherence discipline.

Recommendation	Reason why the Company complied only partially
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 recommendation was discussed among the executive board members and since found not urgent the establishment of a whistleblower scheme was postponed and will be discussed upon need again in 2016.

CORPORATE SOCIAL RESPONSIBILITY

The Group management has a policy on social responsibility with the following focus areas:

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, Trigon Agri 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 2015 there were no registrations of violations of human rights or incidents of discrimination reported.

The Group strives for gender equality and does not discriminate based on gender. While the Board of Directors (4 members) consists of men, at other management levels the Group has achieved gender balance. The Group rules of procedure stating 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 2015.

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 Trigon Agri 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 work place tidy to minimise the risk of any trips and falls.

In 2015, The Group has implemented strict work safety regulations and continued to 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 is provided for all new employees.

Community involvement

Trigon Agri contributes to making the communities in which it operates better places to live and do business. Trigon Agri 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.

Trigon Agri 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 2015, 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)
- doing 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 0.054 million. 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 Trigon Agri operates.

Environment and climate change

Trigon Agri 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 optimal use of seeds, fertilisers and pesticides so as to keep a sound balance between production and the environment. Trigon Agri's cultivation, field application, and harvesting philosophy focuses 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.

Our 2015 activities have been focused on the application of the following principles to our business:

- The continued development of the Telematics Management Department , which now is a crucial support service for the group, providing a cross company 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 is 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, 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 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 2015.

Trigon Agri 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.

FINANCIAL HISTORY

Balance sheet, EUR thousand	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
Total assets	194,360	213,965	185,247	149,591	67,848
incl Assets of disposal group classified as held for sale	-	-	-	-	8,000
incl Non-current assets	119,944	167,831	155,617	119,792	35,766
incl Property, plant and equipment	83,228	147,473	132,750	104,438	22,787
Investment in property, plant and equipment	8,659	9,059	6,912	24,180	4,478
Net debt	40,434	61,268	69,080	74,434	60,423
Total equity	122,098	128,566	103,805	61,906	541

Cash flow statement, EUR thousand	2011	2012	2013	2014	2015
Cash flows from operating activities	-11,127	10,842	9,263	7,942	9,127
Cash flows from investing activities	-20,473	-19,249	-14,511	-5,673	-1,130
Cash flows from financing activities	39,974	-2,648	2,280	-2,006	-9,622
Effects of exchange rate changes	65	-68	-225	-1,135	-599
Cash and cash equivalents at beginning of period	10,874	19,313	8,190	4,997	4,125
Cash and cash equivalents at end of period	19,313	8,190	4,997	4,125	1,901

Key figures	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
Number of shares, end of the period	129,627,479	129,627,479	129,627,479	129,627,479	129,627,479
Total number of employees	1,501	1,569	1,455	1,269	1,011
Land under control, hectares	176,891	169,811	167,381	144,103	123,544
Land of disposal group, hectares	-	-	-	-	64,136

Ratios	2011	2012	2013	2014	2015
Earnings per share (EPS), EUR	0.01	0.01	-0.13	-0.10	-0.41
Dividends per share, EUR	0.00278	0.00390	0.00	0.00	0.00
Book value per share, EUR	0.94	0.99	0.80	0.48	0.00
Return on assets (ROA)	1%	1%	-9%	-8%	-48%
Return on equity (ROE)	1%	1%	-15%	-18%	-99%
Equity ratio, %	63%	60%	56%	41%	1%
Current ratio	4.56	1.45	1.51	0.48	1.16
Acid test	2.37	0.60	0.72	0.20	0.48

For the definitions of the ratios please refer to page 117.

THE SHARE

Share information

Official listing:	OMX NASDAQ Stockholm
Form of listing:	Common stock
Round lot:	500
Sector:	Agricultural Products
Exchange ISIN:	DK0060083566
Short name:	TAGR
Reuters ticker:	TAGR.ST
Bloomberg ticker:	TAGR:SS

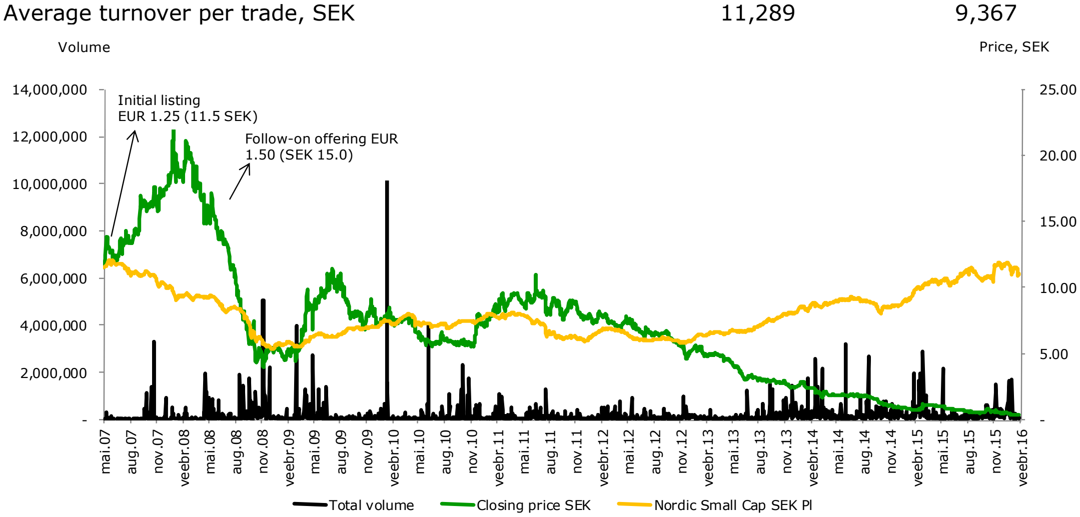
Dividends

The bond terms effective from February 26, 2015 do not allow declaring and paying dividends for as long as the bonds remain outstanding.

As at December 31, 2015 Trigon Agri had approximately 1,325 shareholders.

Major nominee shareholders as at 31.12.2015	**Country**	**No of shares**	**Holdings in %**
LIND VALUE APS	Denmark	12,903,679	10.0%
JPM CHASE NA	Great Britain	12,378,921	9.5%
UB SECURITIES AB	Finland	10,202,048	7.9%
SWEDBANK AS	Estonia	10,000,000	7.7%
GOLDMAN SACHS INTERNATIONAL LTD, W8IMY	Great Britain	8,840,417	6.8%
NORDEA BANK FINLAND ABP	Finland	5,784,378	4.5%
CBLDN-POHJOLA BANK PLC CLIENT A/C	Great Britain	5,223,435	4.0%
UBS SWITZERLAND AG CLIENTS ACCOUNT	Switzerland	5,162,500	4.0%
FÖRSÄKRINGSAKTIEBOLAGET,AVANZA PENSION	Sweden	4,438,674	3.4%
SWEDBANK AS	Sweden	3,992,606	3.1%
OTHER		50,700,821	39.1%
TOTAL		**129,627,479**	**100.0%**

Trigon Agri Share trade data	**2013**	**2014**	**2015**
MCap (period end), SEK	320,179,873	108,887,082	66,110,014
Average no of trades per day	32	44	38
Average volume per trade	3,544	5,397	6,046
Average number of traded shares per day	112,350	237,264	228,440
Average turnover per day, SEK	357,850	411,785	172,846
Average turnover per trade, SEK	11,289	9,367	4,574



BONDS

Bonds information	
Official listing:	Nasdaq First North
Exchange ISIN:	SE0004019008
Short name:	TAGR 001 O2
Currency:	SEK
Annual interest rate:	11%
Expiry date:	31.08.2017
Next coupon date:	31.08.2016

In 2011 Trigon Agri issued four-year bonds that were extended on February 26, 2015 until August 31, 2017. The Terms and conditions of the bonds also include change of control clauses (please refer to Note 3.2).

FINANCIAL CALENDAR

Annual General meeting April 29, 2016	**Interim Report 1Q 2016 May 31, 2016**	**Interim Report 2Q 2016 August 31, 2016**
Interim Report 3Q 2016 November 30, 2016	**Interim Report 4Q 2016 February 28, 2017**	**Annual Report 2016 March 31, 2017**

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in EUR thousand	Note	31.12.2015	31.12.2014
ASSETS			
Current assets			
Cash and cash equivalents	5,7	1,901	4,125
Trade and other receivables	6,7	11,462	8,483
Inventories	8	8,447	13,724
Biological assets	9	2,249	3,405
Assets of disposal group classified as held for sale	32	8,000	-
Assets held for sale		23	62
		32,082	**29,799**
Non-current assets			
Prepaid land rents and land usage rights	11	1,245	1,736
Other non-current prepayments and receivables	6	153	4,476
Biological assets	9	1,662	9,036
Deferred tax assets	15	2	15
Intangible assets		43	91
Property, plant and equipment	10	22,787	104,438
Investments in associates	29	9,874	-
		35,766	**119,792**
Total assets		**67,848**	**149,591**
LIABILITIES			
Current liabilities			
Trade and other payables	7,12	4,101	7,239
Liabilities directly associated with assets classified as held for sale	13,32	7,893	-
Borrowings	7,13	15,628	54,640
		27,622	**61,879**
Non-current liabilities			
Trade and other payables	7,12	28	123
Borrowings	7,13	38,803	23,506
Derivative financial instruments	7,13	-	413
Deferred tax liabilities	15	854	1,237
Deferred income from EU subsidies		-	527
		39,685	**25,806**
Total liabilities		**67,307**	**87,685**
EQUITY			
Capital and reserves attributable to equity holders of the Group			
Ordinary shares	16	64,814	64,814
Share premium	16	99,941	99,941
Other reserves	17	-64,836	-64,446
Accumulated deficit		-99,696	-47,073
		223	**53,236**
Non-controlling interest in equity		318	8,670
Total equity		**541**	**61,906**
Total equity and liabilities		**67,848**	**149,591**

The notes on pages 45 to 102 are an integral part of this consolidated condensed interim financial information.

CONSOLIDATED INCOME STATEMENT

in EUR thousand	Note	2015	2014
Continuing operations:			
Revenue	18	39,618	52,063
Other income	18	609	1,490
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	9	68	1,319
Total revenue, other income and fair value adjustments		**40,295**	**54,872**
Net changes in inventories of agricultural produce and work in process		**1,469**	**11,985**
Cost of purchased goods for trading purposes		-5,780	-9,735
Raw materials and consumables used for production purposes	19	-18,350	-27,305
Employee benefits expense	20	-4,979	-8,181
Depreciation and amortization	10	-2,200	-4,388
Other administrative expenses	22	-4,533	-6,086
Other (losses)/gains - net	23	1,832	1,183
		7,754	**12,345**
Gains/losses from exchange rate differences		-5,141	-6,927
Interest income	24	23	14
Finance costs	24	-6,667	-6,898
Share of profit of investments accounted for using the equity method	29	317	-
Loss before income tax		**-3,714**	**-1,466**
Corporate income tax	14	-7	36
Loss for the period from continuing operations		**-3,721**	**-1,430**
Discontinued operations			
Loss for the period from discontinued operations (attributable to equity holders of the company)	32	-49,234	-11,871
Loss for the period		**-52,955**	**-13,301**
Attributable to:			
Equity holders of the Company		-52,623	-13,444
Non-controlling interest		-332	143
		-52,955	**-13,301**
Loss per share for loss attributable to the equity holders of the Company during the period, both basic and diluted (expressed in Euros per share)			
From continuing operations	25	-0.03	-0.01
From discontinued operations	25,32	-0.38	-0.09
Loss per share for loss attributable to the equity holders of the Company during the period, both basic and diluted (expressed in Euros per share)	25	-0.41	-0.10

The notes on pages 45 to 102 are an integral part of this consolidated condensed interim financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	Note	2015	2014
Loss for the period		**-52,955**	**-13,301**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Gain/loss on revaluation of land of continuing operations	10,17	-5,272	9,536
Gain/loss on revaluation of land of discontinued operations	10,17,32	-3,185	3,185
Items that may be subsequently reclassified to profit or loss			
Currency translation differences from continuing operations	17	-5,330	-20,331
Currency translation differences from discontinued operations	17,32	13,397	-20,989
Other comprehensive income/expense for the period; net of tax		**-390**	**-28,599**
Total comprehensive expense for the period		**-53,345**	**-41,900**
Attributable to:			
Equity holders of the Company		-53,013	-45,004
Non-controlling interest		-332	3,105
Total comprehensive expense for the period		**-53,345**	**-41,899**
Total comprehensive expense for the period attributable to owners of the Company arises from			
Continuing operations		-13,991	-15,329
Discontinued operations	32	-39,022	-29,675
		-53,013	**-45,004**

The notes on pages 45 to 102 are an integral part of this consolidated condensed interim financial information.

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 31.12.2013	**64,814**	**99,941**	**-32,886**	**-33,629**	**98,240**	**5,565**	**103,805**
Profit/loss for the period	**-**	**-**	**-**	-13,444	**-13,444**	143	**-13,301**
Other comprehensive income	**-**	**-**	-31,560	-	**-31,560**	2,962	**-28,598**
Total comprehensive income	**-**	**-**	**-31,560**	**-13,444**	**-45,004**	**3,105**	**-41,899**
Balance at 31.12.2014	**64,814**	**99,941**	**-64,446**	**-47,073**	**53,236**	**8,670**	**61,906**
Profit/loss for the period	**-**	**-**	**-**	-52,623	**-52,623**	-332	**-52,955**
Other comprehensive income	**-**	**-**	-14,179	**-**	**-14,179**	-	**-14,179**
Other comprehensive income recycled to Income statement in relation to discontinued operation (Note 32)			13,789	**-**	**13,789**		**13,789**
Total comprehensive income	**-**	**-**	**-390**	**-52,623**	**-53,013**	**-332**	**-53,345**
Decrease due to loss of control over a subsidiary (Note 29)	-	-	-	-	-	-8,020	**-8,020**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	-	-	**-8,020**	**-8,020**
Balance at 31.12.2015	**64,814**	**99,941**	**-64,836**	**-99,696**	**223**	**318**	**541**

The notes on pages 45 to 102 are an integral part of this consolidated condensed interim financial information.

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousands	Note	2015	2014
Cash flows from operating activities			
Continuing operations			
Cash receipts from customers		43,464	57,612
Cash paid to suppliers and employees		-34,748	-51,027
Income tax paid	14	-96	-842
Subsidies received		701	1,382
Interest received	24	11	9
Net cash outflow/inflow from discontinued operations	32	-205	808
Net cash generated from operating activities		**9,127**	**7,942**
Cash flows from investing activities			
Continuing operations:			
Cash outflow from loss of control over subsidiary	29	-2,564	-
Proceeds from issuance of subsidiary´s shares to non-controlling interest	29	2,000	-
Purchase of biological assets	9	-	-2
Purchase of property, plant and equipment	10	-1,380	-13,811
Proceeds from sales of property, plant and equipment	10	200	258
Net cash inflow from discontinued operations	32	614	7,882
Net cash used in investing activities		**-1,130**	**-5,673**
Cash flows from financing activities			
Continuing operations:			
Proceeds from borrowings	13	3,407	12,223
Proceeds from sales of subsidiary´s shares		-	1,633
Repayments of borrowings	13	-2,985	-5,419
Repayments of finance lease liabilities	13	-184	-561
Interest paid	24	-6,599	-6,224
Net cash outflow from discontinued operations	32	-3,261	-3,658
Net cash used in financing activities		**-9,622**	**-2,006**
Net increase/decrease in cash and cash equivalents		**-1,625**	**263**
Effects of exchange rate changes on cash and cash equivalents		-599	-1,135
Cash and cash equivalents at beginning of period	5	4,125	4,997
Cash and cash equivalents at end of period	**5**	**1,901**	**4,125**

The notes on pages 45 to 102 are an integral part of this consolidated condensed interim financial information.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Trigon Agri A/S (The Company) is an integrated soft commodities producer (operating commercial cereals and dairy farms), storage provider and trader with operations in Ukraine, Russia and Estonia. The Company was established on December 11, 2006. The Company has subsidiaries in Estonia, Cyprus, Russia, Ukraine and Switzerland (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 in May 18, 2007. From December 8, 2010 the company's shares have been traded on the main market Small Cap segment on NASDAQ OMX 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 31, 2016.

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 Trigon Agri A/S for 2015 ended December 31, 2015 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish statutory disclosure requirements for annual reports. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets, land, available-for-sale financial assets and financial assets at fair value through profit or loss.

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

The Company prepares its separate financial statements in accordance with IFRS and the additional Danish requirements for annual reports. 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.

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2014, as described in those annual financial statements.

DISCONTINUED OPERATIONS

AND CHANGES TO COMPARITIVES

On November 3, 2015 the Group signed a framework agreement for the divestment of its Rostov cluster (Russian cereals production). The agreement foresees closing of the transaction no later than August 28, 2016. Consequently, the Group reports the operations in Russian cereals production unit in this anuual report as discontinued operations and its fixed assets and related liabilities as held for sale. Results of the Russian cereals production operations are provided on page 15 as part of the financial and operational review and in Note 32. Certain changes have been made to 2014 comparative figures in relation to separating continuing operations from discontinued operations (Note 32).

ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

There are no new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have a material impact to the Group.

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 2016, and which the Group has not early adopted.

IFRS 16, Leases (effective for annual periods beginning on or after 1 January 2019; not yet adopted by the EU). 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. The Group is currently assessing the impact of the new standard on its financial statements.

IFRS 9, Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2018; not yet adopted by the EU).

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 are 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 are 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 is currently assessing the impact of the new standard on its financial statements.

CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured 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 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.

(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 2.2.(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 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.

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

Since March 31, 2014 land is carried using the revaluation method. Previously freehold land was stated at historic cost.

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.

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) Licences

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 OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation 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 to sell 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, and at fair value through profit and loss. 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 is 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 estimated point-of-sale cost, 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 estimated point-of-sale costs at the point of harvest and is subsequently recorded as inventories and measured in accordance with the accounting principles of inventory (Note 2.9 (a)).

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 short time after seeding the crop.

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

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 non-current biological asset.

(a) Livestock and dairy herd

Livestock are 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 estimated point-of-sale costs. 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 as the market-determined values are not available for such biological assets. The cost includes direct costs related to the management of the biological transformation of biological assets, like costs of seeds, fertilising, cultivation, labour costs of employees directly involved in production process, fuel and energy and related production overheads (based on normal operating capacity). The crops are measured at fair value once the fair value becomes reliably measurable. Usually the fair value of a crop can be reliably measured only immediately before harvest. This does not create a significant limitation in 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.

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 estimated point-of-sale costs is recognised as income when the government grant becomes receivable (government grants for dairy herd, general area-aid subsidies). If a government grant related to a biological asset measured at its fair value less estimated point-of-sale costs 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 agricultural regime

In Ukraine there is a special VAT treatment for companies under agricultural regime. Companies under agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains. Amount recognized under Other Losses/Gains is measured as a difference between VAT on sales invoices issued during the year and purchase invoiced received during the year. Input and output VAT are recognized in the Income statement in the period when the respective income/cost is recognized.

2.9 INVENTORIES

(a) Agricultural produce

i. Milk

Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking and subsequently recorded as inventories. 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 estimated point-of-sale costs 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 is 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, of the market where the Group's company expects to sell the produce.

iii. Other agricultural produce

Other agricultural produce are initially recorded at cost. Cost of other agricultural produce is determined using FIFO method. Write-down of other agricultural produce (excluding grain) to the net realisable value (if lower than cost) is included in income statement as change is inventories. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(b) Grain – purchased from third parties

Purchased grain from third parties is initially recorded at purchase price and subsequently measured at fair value less estimated costs to sell. The fair value of grain is determined based on quoted prices on the nearest market or if multiple markets are available, of the market where the Group's company expects to sell the produce.

(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, other direct costs and overheads (based on normal operating capacity). After seeding the cost of field preparation is reclassified as biological assets held at fair value (Note 2.7 (b)).

(d) Raw materials

Inventories are stated at the lower of costs and net realisable value. Cost is determined using first-in, first-out (FIFO) 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 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 includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. 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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

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.

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 (or in the normal operating cycle of the business if longer). 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.

2.15 CURRENT AND DEFERRED INCOME TAX

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

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 is 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% and in Russia 20%. 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 (2014:21/79) of the distributed amount (Note 2.15 (c)).

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 is 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 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.

c) Income tax in Estonia

According to the Income Tax Act of Estonia, the annual profit earned by enterprises is not taxed and thus there are no temporary differences between the tax bases and carrying values of assets and liabilities and no deferred tax assets or liabilities arise. Instead of taxing the net profit, the distribution of retained earnings is subject to income tax of 20/80 (2014:21/79) of the amount paid out as dividends. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which dividends are paid.

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. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 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 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 slaughtering. 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 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 aggregated unit basis, indicating separately plant cultivation and animal husbandry if they are both material for the clusters' revenue. The following changes have been made regarding segment reporting. Starting from September 30, 2015 the management considers two continuing business segments (Ukraine and Milk production) and cereals production cluster in Russia is considered as discontinued operation (Note 32). As of April 1, 2015 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. Consequently, Milk production segment Revenue, OPEX and EBITDA for the whole year of 2015 comprises of the results of the Milk production segment in Russia and only first quarter accounts for the Milk production segment in Estonia as the profit for the remaining nine months is recorded 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 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves, and is categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13. The fair value changes of the swap and swap interest are recognized in profit or loss under finance costs. The fair value of the swap is recognized on the balance sheet under line item 'Derivative financial instruments'.

2.24 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 costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs 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 co-ordinated 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 operates in Estonia, Ukraine and Russia and is exposed to foreign exchange risk arising primarily from exposures to the US dollar, Russian rouble, Ukrainian hryvna and Swedish krona. Foreign exchange risks from US dollar, Swedish krona, Russian rouble and Ukrainian hryvna arise mainly from recognised assets and liabilities. Foreign exchange risk from Swedish krona arises from Trigon Agri bonds issued in 2011. The Group has not implemented any formal currency risk management policies.

The average value of hryvna relative to euro depreciated by 35% in 2015 (depreciated in 2014 by 32%).

Russian rouble depreciated by 25% in 2015 (depreciated in 2014 by 17%).

Swedish krona depreciated by 3% relative to euro in 2015 (depreciated in 2014 by 5%).

2015	Reasonably possible change	Impact on Income statement
UAH	+/- 30%	+/-366
RUB	+/- 30%	-/+172
SEK	+/- 5%	-/+1,997
USD	+/- 5%	-/+636

2014	Reasonably possible change	Impact on Income statement
UAH	+/- 30%	+/- 162
RUB	+/- 30%	-/+26
SEK	+/- 5%	-/+1,959
USD	+/- 5%	-/+494

The changes in exchange rates of Russian rouble and Ukrainian hryvna have been unfavourable to the Group's business in 2015 (unfavorable in 2014). The changes in exchange rates of rouble and hryvna decreased the value of the net investment in 2015 (decreased in 2014).

(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 in Russia and Ukraine 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 much lesser extent affected by global commodity prices since the raw milk is sold regionally and cannot be exported over long distances. This is further supported by the fact that milk powder, a milk product commodity which can be transported over long distances, does not directly compete with raw milk due to the inferiority of milk powder based end-product quality. Such lower quality makes milk powder a secondary raw material to the milk processing companies operating in the target countries of the Group and allows the Group to negotiate fresh high quality raw milk price relatively independently of global milk powder price levels.

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 geographic production base, its 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 long-term borrowings. 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.

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

in EUR thousand	**31.12.2015**	**31.12.2014**
Borrowings and finance leases (outstanding amount)		
Floating rate	4,565	19,997
incl. related to 6-month EURIBOR	-	343
incl. related to 3-month EURIBOR	39	15,979
incl. related to bank´s base interest rate	608	-
incl. related to LIBOR	3,918	3,675
Fixed rate	49,866	58,149
	54,431	**78,146**

At 31 December 2015, 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 23 thousand higher, as a result of higher interest expense on floating rate borrowings. At 31 December 2014, if interest rates on floating interest rate borrowings at that date had been 50 basis points higher (lower) with all other variables held constant, net loss for the year would have been EUR 100 thousand higher (lower), as a result of lower (higher) interest expense on floating rate borrowings.

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 (Note 34)

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 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.

in EUR thousand	Total 31.12.2015	no later than 12 months	between 1 and 5 years	Over 5 years	Maturity	Interest rate
Borrowings and finance leases	63,914	19,066	44,848	-		
incl. related to 3 month EURIBOR	39	39	-	-	2016	3 month EURIBOR+0.0%
incl. related to LIBOR	4,318	4,318	-	-	2016	LIBOR +11%
incl bank´s base rate	683	476	207		2017	CBR+3%
inc.with fixed interest rate	10,122	10,043	79	-	2016-2017	no interest rate, 2%-25%
incl. fixed interest rate bond	48,752	4,190	44,562	-	2017	11%
Borrowings classified as held for sale	8,502	8,502	-	-	2016	10%
Trade payables	2,463	2,435	28	-	2016-2017	no interest rate
Total	**74,879**	**30,003**	**44,876**	-		

*Fixed interest rate Borrowings classified as held for sale in amount of EUR 8,502 thousand represent a loan that carries interest rate of 3-month EUR LIBOR +6% or minimum 10%, whichever is higher. As at 31.12.2015, the interest rate was 10%.

in EUR thousand	Total 31.12.2014	no later than 12 months	between 1 and 5 years	Over 5 years	Maturity	Interest rate
Borrowings and finance leases	85,213	59,008	15,081	11,124		
incl. related to 6-month EURIBOR	355	178	177	-	2015-2018	6 month EURIBOR+1.75%-2.7%
incl. related to 3 month EURIBOR	18,527	1,543	5,860	11,124	2016-2020	3 month EURIBOR+0.0%-3.35%
incl. related to LIBOR	4,048	4,048	-	-	2015	LIBOR +11%
inc.with fixed interest rate	9,733	9,161	572	-	2015-2017	no interest rate, 2%-15%
*inc.with fixed interest rate**	11,340	2,868	8,472	-	2016	10%
*incl. fixed interest rate bond***	41,210	41,210	-	-	2015	11%
Derivative financial instruments	413	-	-	413	2020	
Trade payables	3,444	3,319	84	41	2015-2054	no interest rate, 5%
Total	**89,070**	**62,327**	**15,165**	**11,578**		

*Fixed interest rate borrowings in amount of EUR 11,340 thousand represent a loan that carries interest rate of 3-month EUR LIBOR +6% or minimum 10%, whichever is higher. As at 31.12.2014, the interest rate was 10%.

**The bond was extended on February 26, 2015 until August 31, 2017. In the table above the bond is classified as payable within 12 months under contractual terms effective as at December 31, 2014 the maturity date June 29, 2015

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	31.12.2015	31.12.2014
Financial indebtedness (Note 13)	62,324	78,559
Total shareholders´ equity	541	61,906

As of December 31, 2015 (and as of December 31, 2014), the Group was financed in addition to the owners’ equity by bonds and bank borrowings.

On February 26, 2015, the term of the bonds was extended until August 31, 2017. Interest rate remained unchanged to 11%. The Group has an option to early repay the bonds, and the nominal amount to be repaid depends on the timing of the repayment: if payment will be done by December 31, 2016 – 104%, and by August 31, 2017 – 106%. As of December 31, 2015 the Group has not repaid bonds.

Under the amended bond terms, Financial indebtedness to shareholders' equity ratio no longer applies. However, the amended terms include other restrictions to the Group until the repayment of the bonds (which the Group has complied with in 2015):

- Borrowings, other than bonds, including any interest accrual must not exceed EUR 45 million; the Group may not incur any additional borrowings.
- Capital expenditure must not exceed EUR 6 million until August 31, 2017 (including max EUR 3 million in 2015). Prepayments from prior periods realized in 2015 are excluded from the calculation.
- The sales, leases, transfers and other disposals of assets are only allowed to extent allowed by the bond terms; the sales proceeds need to be deposited to a restricted deposit, save for few exceptions. Any sales of assets with book value exceeding EUR 500 thousand, or the sales proceeds exceeding EUR 500 thousand must be confirmed with the Holders' Committee of the bonds. The disposal carried out in January 2016 was confirmed by the Holders' Committee.
- No additional pledges may be created over the assets of the Group.
- The Group must take reasonable steps to divest its activities in Estonia and Russia as soon as possible.
- The Group may not declare or pay any dividend or any other distribution from its equity, including redeeming repurchasing of any shares.
- The group may not pay any management, advisory or other fees to any of the shareholders, except for under the existing Advisory agreement effective until January 1, 2016. From thereon, the remuneration of employees hired may not exceed EUR 1,850 thousand per annum.
- From January 2, 2016, the Group must deposit quarterly EUR 325 thousand to restricted deposit account.
- According to the terms of bonds, the bonds must be redeemed early in case one or more persons acting together shall acquire control over Trigon Agri by acquiring control over more than 50% of voting rights in the company or over the right to appoint or remove the whole or majority of the Board of Directors.

<u>Impact of currency fluctuation to the equity of the Group</u>

The total Group capital is influenced by exchange rate fluctuations of Ukrainian hryvna, Russian rouble and Swedish krona, as described also in Note 3. 1.a) i). The total recognised decrease in equity from currency translation differences amounted to EUR 66,139 thousand at December 31, 2015 (EUR 74,206 thousand at December 31, 2014).

As described in Note 10, significant portion of reduction of equity is due to devaluation of the Russian rouble and the Ukrainian hryvna that has led to decrease of the book value of rouble and hryvna denominated assets on the Group's balance sheet. Russian rouble and Ukrainian hryvna have continued to devalue at the beginning of 2016. The assets on the Group's balance sheet in Russia and Ukraine are denominated in local currency and will decrease in euro terms when rouble and hryvna weaken against the euro.

<u>Capital repatriation risk</u>

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. The Group's policy is to make investments into Ukraine and Russia only via Cypriot holding companies. 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.

DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves, and is categorized under Level 2 in the fair value hierarchy, as defined by IFRS 13.

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 point-of-sale costs at each balance sheet date (value at December 31, 2015 was EUR 3,911 thousand, value at December 31, 2014 was EUR 12,441 thousand). Due to the specifics of the agricultural production, fair value of some crops and animals cannot be determined reliably in their present status. The biological assets in the countries where the Group operates (Ukraine, Russia (Estonia till April 2015) are mostly not traded on 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 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 loss would idecrease by EUR 154 thousand (EUR 831 thousand in 2014), if the prices were lower by 10%, the net loss would increase by the same amount.

b) Useful lives of property, plant and equipment

The depreciable items of property, plant and equipment amounted to EUR 12,964 thousand as at December 31, 2015 (EUR 37,757 thousand as at December 31, 2014). 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 261 thousand (EUR 568 thousand in 2014).

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

The Group has its agricultural produce in inventory as of the year end. The agricultural produce and inventories for commodities trading have been valued to fair value less costs 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 been lower (higher) than estimated by 10%, the value of the inventories would be EUR 595 thousand less (more) and the equity smaller (bigger) by the equal amount (in 2014: EUR 813 thousand).

d) Recoverable values of property, plant and equipment

In 2015 impairment test was carried out, no impairment was identified. The value-in-use method was applied to determine the recoverable values of non-current assets in operating clusters (cereals production Ukraine; storage services and sales and trading; milk production Russia). Cash flows were projected in each cluster, including revenues, operating expenses, investment requirements and working capital needs. The test demonstrated that the Group's assets recoverable value is higher than the carrying amount in all of its operating segments. The Group has used in the model its target yields and 5-year average (3-year average in 2014) prices for cereals, except for 2016 where lower prices were used. The Group applied 1.5% (1.5% in 2014) 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. The discount rates applied were the following: in Ukraine cereals production 24.6% (23% in 2014) and 22% (18.5% in 2014) in storage services and sales and trading, 17.1% (16.5% in 2014) in Russia.

The following reasonable change in major sensitive inputs would not cause the decrease of recoverable amount below the carrying amount:

Major sensitive inputs:
1) Discount rate increase up to 3%
2) Terminal growth decrease up to 1,5%
3) Milk price decrease up to 8%
4) Milk segment OPEX increase up to 10%
5) Storage service fees decline up to 15%
6) EBITDA from 3rd party crops decrease up to 15%

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 adoption of particular legal act on the land market and land cadastre 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 per cent 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 Cypriot holding companies. 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 GROUP'S OPERATIONS

RUSSIAN FEDERATION

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 varying interpretations.

The recent political and economic turmoil witnessed in the region, in particular the developments in Ukraine, and falling crude oil prices, have had and may continue to have a negative impact on the Russian economy, including further weakening of the Russian Rouble, higher interest rates, reduced liquidity and making it harder to raise international funding. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the financial markets, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict.

UKRAINE

The recent political and economic instability in Ukraine has continued in 2015 and 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.

In March 2014 various events in Crimea led to the accession of the Republic of Crimea to the Russian Federation. Further, in 2014 armed separatist forces obtained control over parts of the Donetsk and Lugansk regions in eastern Ukraine. The Group has no business in Crimea/Donetsk/Lugansk regions. The relationships between Ukraine and the Russian Federation worsened and remained strained. On 1 January 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.

As at December 31, 2015 the official NBU exchange rate of Hryvnia against euro was UAH 26.2231 per EUR 1, compared to 19.2329 per EUR 1 as at 31 December 2014. At March 15, 2016 the official NBU exchange rate of Hryvna against euro was already UAH 29.4847 per EUR 1. To constrain further devaluation of Hryvnia the National Bank of Ukraine has imposed a number of restrictions on operations with foreign currency including: a temporary ban on payment of dividends in foreign currency; a temporary ban on early repayment of debts to non-residents; mandatory sale of 75% of revenue in foreign currency and other restrictions on cash and non-cash operations. The central bank of Ukraine prolonged these restrictions several times during 2015 and 2016 and the current restrictions are effective until 8 June 2016. Devaluation of the national currency created pressure on consumer price index. The official inflation rate in Ukraine for 2015 reached 43.3%.

On 11 March 2015 the IMF Executive Board approved a four-year Extended Fund Facility ("EFF") program for Ukraine exceeding USD 17 billion. During 2015 Ukraine obtained first and second tranches in accordance with the program in the amount of USD 5 billion and USD 1.7 billion, respectively. In October 2015, Ukraine reached an agreement with the majority of its creditors for restructuring of part of the national external debt in the amount of USD 15 billion. The restructuring pushes out maturities of restructured debt to 2019-2027, fixing annual interest rate at the level of 7.75% and includes exchange of 20% of the debt into GDP warrants at par value of USD 2.9 billion. There remains a significant portion of debt for which a restructuring has not been agreed to. After reaching the above restructuring agreement on external debt with the majority of its creditors, the credit rating of Ukraine has improved.

Further disbursements of IMF tranches depend on the implementation of Ukrainian government reforms, and other economic, legal and political factors. The final resolution of the political and economic crisis in Ukraine and the final effects are difficult to predict but it may have further severe effects on the Ukrainian economy and the Group´s business.

4.4 GOING CONCERN

The accounts have been prepared under going concern principle and the Management is of the opinion that the plans described below represent a realistic description of likely events. These projections and assumptions laid out below are important for the Group to have sufficient liquidity for the next twelve months.

As at December 31, 2015 the current assets of the Group amounted to EUR 24,082 thousand and current liabilities amounted to EUR 19,729 (excluding assets and liabilities of disposal group classified as held for sale). The cash and cash equivalents balance as at December 31, 2015 was EUR 1,901 thousand. Total equity amounted to EUR 541 thousand, including EUR 223 thousand attributable to the equity holders of the Company. 2015 net loss from continuing operations was EUR 3,721 thousand and loss from discontinued operations EUR 49,234 thousand.

If the plans and actions described below do not progress as expected or the outcome differs significantly from the expectations, there may be a material risk that the Group will not have sufficient liquidity to finance the Group's operations in 2016, and continue as a going concern. Below are listed the most important plans and actions for 2016, in the assessment of the Group's ability to continue as a going concern:

- Projected 2016 operating cash flow amounts to EUR 13 million (including changes in inventories, receivables and payables balances, but excluding discontinued operations) and projected operating cash flow for the current harvest year from discontinued operations is EUR 1.3 million. The assumed wheat yields for Ukraine in 2016 have been discounted from the five-year average due to a prolonged autumn drought in all regions that resulted in the majority of the crop not germinating until mid-November. With regards to winter oilseed rape and the spring crops in Ukraine, it is assumed that they will yield at the five year average net level. Assumed crop sales prices are in line with prices achieved in 2015.
- As at December 31, 2015 the Group had loans in Ukraine in amount of EUR 13,605 thousand. Out of these loans EUR 4,064 thousand (limit of USD 5,000 thousand) has a maturity date in May 2016 (similarly to previous years). Work on extending this loan has already been started and the Group should be able to extend this loan. The remaining loans in Ukraine have maturity dates in December 2016. As in previous years the Group will work to extend these credit lines to secure sufficient working capital for the next growing season.
- EUR 6,500 thousand receivable for the Rostov transaction is expected to realize by August 2016. This receivable for land is part of the framework agreement for the divestment of the Rostov cluster. If that were not to happen, the Group would need to negotiate a new payment schedule for the loan related to the Rostov cluster. The current maturity date of the loan is October 30, 2016 and the final payment due on the maturity date is EUR 6,390 thousand. Additionally, the Group has classified as held for sale the remaining land in the Rostov cluster that is on the balance sheet with a value of EUR 8,000 thousand. Please refer to the November 3, 2015 stock exchange release for more information on the transaction.
- According to the bond terms the Company has to transfer at the beginning of each quarter EUR 325 thousand to an account pledged in favour of the bondholders. The currently effective deadline for the first two payments in total amount of EUR 650 thousand is due on April 1, 2016; however, as per discussions with the bondholders' committee, this payment and the following payments will be postponed.
- As of today, annual bond interest in the amount of EUR 4.1 million is due on August 31, 2016. By that time the bondholders are expected to have converted their convertible bond into a 60% shareholding in the Company. Management believes from its discussions with bondholder representatives

that the bond interest will be capitalized if this is required for cash flow purposes.

Management is of the opinion that the plans and actions described above represent a realistic expectation of likely outcome of events. However, the plans and circumstances also indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

5. CASH AND CASH EQUIVALENTS

in EUR thousand	31.12.2015	31.12.2014
Cash on hand	2	16
Short-term bank deposits	1,830	4,062
Cash in transaction	69	47
	1,901	**4,125**

Short-term bank deposits bear interest of 0%-12% on annualised base (in 2014 0.0% – 6.5%)

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

in EUR thousand	31.12.2015	31.12.2014
A1	3	2,206
A2**	134	460
Aa3**	159	-
Ba2**	1,091	889
Ca	67	53
Other*	445	501
	1,899	**4,109**

*As at December 31, 2015 Other includes cash in UkrSibbank (Ukraine), Energomashbank (Russia), Megabank (Ukraine), First Ukrainian International Bank (Ukraine) and in Vikingbank (Russia)- not rated.

** As at December 31, 2015 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 split of cash between currencies:

in EUR thousand	31.12.2015	31.12.2014
Ukrainian hryvna	1,336	726
US dollar	376	1,475
Euro	91	1,814
Russian rouble	96	103
Other currencies	2	7
	1,901	**4,125**

6. TRADE AND OTHER RECEIVABLES

in EUR thousand	31.12.2015	31.12.2014
Trade receivables	554	2,280
Other receivables	7,435	1,358
Prepayments	3,626	9,321
Total receivables and prepayments	**11,615**	**12,959**
Less non-current portion:		
Prepayments for new acquisitions	-	-2,690
Prepayments for non-current assets	-146	-1,716
Other receivables	-7	-70
Total non-current portion	**153**	**4,476**
Current portion	**11,462**	**8,483**

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.

As at December 31, 2015, Other receivables include EUR 6,500 thousand from sale of assets of disposal group (Note 32) and EUR 284 thousand from related parties (Note 31) (EUR 234 thousand as at December 31, 2014). The EUR 6,500 thousand receivable is secured by pledges on the sold assets in favor of the Group.

As at December 31, 2015, Non-current prepayments for non-current assets in amount of EUR 1,634 thousand were revalued to fair value less cost to sell to amount of zero as part of assets held for sale (Note 32) (EUR 1,634 thousand as at December 31, 2014).

As at December 31, 2015 there are no Prepayments for non-current acquisitions as the Group finalized land acquisition in Milk production segment in Russia in 1Q 2015 (EUR 2,690 thousand as at December 31, 2014).

For breakdown of trade and other receivables by category please refer to Note 7.

The expected timing of proceeds from trade receivables is as follows:

in EUR thousand	31.12.2015	31.12.2014
Up to 3 months	509	2,113
3 to 6 months	13	14
Over 6 months	32	153
	554	**2,280**
including receivables not due	505	2,110
including receivables overdue up to 3 months	23	14
including receivables overdue up 3 to 6 months	1	10
including receivables overdue over 6 months	25	146

The expected timing of proceeds from other receivables is as follows:

in EUR thousand	31.12.2015	31.12.2014
Up to 3 months	553	636
3 to 6 months	2	47
Over 6 months	6,880	675
	7,435	**1,358**
including receivables not due	7,400	1,297
including receivables overdue up to 3 months	-	-
including receivables overdue over 6 months	35	61

Trade receivables less than 3 months past due from balance sheet date are not considered impaired based on the individual assessment of each significant receivable.

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

Counterparties with Fitch credit rating

in EUR thousand	31.12.2015	31.12.2014
A	-	357
BBB	-	566
CCC	-	105
	-	**1,028**

Counterparties without external credit ratings:

in EUR thousand	31.12.2015	31.12.2014
Group 1	54	73
Group 2	445	736
Group 3	55	443
	554	**1,252**
Total unimpaired trade receivable	**554**	**2,280**

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.

Other receivables not due are from counterparties with some defaults in the past. The EUR 6,500 thousand included in other receivables is secured by pledges on the sold assets in favor of the Group (Note 32) due on August 31, 2016. .Total impairment loss recognized from the trade receivables in 2015 was EUR 5 thousand (2014:40 thousand).

in EUR thousand	2015	2014
At January 1	**-372**	**-645**
Provision for receivables impairment	-5	-40
Receivables written off during the year as uncollectible	168	-
Unused amounts reversed	-	61
Currency translation differences	46	252
At December 31	**-163**	**-372**

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

in EUR thousand	31.12.2015	31.12.2014
US dollar	-	922
Russian rouble	202	1,047
Ukrainian hryvna	726	547
Euro	7,061	1,122
	7,989	**3,638**

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

	31.12.2015	31.12.2014
Assets as per balance sheet	**Loans and receivables**	**Loans and receivables**
Cash and cash equivalents	1,901	4,125
Trade and other receivables excluding prepayments	7,989	3,638
	9,890	**7,763**

	31 December 2015		
Liabilities as per balance sheet	**Liabilities at fair value through profit and loss**	**Financial liabilities at amortised cost**	**Total**
Trade and other payables excluding social security, other taxes and prepayments from clients	-	2,463	2,463
Borrowings excluding finance lease liabilities	-	54,271	54,271
Finance lease liabilities	-	160	160
Liabilities directly associated with assets classified as held for sale	-	7,893	7,893
	-	**64,787**	**64,787**

Liabilities as per balance sheet	Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
	31 December 2014		
Trade and other payables excluding social security, other taxes and prepayments from clients	-	3,443	3,443
Borrowings excluding finance lease liabilities	-	76,687	76,687
Finance lease liabilities	-	1,459	1,459
Derivative financial instruments	413	-	413
	413	**81,589**	**82,002**

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

8. INVENTORIES

Inventory breakdown, EUR thousand	31.12.2015	31.12.2014
Grain for sale	5,954	8,131
Raw materials, supplies	1,669	4,490
Fieldworks in process	824	1,103
Total	**8,447**	**13,724**
Incl. own produced inventory	**7,018**	**11,220**

Grain for sale as at December 31, 2015 includes grain from third parties in amount of EUR 1 thousand (EUR 233 thousand as at December 31, 2014). Raw materials, supplies includes materials and supplies purchased from third parties in amount of EUR 1,428 thousand as at December 31, 2015 (EUR 2,271 thousand as at December 31, 2014). Net changes in inventories for 2015 include EUR 234 thousand from discontinued operations (Note 32) (EUR 166 thousand in 2014).

in EUR thousand	2015	2014
At 1 January	**11,220**	**6,815**
Changes in balances of finished product stocks:	1,703	12,151
- Agricultural production recognised at the fair value (Note 9)	29,616	37,590
- Dairy production recognised at the fair value	4,660	13,143
- Capitalization of costs to fieldworks in process	1,703	1,837
- Reclassification from fieldworks in process to biological assets at the moment of seeding	-1,521	-2,561
- Cost of own production on realization to third parties	-30,685	-42,593
- Inventory revaluation	-2,070	4,735
For internal use*	-1,613	-4,053
Decrease due to loss of control over subsidiary (Note 29)	-1,514	-
Currency translation differences	-2,778	-3,693
At 31 December	**7,018**	**11,220**

*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).

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2015	Grain for sale, agricultural produce, EUR thousand	Tonnes	Average price used,EUR/t
Wheat	35	288	123
Barley	9	79	116
Sunflower	5,427	16,916	321
Corn	461	3,524	131
Rapeseed	1	5	292
Soya	-	1	286
Other	21	356	55
Total	**5,954**	**21,169**	**281**

Breakdown of the grain for sale, agricultural produce inventory, 31.12.2014	Grain for sale, agricultural produce, EUR thousand	Tonnes	Average price used, EUR/t
Wheat	1,266	8,496	149
Barley	10	82	122
Sunflower	4,711	14,355	328
Corn	792	6,566	121
Rapeseed	-	1	-
Soya	1,335	3,950	338
Other	17	416	41
Total	**8,131**	**33,866**	**240**

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 for revaluations as at December 31, the Group used the market prices from APK-Inform as at the end of January for both years as the year-end prices do not reflect the realistic market situation due to long holiday season in Ukraine and Russia and therefore very low volume of trades. The Group uses market prices from the moment when trading volumes are restored and market becomes active. The judgement as to whether a market is active includes the consideration of 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, the Group considers existing sales agreements at balance sheet date, and actual sales transactions by the Group shortly after the balance sheet date.

Inventories in Ukraine (13,905 tonnes of sunflower) were pledged at a carrying value of EUR 4,461 thousand (2014: Inventories in Estonia were pledged in amount of EUR 2,619 thousand) for the benefit of the bank.

9. BIOLOGICAL ASSETS

	Plant cultivation	Animal husbandry	Total
Carrying amount at 31.12.2013	**5,183**	**8,763**	**13,946**
Non-current biological assets	554	8,763	9,317
Current biological assets	4,629	-	4,629
2014			
Increases due to purchases	-	2	2
Decrease due to sales	-146	-7	-153
Gain/loss arising from changes in fair value less estimated point of sale costs of biological assets:	1,142	570	1,712
- Increases due to new plantations/birth	*38,755*	1,732	*40,487*
- Harvest (Note 8)	*-37,590*	-	*-37,590*
- Decreases due to written-off biol.assets	*-23*	*-2,061*	*-2,084*
- Other changes in fair value	-	*899*	*899*
Currency translation differences	-2,047	-1,019	*-3,066*
Carrying amount at 31.12.2014	**4,132**	**8,309**	**12,441**
Non-current biological assets	727	8,309	9,036
Current biological assets	3,405	-	3,405

in EUR thousand	Plant cultivation	Animal husbandry	Total
Carrying amount at 31.12.2014	**4,132**	**8,309**	**12,441**
Non-current biological assets	727	8,309	9,036
Current biological assets	3,405	-	3,405
2015			
Decrease due to loss of control over subsidiary (Note29)	-879	-6,646	-7,525
Gain/loss arising from changes in fair value less estimated point of sale costs of biological assets:	-224	57	-167
- Increases due to new plantations/birth	*29,400*	*509*	29,909
- Harvest (Note 8)	*-29,616*	-	-29,616
- Decreases due to written-off biol.assets	*-8*	*-812*	-820
- Other changes in fair value	-	*360*	360
Currency translation differences	-662	-176	-838
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

	Animals, pcs	Winter crops, hectares
Physical quantities at 31.12.2015	1,834	42,820
Physical quantities at 31.12.2014	8,151	51,901

Gain/ loss arising from changes in fair value less estimated point of sale costs of biological assets for 2015 include a loss of EUR 235 thousand from discontinued operations (gain of EUR 393 thousand in 2014) (Note 32).

As at the balance sheet date, Current biological assets in plant cultivation include winter crops seeded in autumn 2015. The fair value of these crops has been determined by the cost of seeding and preceding fieldworks. 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 costs 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.

Biological assets in Russia were pledged at a carrying value of EUR 1 thousand for the benefit of the bank.

In 2014 biological assets in amount of EUR 81 thousand in Russia, EUR 1,363 thousand in Ukraine and EUR 7,456 thousand in Estonia were pledged for the benefit of the bank.

The fair value of livestock is based on market prices of livestock of similar age, breed and genetic merit based on the relevant market, taking into account transaction prices, sales opportunities in local and export markets, 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

10. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2015 the Group owned 13,180 hectares of land in Russia as land in Rostov cluster (Russia) in amount of 47,581 hectares is classified as held for sale (Note 32). 38,684 hectares were disposed in 2015 for which the Group has an EUR 6,500 receivable on the balance sheet. As of 31 December 2014 the Group owned 91,892 hectares of land, out of which 4,696 hectares was in Estonia and 87,196 hectares in Russia.

Depreciation charge during 2015 in amount of EUR 581 thousand was presented within discontinued operations (Note 32) (EUR 2,066 thousand in 2014). The Group’s acquisitions of property, plant and equipment during the period amounted to EUR 4,478 thousand (EUR 24,180 thousand in 2014) as the Group finalized the land acquisition in Milk production segment in Russia (recorded as non-current prepayment in amount of EUR 2.690 thousand on the December 31, 2014 balance sheet) (Note 6).

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, which decreased their value in relation to the euro by 10% and 27% respectively in 2015 and decreased their value in relation to the euro by 37% and 43% respectively in 2014. Please see Note 3.3 for further information.

Land in Russian Milk production was mortgaged at a carrying value of EUR 296 thousand (2014: EUR 24,111 thousand in Russia and EUR 12,088 thousand in Estonia). Land mortgaged in Russian cereals production is classified as held for sale (Note 32). Buildings, machinery and equipment in Russia were pledged at a carrying value of EUR 202 thousand (2014: EUR 628 thousand). Buildings, machinery and equipment in Ukraine were pledged at a carrying value of EUR 5,555 thousand (2014: EUR 7,085 thousand). Buildings, machinery and equipment in Estonia (Note 29) as at December 31, 2014 were pledged at a carrying value of EUR 18,726 thousand.

The net book value of assets leased under finance lease (vehicles and machinery) as at December 31, 2015 stood at EUR 156 thousand (as at December 31, 2014 EUR 2,329 thousand). Information on operating lease liabilities of the assets used under the terms of an operating lease is presented in Note 21. During 2015, the group has not capitalized borrowing costs (2014: EUR 241 thousand was capitilized) on qualifying assets. Borrowing costs in 2014 were capitalised at the weighted average rate of its general borrowings of 3.672%.

in EUR thousand	Land	Buildings	Vehicles & machinery	Furniture, fittings & equipment	Construction in process	Total
31.12.2013						
Cost	81,715	35,539	39,804	1,059	4,173	162,290
Accumulated depreciation	-	-6,850	-21,981	-709	-	-29,540
Net book amount	**81,715**	**28,689**	**17,823**	**350**	**4,173**	**132,750**
2014						
Additions	12,953	219	2,865	72	8,071	24,180
Revaluation surplus through Other Comprehensive Income (Note 17)	12,721	-	-	-	-	12,721
Revaluation losses recognised in the Income statement (Note 17, 32)	-762	-	-	-	-	-762
Disposals	-12,470	-1,343	-1,157	-274	-	-15,244
Reclassification balance sheet items/between groups	-	8,705	1,299	281	-10,299	-14
Depreciation charge	-	-1,376	-4,197	-108	-	-5,681
Currency translation differences	-28,682	-8,652	-5,303	-136	-739	-43,512
Closing net book amount	**65,475**	**26,242**	**11,330**	**185**	**1,206**	**104,438**
31.12.2014						
Cost	65,475	33,624	31,992	976	1,206	133,273
Accumulated depreciation	-	-7,382	-20,662	-791	-	-28,835
Net book amount	**65,475**	**26,242**	**11,330**	**185**	**1,206**	**104,438**

in EUR thousand	Land	Buildings	Vehicles & machinery	Furniture, fittings & equipment	Construction in process	Total
31.12.2014						
Cost	65,475	33,624	31,992	976	1,206	133,273
Accumulated depreciation	-	-7,382	-20,662	-791	-	-28,835
Net book amount	**65,475**	**26,242**	**11,330**	**185**	**1,206**	**104,438**
2015						
Additions	3,201	79	569	16	613	4,478
Changes due to revaluation through Other Comprehensive Income (Note 17)	-8,457	-	-	-	-	-8,457
Decrease due to loss of control over subsidiary (Note 29)	-7,159	-13,993	-4,344	-22	-	-25,518
Remeasurement to fair value less cost to sell (Note 32)	-29,019	-634	-	-23	-18	-29,694
Assets classified as held for sale (Note 32)	-14,171	-309	-	-12	-8	-14,500
Disposals	-	-10	-264	-3	-	-277
Reclassification balance sheet items/between groups	-	115	153	-4	-264	-
Depreciation charge	-	-729	-1,826	-51	-	-2,606
Currency translation differences	-1,410	-2,272	-1,202	-27	-166	-5,077
Closing net book amount	**8,460**	**8,489**	**4,416**	**59**	**1,363**	**22,787**
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**

10.1 FAIR VALUE OF LAND

The fair value of freehold land as at December 31, 2015 is EUR 8,460 thousand (EUR 65,475 thousand as at December 31, 2014). Had the assets been carried under the cost model, the balance as at December 31, 2015 would have been EUR 7,158 thousand (EUR 53,516 thousand as at December 31, 2014). Decrease related to remeasurement to fair value less cost to sell amounted to EUR 29,019 shown in the Income statement of the Discontinued operations (Note 32). Decrease in amount of EUR 8,457 thousand was recorded through Other Comprehensive Income.

The increase in 2014 in the amount of EUR 11,959 thousand includes an increase in amount of EUR 12,721 thousand that has been recognized in other comprehensive income and a decrease in amount of EUR 762 thousand, related to Cereal production in Russia, recognized in the income statement of 2014.

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.

in EUR thousand	Russian dairy cluster (Level 3)	Rostov cluster (Russia) (Level 3)	Estonian dairy cluster (Level 2)
31.12.2013	**1,041**	**62,478**	**4,118**
Additions	3,971	8,530	98
Disposals	-	-	-19
Revaluation surplus through Other Comprehensive Income (Note 17)	1,375	3,185	8,161
Revaluation losses recognised in the Income statement (Note 25)	-	-762	-
Exchange rate differences	-194	-26,516	-
31.12.2014	**6,193**	**46,915**	**12,358**
Additions	3,201	-	-
Changes due to revaluation through Other Comprehensive Income (Note 17)	-72	-3,185	-5,199
Decrease due to loss of control over subsidiary (Note 29)	-	-	-7,159
Remeasurement to fair value less cost to sell (Note 32)	-	-29,019	-
Assets classified as held for sale (Note 32)	-	-14,171	-
Exchange rate differences	-870	-540	-
Closing balance	**8,452**	**-**	**-**

The valuation as at December 31, 2015 was performed by Everest Consulting LLC for the land in Russian Dairy cluster. The valuation as at December 31, 2014 was performed by Everest Consulting LLC for the land in Russia and by Colliers International Advisors OÜ for the land in Estonia. Level 2 fair values of land have been derived using the sales comparison approach. The most significant input into this valuation approach is price per hectare (3,047 EUR/ha as at December 2014).

Information about fair value measurements using significant unobservable inputs (Level 3)

Fair value at 31.12.2015 (EUR thousand)		Unobservable inputs	Range	Weighted average
Agricultural land				
Sales comparison approach				
Russian dairy cluster	8,452	Adjusted rate per hectare (EUR)	374 - 836	641
		Adjustments applied to comparison data:		
		Size adjustment	from -10% to -5%	
		Location adjustment	from -62% to 64%	
		Bargaining discount	-20%	

Fair value at 31.12.2014 (EUR thousand)		Unobservable inputs	Unobservable inputs	Range	Weighted average
Agricultural land					
Sales comparison approach					
Rostov cluster	46,915		Adjusted rate per hectare (EUR)	519-650	596
		Adjustments applied to comparison data:			
			Size adjustment	from -15% to -5%	
			Location adjustment	from -68% to -44%	
			Bargaining discount	-12%	
Russian dairy cluster	6,193		Adjusted rate per hectare (EUR)	413-946	700
		Adjustments applied to comparison data:			
			Size adjustment	from -10% to +10%	
			Location adjustment	from -53% to +122%	
			Bargaining discount	-12%	

Sales comparison approach was applied. 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 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 31,2015 would have been EUR 845 thousand higher/lower (EUR 5,311 thousand as at December 31,2014).

11. PREPAID LAND RENTS AND LAND USAGE RIGHTS

The Group's land in Ukraine is used mainly based on long term (up to 43 years) lease agreements. There was 46 thousand hectares of land in use based on long-term lease agreements as of December 31, 2015 (as of December 31, 2014: 47 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 lease (Note 21).

in EUR thousand	**31.12.2015**	**31.12.2014**
Balance at the beginning of the period	**1,736**	**3,361**
Additional prepayments made	8	21
Amortization recognised	-144	-492
Unrealised exchange rate differences	-354	-1,153
Balance at the end of the period	**1,246**	**1,736**

12. TRADE AND OTHER PAYABLES

in EUR thousand	**31.12.2015**	**31.12.2014**
Trade payables	854	1,953
Prepayments from clients	688	2,146
Social security and other taxes	758	1,279
Accrued expenses	1,139	1,289
Amounts due to related parties (Note 31)	75	6
Other payables	615	689
	4,129	**7,362**
Less: non-current portion	-28	-123
	4,101	**7,239**

Fair values of trade and other payables are not materially different from book values due to short maturities.

The carrying amounts of the Group's trade payables are denominated in the following currencies:

in EUR thousand	**31.12.2015**	**31.12.2014**
US dollar	-	8
Russian rouble	129	789
Ukrainian hryvna	234	720
Euro	2,100	1,926
	2,463	**3,443**

13. BORROWINGS

The total borrowings of the Group as at December 31, 2015 amounted to EUR 54,431 thousand (EUR 78,146 thousand as at December 31, 2014). As at December 31, 2015 borrowings of discontinued operations in amount of EUR 7,893 thousand are shown on the balance sheet as 'Liabilities directly associated with assets classified as held for sale' (Note 32). The amount of total borrowings declined as the Group no longer consolidates its Milk production segment in Estonia (Note 29). Total borrowings in the Milk production segment as at December 31, 2014 were EUR 16,185 thousand). In 2015 the Group received new loans in Ukraine in amount of UAH 10 million (EUR 422 thousand) with maturity date in 2015 (fully repaid in 2015), UAH 15.5 million (EUR 657 thousand) with prolonged maturity date in 2016 and USD 1,400 thousand (EUR 1,322 thousand) with prolonged maturity date in 2016. Working capital loans in Ukraine in amount of USD 12,338 thousand were prolonged with maturity dates in 2016. In Milk production segment in Russia the Group received factoring in the amount of RUB 50 million (EUR 654 thousand) with prolonged maturity date in 2017. During 2015 the Group refinanced factoring in amount of RUB 24,961 thousand (EUR 352 thousand).

The value of SEK-nominated bond (including accrued interest) increased as according to the terms of the bonds, the nominal value depends on the timing of the repayment. As of December 31, 2015 the bond was not repaid and consequently the nominal value by December 31, 2015 is 101%. Additionally, the EUR value of the SEK-nominated bond depends on the exchange rate.

Details of the borrowings' currencies, interest rates and maturities are shown in the included tables. Total finance costs for continuing operations in 2015 amounted to EUR 6,667 thousand (EUR 6,898 thousand in 2014). In the Cash flow statement proceeds/repayments of borrowings and interests are shown in a different amount due to changes in foreign exchange rates, different periodization of interest payments compared with accrual of interest expenses and due to finance lease payables (Cash flow statement reflects only actual payments and not changes in Balance sheet items).

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 the trade receivable related to the borrowing as at December 31, 2015 is EUR 57 thousand.

'Derivative financial instruments', a non-current liability on the balance sheet in amount of EUR 413 thousand as at December 31, 2014 represents the fair value of an interest rate swap to hedge part of the exposure to the movements of EURIBOR and is related to a EUR-nominated loan in the associates that the Group no longer consolidates (Note 29).

31.12.2015, in EUR thousand	**31.12.2015**	**Maturity**	**Interest rate**
SEK-nominated (bonds incl accrued interest)	39,933	2017	11%
RUB-nominated	134	2016-2017	2-15%
RUB-nominated	608	2017	CBR base rate+3%
USD-nominated	9,083	2016	10.5-11%
USD-nominated	3,918	2016	LIBOR+11%
USD-nominated	96	2017	no interest
EUR-nominated	39	2016	3m EURIBOR+0.0%
EUR-nominated	12	2016	no interest
UAH-nominated	604	2016	25%
UAH-nominated	4	2016-2017	no interest
	54,431		
Less: non-current portion	38,803		
	15,628		

31.12.2014, in EUR thousand	31.12.2014	Maturity	Interest rate
SEK-nominated (bonds incl accrued interest)	39,172	2015	11%
RUB-nominated	447	2015-2017	2-15%
USD-nominated	8,478	2015-2016	5-11%
USD-nominated	3,675	2015	LIBOR+11%
USD-nominated	125	2017	no interest
EUR-nominated	9,893	2016	3m EUR LIBOR+6.0%, min 10%
EUR-nominated	15,194	2020	3m EURIBOR +3.35%
EUR-nominated	785	2016-2019	3m EURIBOR+0.0%-1.4%
EUR-nominated	343	2015-2018	6m EURIBOR + 1.75-2.7%
EUR-nominated	22	2016	no interest
UAH-nominated	12	2016-2017	no interest
	78,146		
Less: non-current portion	23,506		
	54,640		

in EUR thousand	31.12.2015	31.12.2014
Current		
Bonds and Bank borrowings	15,520	54,033
Finance lease payables	108	607
	15,628	**54,640**
Non-current		
Bank borrowings	38,751	22,654
Finance lease payables	52	852
	38,803	**23,506**
Total borrowings	**54,431**	**78,146**

	31.12.2015		31.12.2014	
in EUR thousand	**Bonds and Bank borrowings**	**Finance lease payables**	**Bonds and Bank borrowings**	**Finance lease payables**
Euro	-	51	25,087	1,150
US dollar	13,001	96	11,998	280
Swedish krona	39,933	-	39,172	-
Russian rouble	733	9	430	17
Ukrainian hryvna	604	4	-	12
	54,271	**160**	**76,687**	**1,459**

	31.12.2015		31.12.2014	
	Bonds and Bank borrowings	**Finance lease payables**	**Bonds and Bank borrowings**	**Finance lease payables**
Floating rate:				
– Expiring within one year	4,336	38	4,517	388
– Expiring beyond one year	191	-	14,353	739
Fixed rate:				
– Expiring within one year	11,184	70	49,516	219
– Expiring beyond one year	38,560	52	8,301	113
	54,271	**160**	**76,687**	**1,459**

Total future minimum payments in EUR thousand	**31.12.2015**	**31.12.2014**
up to 12 months	119	646
1-5 years	54	892
	173	**1,538**
Future interests	13	79
Present value of the lease	160	1,459

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 Estonia, 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 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 (with the exception of bonds) 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. There are indications that the bonds are traded on the market with a discount to nominal value, although fair value cannot be measured reliably.

14. INCOME TAX

Income tax expense*

in EUR thousand	2015	2014
Current tax:		
Current tax on profits for the year	44	420
Adjustments in respect of prior years	35	30
Total current tax	**79**	**450**
Deferred tax (Note 15):		
Origination and reversal of temporary differences	-48	-136
Impact of change in tax rate (Ukraine)	-	-1
Total deferred tax	**-48**	**-137**
Income tax expense	**31**	**313**

*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	2015	2014
Profit/loss before tax	**-26,042**	**-12,988**
Loss before tax from entities not subject to Income tax by statutory legislation	-15,022	-1,909
Profit/loss before tax from entities subject to income tax	**-11,020**	**-11,079**
Tax calculated at domestic tax rates applicable to profits in the respective countries	-702	-1,628
Tax effects of:		
Income not subject to tax	-4,307	-3,850
Expenses not deductible for tax purposes	3,948	975
Utilisation of previously unrecognised tax losses	-362	-217
Tax losses for which no deferred income tax asset was recognised	1,419	5,067
Adjustments in respect of prior years	35	-34
Tax charge	**31**	**313**

The weighted average applicable tax rate was 6.4% (2014: 14.7%). The decrease 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 relate 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	**2015**	**2014**
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	-	-
– Deferred tax asset to be recovered within 12 months	-2	-15
	-2	**-15**
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	854	1,173
– Deferred tax liability to be recovered within 12 months	-	64
	854	**1,237**
Deferred tax liabilities (net)	**852**	**1,222**

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

in EUR thousand	**2015**	**2014**
At 1 January	1,222	2,298
Currency translation differences	-322	-939
Income statement charge related to change in deferred tax assets/ liability (Note 14)	-48	-137
At 31 December	**852**	**1,222**

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 1,419 thousand (EUR 5,067 thousand in 2014) in respect of losses amounting to EUR 7,247 thousand (EUR 23,086 thousand in 2014) that can be carried forward against future taxable income. The accumulated amount of tax losses where tax asset was not recognized as at 31.12.2015 was EUR 31,006 thousand (2014: EUR 32,396 thousand) that can be carried forward against future taxable income. Losses amounting to EUR 16,895 thousand (EUR 15,148 thousand 2014) have unlimited usage, rest of losses will expire during 4 to 10 years.

Deferred tax liabilities	Accelerated tax depreciation	Other	Total
At 31 December 2013	**2,197**	**119**	**2,316**
Charged/(credited) to the income statement	-64	-68	-132
Currency translation differences	-924	-23	-947
At 31 December 2014	**1,209**	**28**	**1,237**
Charged/(credited) to the income statement	-58	-	-58
Currency translation differences	-325	-	-325
At 31 December 2015	**826**	**28**	**854**

Deferred tax assets	Other	Total
At 31 December 2013	**-18**	**-18**
Charged/(credited) to the income statement	-5	-5
Currency translation differences	8	8
At 31 December 2014	**-15**	**-15**
Charged/(credited) to the income statement	11	11
Currency translation differences	2	2
At 31 December 2015	**-2**	**-2**

16. SHARE CAPITAL

in EUR thousand	Number of shares	Incl. ordinary shares	Share capital	Share premium	Total
31.12.2013	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
31.12.2014	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
31.12.2015	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**

The total authorized number of ordinary shares is 129,627,479 shares (as of December 31, 2014: 129,627,479 shares) with a par value of 0.5 EUR per share (0.5 EUR per share as at December 31, 2014). All shares have been fully paid.

The shares of Trigon Agri A/S are listed on main market of Small Cap segment on NASDAQ OMX Stockholm.

17. OTHER RESERVES

in EUR thousand	Revaluation of land*	Translation differences	Total
31.12.2013	**-**	**-32,886**	**-32,886**
Currency translation differences	-	-41,320	-41,320
Revaluation of land (Note 10)	9,759	-	9,759
31.12.2014	**9,759**	**-74,206**	**-64,446**
Currency translation differences	-	-5,330	-5,330
Other comprehensive income recycled to Income statement in relation to discontinued operation (Note 32)	-	13,397	13,397
Revaluation of land (Note 10)	-8,457	-	-8,457
31.12.2015	**1,302**	**-66,139**	**-64,836**

*Revaluation of land in amount of EUR 1,302 thousand included in Other reserves is the portion of the total land revaluation reserve attributable to the holders of the parent (EUR 9,759 thousand as at December 31, 2014). The total land revaluation reserve as at December 31, 2014 in amount of EUR 12,721 thousand includes EUR 2,962 thousand attributable to non-controlling interest. In 2014 nothing was attributable to non-controlling interest (Note 29).

18. REVENUE AND OTHER INCOME

in EUR thousand	2015	2014
Sales of cereals	33,198	36,628
Sales of milk	4,467	12,297
Revenue from elevator services	1,397	1,724
Other revenue	556	1,414
TOTAL revenue	**39,618**	**52,063**
Subsidies	377	1,351
Other income	232	139
Total other income	**609**	**1,490**

Sharp decline in revenue is mostly attributed to Milk production segment as the Group no longer consolidates its Milk production segment in Estonia as of April 1, 2015 (Note 29) and due to the devaluation of Ukrainian Hryvnia. Government grants recognized as income include subsidies for both plant cultivation and animal husbandry. Government grants have been received within the framework of the European Union projects and Russian government. Additionally, the Group has benefited from special Ukraine VAT treatment, as Ukraine companies under an agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains (Note 23). Revenues of EUR 10,974 thousand (2014: EUR 18,027 thousand) are derived from one external customer and revenues of EUR 6,555 thousand (2014: EUR 3,265 thousand) are derived from second external customer. These revenues are attributable to the Ukraine segment.

19. RAW MATERIALS AND CONSUMABLES USED FOR PRODUCTION PURPOSES

in EUR thousand	2015	2014
Seeds, fertilizers, chemicals	6,602	7,053
Animal feed	2,584	6,321
Repairs	1,528	1,700
Fuel, gas, electricity	2,114	3,657
Land tax and land rental	2,610	3,096
Other services and materials	2,912	5,478
	18,350	**27,305**

2015 costs declined mainly as the Group no longer consolidates its Milk production segment in Estonia as of April 1, 2015 (Note 29) and due to devaluation of Ukrainian Hryvia. .

20. EMPLOYEE BENEFITS EXPENSE

in EUR thousand	2015	2014
Wages and salaries	3,950	6,244
Social security costs	1,029	1,937
	4,979	**8,181**

The average number of employees in 2015 stood at 1,151 (2014: 1,404). Remuneration to the Board of Directors is disclosed under Note 31.

21. OPERATING LEASE PAYMENTS

In 2015, operating lease payments amounted to EUR 2,726 thousand (in 2014 EUR 3,819 thousand). Lease expense are 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. 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	2015	2014
up to 12 months	3,030	3,591
1-5 years	11,154	11,922
Over 5 years	29,214	53,940
	43,398	**69,453**

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, 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.

22. OTHER ADMINISTRATIVE EXPENSES

in EUR thousand	2015	2014
Legal and consulting fees	3,300	4,304
Office and administration expenses	982	1,406
Other expenses	251	376
	4,533	**6,086**

23. OTHER (LOSSES)/GAINS- NET

in EUR thousand	2015	2014
VAT in Ukraine	2,437	2,122
Write down of doubtful receivables and prepayments (Note 6)	-27	-199
Foreign exchange losses/gains net	585	-295
Loss of control over subsidiary (Note 29)	-1,116	-
Other losses / gains net	-47	-445
	1,832	**1,183**

Positive VAT item is related to Ukraine VAT treatment as Ukraine companies under an agricultural regime are not obliged to pay VAT and the net of VAT receivable and payable is recorded under Other Losses/Gains.

As of April 1, 2015 the Milk production segment in Estonia is no longer consolidated into Trigon Agri's accounts and a loss from loss of control over subsidiary in amount of EUR 1,116 thousand was recorded under Other (losses)/gains-net (Note 29).

24. FINANCE INCOME AND FINANCE COST

in EUR thousand	2015	2014
Interest income	23	14
	23	**14**
Interest expense at effective interest rate:		
Finance lease liabilities	-13	-45
Bank borrowings	-1,692	-1,739
Bond interests	-4,932	-4,634
Loss from fair value of derivative financial instruments	-	-413
Other finance costs	-30	-67
	-6,667	**-6,898**

25. 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.

in EUR thousand	2015	2014
Loss attributable to equity holders of the parent (EUR thousand)	-52,623	-11,871
Weighted average number of ordinary shares outstanding (thousands)	129,627	129,627
Basic loss per share (EUR per share)	**-0.41**	**-0.10**
From continuing operations	-0.03	-0.01
From discontinued operations (Note 32)	-0.38	-0.09

26. SEGMENT REPORTING

Primary measures monitored by the Executive Board are segment OPEX (which is defined as operating expenses less Depreciation and amortization) and segment EBITDA (which is defined as 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).

The following changes have been made regarding segment reporting. Starting from September 30, 2015 the management considers two continuing business segments (Ukraine and Milk production) and cereals production cluster in Russia is considered as discontinued operation (Note 32). As of April 1, 2015 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 (Note 29). Consequently, Milk production segment Revenue, OPEX and EBITDA for the twelve months 2015 comprises of the results of the Milk production segment in Russia and only first quarter accounts for the Milk production segment in Estonia as the profit for the remaining nine months is recorded under the line Share of profit of investments accounted for using the equity method (Note 29). Ukraine segment includes cereals production, storage and trading operations.

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 the least seasonal nature.

2015, in EUR thousand	**Ukraine**	**Milk production**	**Total**
Revenue from external customers	34,799	4,819	39,618
Total segment revenue	**34,799**	**4,819**	**39,618**
Subsidies	-	377	377
Other income	191	41	232
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	-41	109	68
Total revenue, other income and fair value adjustments	**34,949**	**5,346**	**40,295**
Net changes in inventories of agricultural produce and work in process	1,019	450	1,469
Cost of purchased goods	-5,773	-7	-5,780
OPEX	-22,282	-5,580	-27,862
Other (losses)/gains - net	2,933	-1,101	1,832
EBITDA	**10,846**	**-892**	**9,954**
Depreciation and amortization			-2,200
Finance income/costs			-11,785
Share of profit of investments accounted for using the equity method (Note 29)		317	317
Loss before income tax			-3,714
Additions of Property, plant and equipment	**1,003**	**3,382**	**4,385**

2014, in EUR thousand	Ukraine	Milk production	Total
Revenue from external customers	38,209	13,854	52,063
Total segment revenue	**38,209**	**13,854**	**52,063**
Subsidies	-	1,351	1,351
Other income	133	6	139
Gain/loss arising from changes in fair value less estimated point-of-sale costs of biological assets	567	752	1,319
Total revenue, other income and fair value adjustments	**38,909**	**15,963**	**54,872**
Net changes in inventories of agricultural produce and work in process	8,259	3,726	11,985
Cost of purchased goods	-9,726	-9	-9,735
OPEX	-24,793	-16,779	-41,572
Other (losses)/gains - net	1,233	-50	1,183
EBITDA	**13,882**	**2,851**	**16,733**
Depreciation and amortization			-4,388
Finance income/costs			-13,811
Share of profit of investments accounted for using the equity method			-
Loss before income tax			-1,466
Additions of Property, plant and equipment	**927**	**15,687**	**16,614**

27. CONTINGENCIES

TAXES

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. Tax audits were not conducted in 2014 or 2015 in Estonia. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

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, provided that the transaction price differs from the market price by more than 20%.

Controllable transactions include transactions with interdependent parties, as determined under the Russian Tax Code, 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. In the past, the arbitration court practice with this respect has been contradictory.

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.

CHANGE OF CONTROL

In 2011 Trigon Agri issued four-year bonds that were extended on February 26, 2015 until August 31, 2017. The Terms and conditions of the bonds also include change of control clauses (please refer to Note 3.2).

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

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship		Measurement method		Carrying amount	
		2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Trigon Dairy Farming Estonia	Estonia	49.98%	63.71%	Associate	Subsidiary	Equity method	Consolidated	9,874	-

Trigon Dairy Farming Estonia was a subsidiary of the Group as at 31.12.2014. Due to loss of control as a result of share issues carried out by Trigon Dairy Farming Estonia, as of 1.04.2015 Trigon Dairy Farming Estonia became an associate and is no longer consolidated into Trigon Agri Group's accounts. Starting from 1.04.2015 the Group's interest in Trigon Dairy Farming Estonia is carried using the equity method.

Loss of control over subsidiary in EUR thousand	**2015**
Cash	564
Property, plant and equipment (Note 10)	25,518
Inventories (Note 8)	1,514
Biological assets (Note 9)	7,525
Borrowings (Note 13)	-16,384
Other net assets	-44
Derecognized net assets	18,693
Less non-controlling interest	-8,020
Fair value of retained investment recognised as associate*	9,557
Loss recognised on the loss of control	**-1,116**

*Fair value Fair value of associate was determined based on the transaction where the associate (former subsidiary) issued new shares.

Loss recognised on the loss of control is shown under Other (losses)/gains in the Income statement (Note 23).

Summarised balance sheet	**As at 31 December**	
in EUR thousand	**2015**	**2014**
Current		
Assets	8,660	4,540
Liabilities	-2,249	-2,259
Total current net assets	**6,411**	**2,281**
Non-current		
Assets	37,960	38,377
Liabilities	-15,870	-16,110
Total non-current net assets	**22,090**	**22,267**
Net assets	**28,501**	**24,548**

Summarised income statement of discontinued operations	**For period ended 31 December**	
in EUR thousand	**2015**	**2014**
Revenue	**9,917**	11,193
Profit/loss before income tax	**-162**	472
Post-tax profit	**-162**	472
Other comprehensive income	**-14**	8,161
Total comprehensive income	**-176**	**8,633**
Total comprehensive income allocated to non-controlling interests	-	2,962

Reconciliation to carrying amounts:

As at December 31, 2015

in EUR thousand	**2015**
Opening net assets 1 April	23,760
Profit/(loss) for the period	634
Other comprehensive income	-14
New capital invested	4,121
Closing net assets	**28,501**
Group's share in %	49.98%
Group's share in EUR thousand	14,245
	-4,371
Carrying amount	**9,874**

Carrying amount of investment into associate is comprised of Fair value of investment recognised on loss of control (EUR 9,557 thousand) and Group's share in associate result for the period 01.04.2015-31.12.2015 (EUR 317 thousand). Difference between Carrying amount of investment in associate and Group's share of associate's net assets is due to difference between Subsidiary's net assets and its fair value at loss of control.

30. GROUP STRUCTURE

The Group's parent company A/S Trigon Agri is registered in Denmark. The parent company owns directly nine subsidiaries (including a branch in Estonia), which are holding companies for the Group operations in Estonia, Ukraine, Russia. These holdings are: Trigon Farming AS (Estonia); TC Farming Russia Ltd. (Cyprus), TC Farming Ukraine Ltd. (Cyprus), Kenuria Holding Limited (Cyprus), Arsetta Investments Ltd. (Cyprus), United Grain (Suisse) SA (Switzerland), Trigon Dairy Farming AS (Estonia), Trigon Security Llc. (Ukraine), Trigon Agri A/S Eesti filiaal (Estonia).

TC Farming Russia and TC Farming Ukraine have both participations in their subsidiary companies in Ukraine and Russia due to the local legislation, which requires that at least two shareholders must exist. TC Farming

Ukraine owns also shares of the Ukrainian elevators. Trigon Dairy Farming AS owns milk production companies in Russia and a 49.98% stake in AS Trigon Dairy Farming Estonia (a holding company for milk production operations in Estonia).

All intermediary holding companies have members of the parent Company's Board of Directors as members of the management board, who are responsible for the management of the respective companies.

Transfer of funds from subsidiaries to A/S Trigon Agri 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, 2015 and 2014 the Group included the following companies:

	Country of registration	**Segment**	**Ownership percentage in 2015**	**Ownership percentage in 2014**	**Legal Status in the Group**
Trigon Agri Ltd.	Denmark	-	100%	100%	Parent company
TC Farming Ukraine Ltd.	Cyprus	-	100%	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	100%	Subsidiary
Arsetta Investments Ltd.	Cyprus	-	100%	100%	Subsidiary
Kenuria Holding Limited	Cyprus	-	100%	-	Subsidiary
Ennivolorous Holding Limited	Cyprus	-	100%	100%	Subsidiary
Costwern Ltd.	Cyprus	-	100%	100%	Subsidiary
Trigon Farming Ltd.	Estonia	-	100%	100%	Subsidiary
LLC Russian Agro Investors	Russia	-	99%	100%	Subsidiary
United Grain (SUISSE) SA	Switzerland	-	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	65.04%	64.87%	Subsidiary
LLC Kirovograd agroinvestment company	Ukraine	Ukraine	100%	100%	Subsidiary
LLC Topas	Ukraine	Ukraine	100%	-	Subsidiary
LLC Forest-3	Ukraine	Ukraine	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 Agroperspektiva	Ukraine	Ukraine	-	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%	100%	Subsidiary
OJSC Yavkinskiy elevator	Ukraine	Ukraine	92.33%	92.33%	Subsidiary
OJSC Novomirgorodski elevator	Ukraine	Ukraine	85.70%	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

	Country of registration	Segment	Ownership percentage in 2015	Ownership percentage in 2014	Legal Status in the Group
CJSC Novaja Ferma	Russia	Milk production	100%	100%	Subsidiary
LLC Schastlivaja Burjonka	Russia	Milk production	100%	100%	Subsidiary
LLC Morskoi Klub	Russia	Milk production	100%	100%	Subsidiary
LLC Russtroi	Russia	Milk production	100%	100%	Subsidiary
LLC Trigon Export Vostok (Volga-Grain)	Russia	Discontinued operations	100%	100%	Subsidiary
LLC Trigon-Elevator Vostok	Russia	Discontinued operations	100%	100%	Subsidiary
LLC Surskoe Zerno	Russia	Discontinued operations	100%	100%	Subsidiary
LLC Agroholding Moskovie	Russia	Discontinued operations	100%	100%	Subsidiary
LLC Agro	Russia	Discontinued operations	100%	100%	Subsidiary
CJSC Markon	Russia	Discontinued operations	99%	100%	Subsidiary
OJSC Plemennoy zavod Gashunskiy	Russia	Discontinued operations	100%	100%	Subsidiary
LLC Agropromoshlennoje predpriatie nr1	Russia	Discontinued operations	100%	-	Subsidiary
LLC Terra-Agro	Russia	Discontinued operations	100%	-	Subsidiary
LLC Surskaya Niva	Russia	Discontinued operations	-	100%	Subsidiary
LLC Surskiy Kray	Russia	Discontinued operations	-	100%	Subsidiary
LLC Sura Agro	Russia	Discontinued operations	-	100%	Subsidiary
LLC Surskoe Pole	Russia	Discontinued operations	-	100%	Subsidiary
LLC Agrofirma	Russia	Discontinued operations	-	100%	Subsidiary
CJSC Zimovnikovskiy agrocompany	Russia	Discontinued operations	-	100%	Subsidiary
Trigon Dairy Farming Estonia Ltd.*	Estonia	Interest in associates	49.98%	63.71%	Associate
LLC Kaiu LT	Estonia	Interest in associates	-	100%	Subsidiary of an associate
Kärla Farmers Cooperative	Estonia	Interest in associates	-	100%	Subsidiary of an associate
LLC Saare Farmer	Estonia	Interest in associates	-	100%	Subsidiary of an associate
LLC Eikla Agro	Estonia	Interest in associates	-	90%	Subsidiary of an associate
Väätsa Agro Ltd.	Estonia	Interest in associates	-	100%	Subsidiary of an associate

*As at December 31, 2015 the Group has an interest in associate in amount of 49.98% in Trigon Dairy Farming Estonia Ltd (Note 29).

31. RELATED PARTY TRANSACTIONS

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

AS Trigon Capital, which owns 7.81% of the total voting shares (7.81% at December 31, 2014) provided management services to the Group up until the end of 2015.

AS Trigon Dairy Farming Estonia (a holding company for milk production operations in Estonia where the Group has a 49.98% stake) is considered a related party.

Sales and purchases	**2015**	**2014**
Interests from related parties	12	1
Purchase of management services from Trigon Agri Advisors	-2,487	-3,057
Purchase of goods and services from related parties	-156	-139

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 2015 and in 2014.

in EUR thousand	**Salary (incl. social security costs)**	**Bonuses**	**Total**
2015			
Members of Board of Directors	66	-	66
Members of the Executive Board	168	-	168
	234	**-**	**234**
2014			
Members of Board of Directors	65	-	65
Members of the Executive Board	153	-	153
	218	**-**	**218**

The payments from the company to the Executive Board members in 2015 amounted to EUR 168 thousand (in 2014 EUR 153 thousand). In accordance with the management agreement signed between the Group and Trigon Agri Advisors, Executive Board members' compensation form a part of the management fee payable to Trigon Agri Advisors. Therefore, in each reporting period where payments are made directly from the Group to any Executive Board members, the management fee for such period is reduced by the corresponding amount as the payment to the Executive Board members during the period. The respective deduction of the management fee in 2015 stood at EUR 144 thousand (in 2014 EUR 144 thousand).

As of December 31,2015 the Group had liability to Board of Directors members in the amount of EUR 40 thousand (EUR 40 thousand as of December 31, 2014).

Balances from sales/purchases of goods/services	**31.12.2015**	**31.12.2014**
Payable to related parties (Note 12)	75	6

Other balances with related parties	**31.12.2015**	**31.12.2014**
Receivable from related parties (Note 6)	284	234

32. DISCONTINUED OPERATIONS AND DISPOSAL GROUP

On 3 November 2015, the Group announced that a framework agreement for the divestment of its Rostov cluster was signed (Russian cereals production) and land (including prepayment for land), buildings and borrowings related to the operations in Russian cereals production were reclassified to held for sale. The agreement foresees disposal in two stages with closing of the transaction no later than August 28, 2016.

Land and buildings (Note 10), including prepayment for non-current assets (Note 6) were remeasured to fair value less cost to sell resulting in a total loss of EUR 29,694 thousand (Note 10) and EUR 1,634 thousand (Note 6). Fair value was measured based on the signed framework agreement for the divestment of its Rostov cluster, as referred above. As a result assets held for sale in total amount of EUR 14,500 thousand and Liabilities directly associated with assets classified as held for sale in total amount of EUR 7,893 thousand were recognized.

In December 2015 part of Rostov cluster was disposed of at carrying value EUR 6,500 thousand and consideration receivable is recorded under Other receivables (Note 6) and as a result Currency translation differences were recycled from Other comprehensive income to Income statement in total amount of EUR 13,789 thousand.

As at December 31, 2015 the assets of disposal group were mortgaged and pledged at a carrying value of EUR 6,426 thousand for the benefit of the bank.

As at December 31, 2015 Currency translation differences related to assets held for sale included in Other comprehensive income amounted to EUR 18,903 thousand.

The results of operations related to Russian cereals production are distinguished from continuing operations and shown as discontinued operations.

Financial information related to the Rostov cluster is set out below, comparative figures have been reclassified for the Income statement and Cash flow.

Disposal group **in EUR thousand**	**31.12.2015**
Assets classified as held for sale:	
Property, plant and equipment	8,000
Total assets of the disposal group	**8,000**
Liabilities directly associated with assets classified as held for sale:	
Borrowings	7,893
Total liabilities of the disposal group	**7,893**
Total net assets of the disposal group	**107**

Liabilities directly associated with assets classified as held for sale

31.12.2015, in EUR thousand	**31.12.2015**	**Maturity**	**Interest rate**
EUR-nominated	7,893	2016	3m EUR LIBOR+6.0%, min 10%

Income statement information in EUR thousand	31.12.2015	31.12.2014
Total revenue, other income and fair value adjustments and net changes in inventories	4,682	7,678
Expenses	-7,671	-13,858
Gain/losses from exchange rate differences*	-1,104	-5,342
Loss before income tax from discontinued operations	**-4,093**	**-11,522**
Income tax	-24	-349
Loss after income tax from discontinued operations	**-4,117**	**-11,871**
Remeasurement to fair value less cost to sell (Note 10)	-31,328	-
Currency translation differences recycled from Other comprehensive income to Income statement	-13,789	-
Loss from discontinued operations	**-49,234**	**-11,871**

* The EUR 1,104 thousand loss from exchange rate differences in 2015 (loss of EUR 5,342 thousand in 2014) is a non-cash item and is due to the accounting treatment of the EUR loan which in Rouble terms increases and creates a currency translation loss in the local balance sheet of the Russian operations.

Fair value measurements

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write-down of EUR 29,019 thousand.

The fair value of the land was determined based on the signed framework agreement for the divestment of its Rostov cluster, as referred above. Measurement as per the fair value hierarchy set out in Note 3.3.

Comprehensive income information in EUR thousand	31.12.2015	31.12.2014
Profit/Loss for the period from discontinued operations	**-49,234**	**-11,871**
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Gain/loss on revaluation of land from discontinued operations	-3,185	3,185
Items that may be subsequently reclassified to profit or loss		
Currency translation differences from discontinued operations	-392	-20,989
Currency translation differences recycled from Other comprehensive income to Income statement	13,789	-
Other comprehensive income/expense for the period; net of tax from discontinued operations	**10,212**	**-17,804**
Total comprehensive income/expense for the period from discontinued operations	**-39,022**	**-29,675**

33. FEES TO THE AUDITORS APPOINTED BY THE SHAREHOLDERS

The following fees have been paid to PricewaterhouseCoopers:

in EUR thousand	**2015**	**2014**
Audit	273	292
Other assurance engagements	9	4
Tax advice and consultations	38	22
Other services	10	32
	330	**350**

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

LLC Dobruchi-2
LLC Trigon Export Vostok
OJSC Yavkinskiy elevator
OJSC Novomirgorodski elevator
OJSC Plemennoy zavod Gashunskiy
LLC Russian Agro Investors

Audit fees, other than fees to PricewaterhouseCoopers, amounted to EUR 41 thousand in 2015 (EUR 41 thousand in 2014).

34. EVENTS AFTER THE BALANCE SHEET DATE

In January 2016 the Group announced the partial disposal of the stake in Trigon Dairy Farming Estonia. The transaction completed involved selling 10.74% in AS Trigon Dairy Farming Estonia at a total price of EUR 1.5 million. This was EUR 0.6 million below the book value of the disposed stake. Following the transaction Trigon Agri retains an ownership stake of 39.24% in AS Trigon Dairy Farming Estonia. The shares were acquired by Ingman Development Oy Ab. The proceeds were not at this stage used to partially redeem the bonds in accordance with the terms and conditions of the bonds (as amended and restated on 26 February 2015), but were deposited on a bank account pledged in favor of the bondholders in accordance with a waiver granted by the holders' committee.

On March 4, 2016 the Company held an extraordinary general meeting where all proposed resolutions were adopted. The Company's 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. As part of the proposal, the relevant amendments to the articles of association of the Company were adopted. Among other items the extraordinary general meeting authorised the Board of Directors to issue convertible bonds. The extraordinary general meeting authorised the Board of Directors until 1 December 2016 in one or more issues to obtain one or more loans with an aggregate face value of minimum EUR 3,000,000 and up to an aggregate face value of EUR 6,000,000 against issuance of bonds, which give the lender right to convert his/her loan into shares in the Company ("convertible bonds"). Existing shareholders will have no pre-emptive right. The convertible bonds will be issued at market price which can be below par value of the convertible bonds. In addition hereto, the general meeting authorised the Board of Directors to carry out the related share capital increase with a maximum nominal amount of EUR 1,950,000 by issuing up to 195,000,000 new additional shares. The conversion price shall correspond to the market price, which is determined by the Board of Directors at the time of issue of the convertible bonds.

On March 23, 2016 the Company announced that EUR 1.5 million that was held on a bank account pledged in favor of the bondholders was released to Trigon Agri A/S, conditional upon a partial debt to equity swap to its bondholders. Trigon Agri A/S ("Trigon") has entered into an agreement with a committee of holders (the "Holders' Committee") under its SEK 350,000,000 11% bonds with ISIN SE0004019008 (the "Bond Loan"). Pursuant to the agreement, EUR 1.5 million will be released to Trigon from a blocked account which now serves as security for the holders of the Bond Loan (the "Bondholders"). Following fulfilment of certain conditions, a SEK amount equivalent to EUR 6 million in aggregate (rounded down to the nearest whole SEK per Bond) will be redeemed from the Bond Loan and the Bondholders may jointly through a Swedish public limited liability company (the "Subscriber"), assuming full conversion, become owners of 195 million shares in Trigon (equivalent to 60 per cent. of the shares and votes in Trigon on a pro forma basis). Trigon is obliged to repay EUR 1.5 million to the blocked account if all applicable conditions are not fulfilled by 17 May 2016. For further information please refer to the full announcement text available on the Company website.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

in EUR thousand	Note	31.12.2015	31.12.2014
ASSETS			
Current assets			
Cash and cash equivalents	5	127	1,354
Trade and other receivables	7	25,278	11,555
		25,405	**12,909**
Non-current assets			
Investments in subsidiaries	6	57,909	132,028
Trade and other receivables	7	14,982	15,746
		72,891	**147,774**
Total assets		**98,296**	**160,683**
LIABILITIES			
Current liabilities			
Trade and other payables	8	7,622	4,259
Borrowings	9	1,459	39,339
		9,081	**43,598**
Non-current liabilities			
Long-term payables	8	-	29
Borrowings	9	39,219	695
		39,219	**724**
Total liabilities		**48,300**	**44,322**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	10	64,814	64,814
Share premium	10	99,941	99,941
Retained earnings	10	-114,759	-48,394
Total equity		**49,996**	**116,361**
Total equity and liabilities		**98,296**	**160,683**

STATEMENT OF THE COMPREHENSIVE INCOME OF THE PARENT COMPANY

in EUR thousand	Note	2015	2014
Revenues	11	14,402	4,122
Other income		1,278	15
Cost of purchased goods for trading purposes	12	-7,736	-
Employee benefits expense	13	-768	-808
Other expenses		-4,087	-4,725
Impairment losses	15	-65,289	-10,663
Gains/losses from exchange rate differences		-2,415	2,490
Interest income	14	3,213	3,083
Interest expense	14	-4,963	-4,657
Net loss before income tax		**-66,365**	**-11,143**
Corporate income tax		-	-
Net loss for the period		**-66,365**	**-11,143**
Other comprehensive income		-	-
Total comprehensive loss for the period		**-66,365**	**-11,143**

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

in EUR thousand	Share capital	Share premium	Retained earnings/loss	Total
Balance at 31.12.2013	**64,814**	**99,941**	**-37,251**	**127,504**
Total comprehensive income/loss for the period	-	-	-11,143	**-11,143**
Balance at 31.12.2014	**64,814**	**99,941**	**-48,394**	**116,361**
Total comprehensive income/loss for the period	-	-	-66,365	**-66,365**
Balance at 31.12.2015	**64,814**	**99,941**	**-114,759**	**49,996**

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

In EUR thousand	Note	2015	2014
Cash flows from operating activities			
Cash receipts from customers		12,772	4,530
Cash paid to suppliers and employees		-9,499	-5,671
Proceeds from interest repayments from subsidiaries		-	1,488
Net cash used in/generated from operating activities		**3,273**	**347**
Cash flows from investing activities			
Subsidiary share capital decrease		170	6,782
Loan payments to subsidiaries		-4,105	-12,070
Proceeds from loan repayments from subsidiaries		4,234	10,399
Net cash used in/generated from investing activities		**299**	**5,111**
Cash flows from financing activities			
Interest paid		-4,727	-4,219
Repayments of borrowings		-50	-3
Lease repayments		-98	-98
Net proceeds from loans from subsidiaries		-	210
Net cash used in financing activities		**-4,875**	**-4,110**
Net increase in cash and cash equivalents		-1,303	1,347
Effects of exchange rate changes on cash and cash equivalents		76	-23
Cash and cash equivalents at beginning of period	5	1,354	30
Cash and cash equivalents at end of period	5	**127**	**1,354**

NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. GENERAL INFORMATION

The Company was established on December 11, 2006. Trigon Agri A/S (‘the Company”) is the parent company of the Trigon Agri 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 "Trigon Agri 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 the additional Danish requirements for annual reports.

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

2. ACCOUNTING PRINCIPLES

<u>Basis of preparation of the financial statements of the parent company.</u>

The financial statements of Trigon Agri A/S have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU (IFRS) and additional Danish disclosure requirements for listed companies. 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.

<u>Long-term investments in subsidiaries and associate companies</u>

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 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

Impartment test was performed as at December 31 2015 and 2014.

Same inputs were used for impairment test as in consolidated financial statements described in note 4.1 (d).

4. FINANCIAL RISK MANAGEMENT

Financial risk management principles of Trigon Agri A/S correspond to the principles used for the whole Group. For further information of 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.

5. CASH AND CASH EQUIVALENTS OF THE PARENT COMPANY

in EUR thousand	2015	2014
Cash at bank and on hand	127	1,354
	127	**1,354**

As at December 31, 2015 (and December 31, 2014) there were 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 SUBSUDIARIES

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

in EUR thousand	2015	2014
TC Farming Ukraine Ltd.	40,513	40,513
Arsetta Investments Ltd.	2	2
United Grain (SUISSE) Ltd.	834	834
Ltd Trigon Dairy Farming	14,345	14,345
Llc Trigon Security	28	28
Trigon Farming Ltd.	2,187	2,187
Ennivolorous Holding Limited	-	74,119
	57,909	**132,028**

During 2015 Ennivolorous Holding Limited was sold to the group companies which resulted in loss in amount of 59,954 thousand euros Note 15.

As of December, 31 2015 the parent company owned directly the following companies:

	Country of registration	Segment	Ownership persentage	Legal Status in the Group
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
Arsetta Investments 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
Kenuria Holding Limited	Cyprus	-	100%	Subsidiary

As of December, 31 2014 the parent company owned directly the following companies:

	Country of registration	Segment	Ownership persentage	Legal Status in the Group
TC Farming Ukraine Ltd.	Cyprus	-	100%	Subsidiary
TC Farming Russia Ltd.	Cyprus	-	100%	Subsidiary
Arsetta Investments 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
Ennivolorous Holding Limited	Cyprus	-	100%	Subsidiary

7. TRADE AND OTHER RECEIVABLES

in EUR thousand	**2015**	**2014**
Current receivables:		
Receivables from subsidiaries *	24,312	11,009
Short-term loans given to subsidiaries	746	195
Other receivables	127	91
Total current receivables	**25,185**	**11,295**
Current prepayments:		
Prepayments	76	250
Prepayments for indirect taxes	17	10
	93	**260**
Total current receivables and prepayments	**25,278**	**11,555**
Non-current receivables:		
Receivables from subsidiaries	-	41
Loans to subsidiaries	14,981	15,675
Other non-current receivables	1	30
Total non-current receivables	**14,982**	**15,746**
Total receivables and prepayments	**40,260**	**27,301**

* Receivables from subsidiaries as at December 31, 2015 include receivables for sale of Ennivolorous Holding Limited to the group companies in amount of 14,165 thousand EUR (Note 6).

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

in EUR thousand	**31.12.2015**	**31.12.2014**
TC Farming Ukraine Ltd.	15,544	10,583
TC Farming Russia Ltd.	14,023	3,630
Russian Agro Investors Ltd.	-	2,437
Surskoe Zerno Ltd.	-	216
Trigon Dairy Farming Ltd.	10,223	9,399
OAO Plemennoy Zavod Gashunsky	-	195
Ennivolorous Holding Limited	-	100
LLC Trigon Farming Kharkiv	249	224
Other	-	136
Total receivables	**40,039**	**26,920**

During 2015 receivables from the group companies were impaired in amount of EUR 3,831 thousand (2014: 0 EUR) and loans to the group companies were impaired in amount of EUR 1,504 thousand (2014: EUR 10,663 thousand) to reflect the losses in the Russian cluster, including currency translation losses (Note 15).

The timing of proceeds of trade receivables and short-term loans is as follows:

in EUR thousand	31.12.2015	31.12.2014
Up to 3 months	93	260
Over 6 months	25,058	11,204
	25,151	**11,464**
including receivables not due	25,151	11,464

The expected timing of proceeds from other receivables is as follows:

in EUR thousand	31.12.2015	31.12.2014
Up to 3 months	64	22
3 to 6 months	-	11
Over 6 months	63	58
	127	**91**
including receivables not due	127	91

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

	2015	2014
Loans to related parties	7.0-11.0%	7.0-11.0%

The carrying amount of the trade and other receivables were dominated in the following currencies:

in EUR thousand	31.12.2015	31.12.2014
US dollar	995	-
Russian ruble	-	17
Euro	39,265	27,284
	40,260	**27,301**

8. TRADE AND OTHER PAYABLES

in EUR thousand	31.12.2015	31.12.2014
Trade payables	892	87
Trade payables to related parties (Note 16)	2,950	-
Social security and other taxes	16	20
Accrued expenses	383	282
Amounts due to related parties (Note 16)	3,381	3,899
	7,622	**4,288**
Less: non-current portion	-	29
	7,622	**4,259**

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

in EUR thousand	31.12.2015	31.12.2014
Euro	7,622	4,288
	7,622	**4,288**

9. BORROWINGS

in EUR thousand	31.12.2015	31.12.2014
Current		
Bonds	1,397	39,172
Borrowings from subsidiaries (Note 16)	23	71
Finance lease payables	39	96
	1,459	**39,339**
Non-current		
Bonds	38,537	-
Borrowings from subsidiaries (Note 16)	682	695
Finance lease payables	-	41
	39,219	**736**
Total borrowings	**40,678**	**40,075**

Total future finance lease minimum payments

in EUR thousand	31.12.2015	31.12.2014
up to 12 months	138	96
1-5 years	34	139
	172	**236**
Future interests	1	1
Present value of the lease	171	235

As at December 31, 2015 borrowings in amount of EUR 40,678 thousand (EUR 40,075 thousand as at December 31, 2014) include liability for SEK-nominated bonds with maturity date in August 31, 2017 in amount of EUR 39,934 thousand (EUR 39,172 thousand as at December 31, 2014), including accrued interests in amount of EUR 1,397 thousand (EUR 2,049 thousand as at December 31, 2014). The bonds are nominated in SEK and are bearing annual fixed interest rate of 11%. For further information please refer to consolidated financial statements Note 13. Finance lease is bearing 3-month EURIBOR interest rate and is due in 2016.

10. SHARE CAPITAL OF THE PARENT COMPANY

in EUR thousand	Number of shares	Ordinary shares	Share capital	Share premium	Total
Balance at 31.12.2013	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
Balance at 31.12.2014	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**
Balance at 31.12.2015	**129,627,479**	**129,627,479**	**64,814**	**99,941**	**164,755**

No changes in share capital in the last 5 years .

11. REVENUE AND OTHER INCOME

in EUR thousand	**2015**	**2014**
Sales of cereals	10,641	-
Sales of services	3,761	4,122
TOTAL revenue	**14,402**	**4,122**

Revenues of EUR 7,092 thousand (2014: 0 EUR) are derived from one external customer and revenues of EUR 1,948 thousand (2014: 0 EUR) are derived from second external customer. These revenues are attributable to Sales of cereals. Sale of services includes revenue to related parties in amount EUR 3,404 thousand (2014: EUR 3,967 thousand) (Note 16).

12. COST OF PURCHASED GOODS FOR TRADING PURPOSES

in EUR thousand	**2015**	**2014**
Cost of goods sold (Note 16)	-7,736	-
Total cost of goods sold	**-7,736**	**-**

13. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense in amount of EUR 768 thousand (EUR 808 thousand in 2014) includes salary expenses in amount of EUR 595 thousand (EUR 624 thousand in 2014) and social tax expenses in amount of EUR 173 thousand (EUR 184 thousand in 2014). The average number of employees in 2015 was 16 (21 in 2014).

in EUR thousand	2015	2014
Fees of Members of Board of Directors and Executive Board (Note 16)	196	184
Social security costs related to fees of Members of Board of Directors and Executive Board (Note 16)	38	34
	234	**218**
Wages and salaries	399	440
Social security costs	135	150
	534	**590**
	768	**808**

14. FINANCE INCOME AND FINANCE COST

in EUR thousand	2015	2014
Interest income from related parties (Note 16)	3,213	3,083
	3,213	**3,083**
Bond interests	-4,932	-4,634
Other interests	-31	-23
	-4,963	**-4,657**

15. IMPAIRMENT LOSSES

in EUR thousand	2015	2014
Receivables impairment (Note 7)	-3,831	-
Loss from sale of investments (Note 6)	-59,954	-
Loan impairment (Note 7)	-1,504	-10,663
	-65,289	**-10,663**

16. RELATED PARTY TRANSATIONS

in EUR thousand

Sales and purchases	2015	2014
Sale of services to group companies	3,404	3,967
Including re-charged expenses	2,606	2,901
Cost of purchased goods for trading purposes	7,736	-
Purchase of management services - AS Trigon Capital and its subsidiaries	2,412	2,756
Purchase of goods and services from AS Trigon Capital and its subsidiaries	153	139
Interest income from related parties (Note 14)	3,213	3,083

The following table sets forth the aggregate gross amounts of salaries and other remuneration to the Board of Directors and Executive Board in 2015 and in 2014.

in EUR thousand		Salary (incl social security costs)	Bonuses	Total
	2015			
Members of Board of Directors		66	-	66
Members of the Executive Board		168	-	168
		234	**-**	**234**
	2014			
Members of Board of Directors		65	-	65
Members of the Executive Board		153	-	153
		218	**-**	**218**

Balances from subsidiaries and other group companies

in EUR thousand	**31.12.2015**	**31.12.2014**
Receivables (Note 7)	24,315	11,050
Loan receivables (Note 7)	15,724	15,870
Payables (Note 8)	2,950	-
Borrowings (Note 9)	705	766

Balances from AS Trigon Capital	**31.12.2015**	**31.12.2014**
Payable to AS Trigon Capital and its subsidiaries	45	4

17. FEES TO THE AUDITORS OF THE PARENT COMPANY

in EUR thousand	**2015**	**2014**
Audit	219	214
Other assurance engagements	4	4
Tax advice and consultations	19	20
Other services	10	17
	252	**255**

MANAGEMENT´S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Trigon Agri A/S for the financial year 1 January – 31 December 2015.

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 additional Danish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2015 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 2015.

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.

Copenhagen, March 31, 2016

___________________	___________________	___________________
Peter Gæmelke	René Nyberg	Raivo Vare
Chairman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors

____

David Mathew

Member of the

Board of Directors

___________________	___________________
Joakim Helenius	Konstantin Kotivnenko
Chairman of the Executive Board	Member of the Executive Board

INDEPENDENT AUDITORS´S REPORT

To the Shareholders of Trigon Agri A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Trigon Agri A/S for the financial year 1 January to 31 December 2015, which comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management’s Responsibility for the Consolidated Financial Statements and the Parent Company 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 Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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 Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our 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 2015 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 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Emphases of Matters

Situation in Ukraine and Russia

We draw your attention to Note 4.3 to the consolidated financial statements, which states that the operations of the Group have been adversely affected and may continue to be affected for the foreseeable future, by the continuing political and economic uncertainties in Ukraine and Russia. Our opinion is not qualified in respect of this matter.

Going Concern

We draw your attention to Note 4.4 to the consolidated financial statements, which describes the plans and actions initiated to have sufficient liquidity to finance the Group's operations in 2016. As mentioned in the note, the plans and circumstances indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, March 31, 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Jens Otto Damgaard
State Authorised Public Accountant

Thomas Lauritsen
State Authorised Public Accountant

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/ weighted average 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.* Equity ratio measures financial leverage, demonstrating the capital structure of a company.
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 /Equity excluding minority interest.* Return on equity relates income with the equity capital measuring management's ability and efficiency in generating return to the shareholders of the Company.
Book value per share	*Total Stockholders' equity/ weighted average 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.
Dividends per share	*Dividends/ weighted average number of common shares outstanding during the period (in accordance with IAS 33).* The total dividends paid out over an entire year divided by the number of outstanding ordinary shares issued.