



Trigon Agri A/S: Notice convening an extraordinary general meeting of Trigon Agri A/S

The Board of Directors hereby gives notice of an extraordinary general meeting of Trigon Agri A/S, CVR No. 29 80 18 43 (the "**Company**") to be held on

Thursday 10 November 2016, at 2:00 pm (CET)

at **Plesner Law Firm, Amerika Plads 37, DK-2100 Copenhagen OE, Denmark** with the following agenda:

1. 1. Resolution to authorise the board of directors to increase the share capital of the Company by way of conversion of bonds into new shares in the Company

The board of directors proposes that the shareholders authorize the board of directors to increase the share capital of the Company by way of conversion of debt originating from the SEK 350,000,000 11% bonds issued by the Company (ISIN SE0004019008) (the "**Bonds**") into up to 1,598,730,000 new shares in the Company of nominally EUR 0.01 (for a total of nominally EUR 15,987,300), representing a conversion ratio of 45,678 new shares of nominally EUR 0.01 for each bond of nominally SEK 10,000. The subscription for the new shares shall take place at least at market price (or other terminology with similar meaning) as determined by the board of directors taking into account a statement from an independent expert which may be below the quoted price of the existing shares of the Company on Nasdaq Stockholm.

The authorization shall be valid until 31 January 2017 and may only be utilized once.

1. 2. Resolution to authorise the board of directors to issue warrants to the existing shareholders

The board of directors proposes that the shareholders authorize the board of directors to issue warrants which shall entitle the recipients to subscribe for an aggregate of 209,398,236 new shares in the Company (for a total of nominally EUR 2,093,982.36), representing an allocation ratio of 21 new warrants of nominally EUR 0.01 for 13 shares of nominally EUR 0.01. The board of directors may only issue warrants to the existing shareholders. The warrants shall be issued and granted free of charge to the recipients.

The authorization shall be valid until 31 January 2017 and may only be utilized once.

1. 3. Resolution to remove the authorization to the board of directors to issue convertible bonds

The board of directors proposes that the shareholders amend the articles of association by removing article 4.6. According to article 4.6 the board of directors is authorized until 1 December 2016 to issue convertible bonds.

Background for the restructuring

Overall, volatile economic environment in Ukraine and Russia have impacted the financial results of the Company. In 2013 the Company decided to divest its non-profitable Russian cereal production clusters (discontinued operations) and focus on the Ukrainian business (continuing operation), however considering the worsening economic climate, finding buyers with acceptable terms proved challenging. Therefore, financial results for 2014 and onwards were influenced by the divestment processes and devaluation of the Rouble and Hryvna as in 2015 the Company booked a net loss of EUR 49.2 million from discontinued operations, relating to the revaluation of the Russian business to fair value and currency translation differences.

The restructuring of the business continued during the first half of 2016, with the most significant event being the divestment of the Rostov business for the price of EUR 13.3 million, allowing full repayment of the Rietumu bank loan (including interest) of EUR 8 million. The net proceeds from the sale were used to pay the annual interest of the Bonds on 31 August 2016 and the balance was released to the Company as working capital. The loss from the Rostov divestment during the first half of 2016 amounted to EUR 22.1 million, out of which currency translation differences in the amount of EUR 19.9 million were recycled from "other comprehensive income" to the income statement.

Cost reductions in operations

In order to improve its financial results, the Company has focused on a continuous reduction of its costs, especially related to overhead. The Company has relocated its head office in Tallinn to more modest premises and is now operating with a reduced team which has lowered the costs by EUR 0.3 million for the first half of 2016. The termination of the management fee paid to the Company's previous management services provider (AS Trigon Capital) since 1 January 2016 has further contributed to the cost saving for the Company (EUR 2.5 million in 2015). In total, the EBITDA for continuing operations (excluding Rostov business) increased from EUR 9.7 million during the first half of 2015 to EUR 12.3 million during the first half of 2016, showing a strong improvement in efficiency.

Current trading

The Company demonstrated strong operational results. It finished the 2016 winter crop harvest in August with yields above expectations although the crop was affected by a dry autumn in 2015. Rainfall levels have been variable in July and August across the regions where the Company operates: generally the Nikolaev and Kirovograd regions have been relatively dry, whilst the Kharkov region has been quite wet. This was positive for the summer crops in the Kharkov region, but did raise some quality issues with wheat. The 2016 oilseed rape crop yielded an average of 1.5 tonnes/ha which was as forecasted. Sowing of the 2017 crop commenced at the end of July and is expected to be completed by the end of October 2016. This year there is at present adequate moisture for germination. For the 2017 winter wheat harvest the Company is targeting 22 thousand ha. In summary the yields of wheat and oilseed rape were as expected, somewhat lower than the Company's 5-year average, due to as reported in May, having been adversely affected by the very dry autumn in 2015. It should however be noted that the direct inputs, particularly nitrogen fertilizer were reduced significantly on these crops in recognition of the perceived lower potential, so that the costs were in effect tailored to the potential yield. In total fertilizer costs were reduced by EUR 1.7 million for 1H 2016.

Considering the positive harvest results coupled with the signed export contracts trading at a premium compared to the domestic prices, the Company expects higher revenue from the sales of the 2016 harvest notwithstanding the bottomed commodity prices worldwide. Overall, the Ukrainian business is showing relatively positive development trend and is expected to benefit even more from the rise in prices.

However, losses from the divestment coupled with the devaluations of the currencies severely damaged the balance sheet and income statement of the Company putting at risk the fulfilment by the Company of its financial obligations to the creditors. The situation was worsened by the monetary and foreign currency control legislation in Ukraine which still is a considerable obstacle in managing group-wide cash requirements outside of Ukraine. It also adversely affected and continues to affect the ability of the Company to meet its financing obligations at the parent company level including the possibility to pay interest, deposit quarterly payments and repay the principal amount of the Bonds.

Way forward

In the beginning of 2016 the Company initiated a process for a partial debt to equity swap which was accepted by the bondholders on 27 April 2016 (available at: <http://www.trigonagri.com/trigon-agri-as-bondholders-have-approved-proposals-submitted-for-voting-in-written-procedure/>). Despite the costs reductions and improved production the new board of directors of the Company has come to the conclusions that a full debt to equity swap is needed for the Company to meet its obligations in the short and long run as the Company in the current macro- and microeconomic environment is not able to meet its financial obligations and initiated discussions with major shareholders and bondholders which led to a preliminary agreement on the main terms and conditions of a proposed full conversion of the Bonds into new shares of the Company. The full debt to equity conversion will allow the Company to overcome various negative factors in the medium and long term. The anticipated stabilization of the Ukrainian and Russian currencies is expected to improve the value of the asset base of the Company allowing also for higher value of the collaterals for the banks.

The full conversion of the Bonds will enable the Company to manage and fulfil its existing financial obligations as opposed to defaulting on them. Thus, the Company will be able to prolong its working capital loans for 2017 as one of the preconditions of the Ukrainian working capital loans prolongation/renewal is decreasing by the Company of the outstanding obligations under the Bonds. Failure to convert the Bonds into the share capital will lead to the Company's inability to fulfil its obligation to repay working capital loans to the Ukrainian banks. Furthermore, the conversion of the Bonds into the share capital will allow the Company to improve its balance sheet by reducing its interest bearing liabilities of EUR 54.8 million to EUR 14.2 million (as stated in the last second quarter 2016 report). Thus going forward, the Company will have a much stronger balance sheet and also reduced interest costs as it will not have to pay the Bonds' annual interest in amount of SEK 38.5 million (approximately EUR 4 million).

With financial liabilities managed and without the pressure of the potential default, the Company can focus on the development of its profitable Ukrainian business and its assets such as machinery, infrastructure and land to generate higher income. Considering the current bottomed prices, the Company has a strong advantage after the recovery of the current low price environment.

Conversion of the Bonds into the share capital of the Company is seen as the most adequate and efficient solution to the current financial situation of the Company enabling it to continue its operation focusing on enhancing the profitability of its business in Ukraine.

Main features of the restructuring

The key features of the restructuring is (i) a full debt-to-equity swap, through a capital increase by debt conversion, of the Bonds into new ordinary shares in the Company into up to 1,598,730,000 new shares, ranking pari passu with all currently existing shares in the Company, and (ii) the offer to all of the shareholders of the Company, to receive 21 warrants for each 13 shares held in the Company, each warrant allowing for subscription for one (1) share, for a total of up to 209,398,236 shares if all warrants are exercised. The new shares will be listed on Nasdaq Stockholm Main Market. The warrants will be listed either on Nasdaq Stockholm Main Market or on Nasdaq First North.

As announced in the 14 September 2016 press release of the Company (available at: <http://www.trigonagri.com/trigon-agri-as-preliminary-agreement-on-the-full-debt-to-equity-swap/>) the Company have reached a preliminary agreement with its major shareholders and bondholders on the main terms and conditions of a proposed full conversion of all the Bonds into the new shares of the Company. The more de-tailed terms and conditions of the full conversion of the Bonds into new shares are available on <http://www.trigonagri.com/wp-content/uploads/2016/09/Formal-debt-equity-swap-offer-2016-09-05.pdf>. As a condition for the abovementioned restructuring to occur, the holders of the SEK 350,000,000 11% bonds must vote in favour of the restructuring and certain other matters, with the majority and quorum requirements as re-quired in the bond terms. As of the date of this Notice bondholders controlling 21,780 bonds with the total nominal amount of SEK 217,800,000 representing 62.22% of the total amount of bonds have communicated their binding commitment and intention to approve the terms of the full conversion of the bonds into new shares and the issue of the warrants. The details hereon are further described in notice to the bondholders, announced pursuant to the EU Market Abuse Regulation on 19 October 2016 at 8:30 CET.

The proposal to the bondholders of the Company may be summarised as follows:

This proposal to amend and restate the terms and conditions of the Bonds is to enable the conversion of the Bonds into new shares of the Company where 1 bond with a nominal value of SEK 10,000 will give right to 45,678 shares in the Company. The bondholders will be asked to amend the terms and conditions of the Bonds and to make possible the conversion of the outstanding Bonds in the total amount of SEK 350,000,000 into share capital of the Company, meaning that in return for their claims on the Bonds each bondholder will receive shares in the Company. Each SEK 10,000 bond will entitle the holder to 45,678 shares.

Warrant terms

The key terms of the warrants will be as follows:

- The warrants can be ordinarily exercised in two windows; (i) during the first month following the issue of the warrants (at an exercise price of EUR 0.02), or (ii) during the last month of the third consecutive year following the issue of the warrants (at an exercise price of EUR 0.03) and
- The warrants can be extraordinarily exercised following the occurrence of certain events (e.g. merger event, tender offer, nationalization, insolvency, delisting, spin-off, etc.) at an exercise price of EUR 0.02 plus eleven (11) per cent annual compounded interest, calculated from the date of issuance. Unexercised warrants will lapse.
- The warrants will be electronic securities admitted to trading and official listing either on Nasdaq Stockholm Main Market or on or Nasdaq First North and be freely tradable.
- Warrant holders shall be entitled to the rights pertaining to the shares only after the warrant holders have become registered shareholders

of Trigon Agri A/S following the exercise of the warrants (right to vote, right to dividends and other payments etc.).

Following the completion of the conversion of the Bonds and issue of new shares, the share capital of Trigon Agri will be allocated as follows*:

	Current share capital structure	Post conversion share capital structure	Shareholding in percentages %
Current shareholders' shares	129,627,479	129,627,479	7.5%
Bondholders shares	0**	1,598,730,000(1,598,738,908)	92.5%
Total number of shares:	129,627,479	1,728,357,479(1,728,366,387)	100%

* In order to secure the Danish company law compliance and avoid roundings it has been necessary to amend the conversion/allocation ratios to the effect that each SEK 10,000 bond gives right to 45,678 shares and in respect of the warrants the allocation ratio has been changed to the effect that each 13 existing shares gives right to receive 21 warrants. Please note that the ownership percentage ratio will remain as previously reported.

** Does not count any bondholder who may be a shareholder prior to the debt conversion into shares.

In order to show the changes in the number of shares and warrants the previously reported numbers are written in brackets and in italics after the number that has been amended since the publication of the debt to equity conversion proposal by the major bondholders and the major shareholders.

Therefore, immediately following the completion of the conversion of the Bonds into new shares of the Company the bondholders will in aggregate hold 92.5% of the share capital and the current shareholders will in aggregate hold 7.5% of the share capital of the Company.

Following a full exercise of the warrants the current shareholders will in aggregate hold 17.5% and the bondholders will in aggregate hold 82.5% of the share capital of the Company*:

	Prior exercise share capital structure	Warrants	Post exercise share capital structure	Shareholding in Percentages %
Current shareholders shares	129,627,479	209,398,236(209,498,956)	339,025,715(339,126,435)	17.5%
Bondholders shares	1,598,730,000(1,598,738,908)	0**	1,598,730,000(1,598,738,908)	82.5%
Total number of shares/warrants:	1,728,357,479(1,728,366,387)	209,398,236(209,498,956)	1,937,755,715(1,937,865,343)	100%

* Please refer to the above asterisk note for comment.

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Indicative Timetable

The following timetable is only indicative of the expected timing of the summarized steps set out herein.

Event	Date	Description
<i>Launch Date</i>	19 October 2016	Notice for extraordinary general meeting and bondholders' meeting is published (simultaneously)
<i>Bondholders' meeting</i>	9 November 2016	The bondholders' meeting
<i>Extraordinary General meeting</i>	10 November 2016	Extraordinary general meeting
<i>Publication of prospectus</i>	30 November 2016*	Prospectus is published
<i>Issuance and distribution of shares</i>	1 December 2016*	New shares are issued and distributed to the bondholders
<i>Cancellation of bonds</i>	1 December 2016*	Bonds are cancelled
<i>First day of trading for the new shares</i>	5 December 2016*	First day of trading of the new shares
<i>Expiry of acceptance period for warrants</i>	31 December 2016*	Existing shareholders must accept the offer to receive warrants by this date
<i>Issuance and distribution of warrants</i>	2 January 2017*	The warrants are distributed to the existing shareholders
<i>First day of trading for the warrants</i>	5 January 2017*	First day of trading of the warrants

*the dates marked with asterisk are tentative. The prospectus will be approved and published as soon as possible, but no assurances can be given regarding the exact date, which may be prior to or after 30 November 2016. The subsequent dates in the timetable will be amended accordingly.

registration, admission, proxy and postal vote

Registration date

A shareholder's right to participate in the general meeting and the number of votes, which the shareholder is entitled to cast, is determined in accordance with the number of shares held by such shareholder on Thursday 3 November 2016 (the *registration date*), see article 8.4 of the Company's articles of association. The shares held by each shareholder are determined at the registration date on the basis of the shareholdings registered in the share register and in accordance with any notices on shareholding received, but not yet registered, by the Company in the share register.

Deadline for notice of attendance

A shareholder (or its proxy) wishing to attend the general meeting must give notice of his or her participation to the Company, see article 8.5 of the articles of association. Similarly, the shareholder's advisor (or the shareholder's proxy's advisor) must give notice of his or her participation to the Company.

A shareholder's notice of attendance must be given to the Company using the notice of attendance form attached as **Appendix 1**, which shall be sent, duly completed and signed, to VP Investor Services, Weidekampsgade 14, 2300 Copenhagen S, Denmark or by e-mail to **vpinvestor@vp.dk** for receipt no later than Friday 4 November 2016, 11:59pm (CET). The admission card for attendance will be sent to the address indicated in the form.

Representation by proxy

If you are prevented from attending the general meeting, you may appoint a proxy, e.g. the board of directors, to cast the votes carried by your shares.

If you wish to appoint a proxy, please return the instrument of proxy form attached as **Appendix 2**, duly signed and dated, to VP Investor Services A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark or by e-mail to **vpinvestor@vp.dk** for receipt no later than Friday 4 November 2016, 11:59pm (CET). The admission card for the proxy's attendance will be sent to the address indicated in the form.

Postal vote

You may also submit your votes by mail before the date of the meeting. If you wish to vote by mail, please fill in and return the postal vote form attached as **Appendix 3**, duly signed and dated, to VP Investor Services, Weidekampsgade 14, 2300 Copenhagen S, Denmark or by e-mail to **vpinvestor@vp.dk** for receipt no later than Wednesday 9 November 2016, 4.59pm (CET).

Notice of attendance, instrument of proxy and postal vote forms may be downloaded from the Company's website, **www.trigonagri.com**.

Information to shareholders who hold their shares through Euroclear Sweden through a nominee

The following information is to shareholders who hold their shares through Euroclear Sweden AB ("**Euroclear Sweden**") through a nominee.

In order to attend the annual general meeting and exercise your voting rights, you must register your voting rights temporarily in the register of shareholders (the "**Register of Shareholders**") and complete the notice of attendance form, the proxy form or the postal vote form in accordance with the instructions set out above.

Registration process for voting rights:

Direct-registered holders:

Shareholders who hold their shares on an account directly with Euroclear Sweden, a CSD-account (in Swedish: "*Vp-konto*") will automatically be included in the Register of Shareholders and do not have to perform any registration regarding voting rights.

Nominee-registered holders:

To be registered and entitled to vote at the annual general meeting, shareholders who hold shares via a nominee must act in accordance with the instructions set out below:

Nominee-registered shareholders must request the nominee to register their shares temporarily in their own name in the Register of Shareholders.

The registration of voting rights must be completed in due time before end of business (CET) Thursday 3 November 2016.

Share capital and voting rights

The Company's share capital amounts to EUR 1,296,274.79, divided into shares of EUR 0.01, ref. article 3.1 of the Company's articles of association. Pursuant to article 8.1, each share of EUR 0.01 carries one vote:

Number of shares: 129,627,479.

Number of votes: 129,627,479.

agenda etc.

The agenda, with the full text of all proposals to be submitted to the general meeting will be available for inspection by the shareholders as of 19 October 2016 inclusive at the Company's website, **www.trigonagri.com**.

The complete, unabridged text of the documents to be submitted to the general meeting, as well as the agenda with the full text of all proposals to be submitted to the general meeting are available at the Company's website: www.trigonagri.com.

The following information will be made available at the Company's website, **www.trigonagri.com** as of 19 October 2016:

- 1) Notice convening the meeting;
- 2) The total number of shares and voting rights as at the date of the notice;
- 3) The documents to be submitted to the general meeting;
- 4) The agenda and the full text of the proposals; and
- 5) The forms to be used for voting by proxy and by post.

questions from the shareholders

Shareholders may prior to the extraordinary general meeting in writing submit questions concerning the agenda and the documents to be considered at the general meeting. Questions must be sent by email no later than Friday 4 November 2016 to mail@trigonagri.com, marked "EGM".

Questions will be answered in writing or orally at the general meeting, unless prior to the meeting the answer is available via a questions/answers function on the Company's website, www.trigonagri.com.

language

The general meeting will be conducted in English in accordance with article 9.4 of the Company's articles of association.

Copenhagen, 19 October 2016

On behalf of the Board of Directors of Trigon Agri A/S

Johannes Bertorp

Chairman

Investor enquiries:

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

About Trigon Agri

Trigon Agri is an integrated soft commodities production, storage and trading company with operations in Ukraine, Russia and Estonia. Trigon Agri's shares are traded on the main market of Nasdaq Stockholm.

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

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

This information is information that Trigon Agri A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:30 CET on 19 October 2016.