INFORMATION FOR HOLDERS OF SWEDISH DEPOSITORY RECEIPTS IN BLACK EARTH FARMING LTD

Information for holders of SWEDISH DEPOSITORY RECEIPTS ahead of the Annual General Meeting on 11 August 2017 regarding the Board’s proposal for a redemption programme of Black Earth Farming Ltd by way of a split and mandatory redemption procedure.
OVERVIEW

DEFINITIONS

Black Earth Farming or the Company refers to Black Earth Farming Ltd

The AGM refers to the Annual General Meeting in Black Earth Farming Ltd to be held on 11 August 2017

The Board refers to the Board of Directors of Black Earth Farming Ltd

Nasdaq Stockholm refers to Nasdaq Stockholm AB (the Stockholm Stock Exchange)

SDB refers to Swedish Depository Receipt in Black Earth Farming

SDB IL refers to Redemption Depository Receipt in Black Earth Farming

Euroclear refers to Euroclear Sweden AB

Mangold refers to Mangold Fondkommission AB

SHARE INFORMATION

Swedish Depository Receipt ISIN code: SE0001882291 Ticker: BEF SDB

Redemption Depository Receipt ISIN code: SE0010219782 Ticker: BEF SDB IL

Contents

2 Background and Reasons
3–4 The Redemption Procedure
5 Terms and Conditions
6–7 Tax Issues in Sweden
8–9 Questions and Answers

The Redemption Procedure in Summary

Upon approval by holders of Swedish Depository Receipts at the Annual General Meeting on 11 August 2017, each Swedish Depository Receipt (SDB) is split into two (split 2:1), of which one will be a Redemption Depository Receipt (SDB IL).

The Redemption Depository Receipts are automatically redeemed, with payment expected to be settled on 6 September 2017.

The redemption procedure is automatic and requires no action from holders of Swedish Depository Receipts.

Record date for the split and entitlement to Redemption Depository Receipts is 15 August 2017.

Trading in Redemption Depository Receipts in Black Earth Farming will take place on Nasdaq Stockholm between 16 August and 30 August 2017.

For questions regarding the redemption procedure, please contact Mangold at (phone) +46 8 503 015 95 or by e-mail to emissioner@mangold.se

This information brochure provides information on the Board of Directors’ proposal of capital distribution to the holders of Swedish Depository Receipts in Black Earth Farming through an automatic redemption procedure. The purpose of this information brochure is to provide the holders of Swedish Depository Receipts in Black Earth Farming with information for the Annual General Meeting on 11 August 2017. The document does not constitute a prospectus according to the Swedish Financial Instruments Trading Act (1991:980). This information brochure is not intended for holders of Swedish Depository Receipts whose participation in the redemption procedure requires additional information or the implementation of registration measures or other measures beyond those required by Swedish law. This information brochure may not be distributed to countries requiring additional information or measures pursuant to the preceding sentence or to countries in which distribution would conflict with applicable regulations. It is the responsibility of each individual to observe the restrictions ensuing from foreign law.

Mangold has assisted the Company in establishing this information brochure and has relied on information provided by the Company. Mangold assumes no responsibility for the accuracy of the information in this information brochure or any decision taken based on the information in this brochure.

Disputes arising from the redemption procedure pursuant to this information brochure shall be settled exclusively according to Swedish law in a Swedish court.
On Monday 13 February 2017, Black Earth Farming announced that it had entered into an agreement to sell its Russian operations against a total purchase price of approximately USD 184,000,000 in cash. On 23 March 2017 the Company’s Extraordinary General Meeting approved the transaction and on 12 April 2017 the Company announced that regulatory approvals for the transaction had been obtained. On 22 May 2017 the Company announced that the transaction had been registered by the Russian authorities and thus successfully completed. On the same date, the Company announced that it had initiated the repayment of its outstanding bonds and that the Board of Directors will propose to the Annual General Meeting that the remaining funds in the Company shall be distributed to the holders of the Swedish Depository Receipts and the Company enters into voluntary dissolution.

The Board of Directors therefore proposes that the Annual General Meeting to be held on 11 August 2017 resolves to initiate a mandatory Swedish Depository Receipt redemption procedure. This proposal means that each Black Earth Farming Swedish Depository Receipt representing one share in the Company will be divided into one Redemption Depository Receipt and one Swedish Depository Receipt. One Redemption Depository Receipt represents one redeemable share. The redeemable shares shall then be redeemed by the Company. The redemption procedure is automatic, which means that no action is required from the holders of Black Earth Farming Swedish Depository Receipts. The total amount to be distributed through the mandatory redemption programme in SEK will be determined and press released the day before the Annual General Meeting. The reason for waiting with determining the amount is that the Company wishes to maintain the current hedging arrangements and retain the potential to hedge currency as long as possible. The amount corresponds to the sale proceeds from the sale of Agro Invest ("AIMC") and Agro Invest Regions ("AIRMC"), subject to prior deduction of costs relating to the Company’s future contemplated voluntary liquidation and other projected and possible expenses and funding provisions required for an ongoing litigation and its related requirements in which the Company is a plaintiff in the United States of America, which, according to the assessment of the Company’s legal advisors in the case, is more likely than not to have a favourable outcome for the Company and which the Company intends to pursue.

Following completion of the mandatory redemption and the contemplated voluntary liquidation, any remaining funds in the Company (i.e. after liquidation costs and discharge of the Company’s liabilities) will be distributed to the holders of the Swedish Depository Receipts. The Company will revert with further information and timing as to the contemplated voluntary liquidation of the Company following the completion of the redemption distribution.

St Helier, Jersey, August 4 2017

Black Earth Farming Ltd
Board of Directors
THE REDEMPTION PROCEDURE

The Board of Directors proposes that the Annual General Meeting on 11 August 2017 authorises distribution of capital to the holders of Swedish Depository Receipts through an automatic SDB redemption procedure.

The Board of Directors’ proposal in brief

Provided that the proposal is approved, each Black Earth Farming Swedish Depository Receipts is split into two Depository Receipts (split 2:1), of which one will be a Redemption Depository Receipt (SDB IL). Each Redemption Depository Receipt (SDB IL) will be automatically redeemed for a cash payment in SEK.

Holders of Swedish Depository Receipts that are registered with Euroclear on the record date, which is 15 August 2017, will be entitled to Redemption Depository Receipts (SDB IL). The last day of trading in Black Earth Farming Swedish Depository Receipts including entitlement to Redemption Depository Receipts (SDB IL) is 11 August 2017.

After having received the Redemption Depository Receipts (SDB IL) the holder has two options:

ALTERNATIVE 1
Receive payment in SEK for every Redemption Depository Receipt (SDB IL). This payment will be automatic unless alternative 2 is chosen.

ALTERNATIVE 2

TIME PLAN

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 August</td>
<td>The total amount to be distributed in SEK will be press released</td>
</tr>
<tr>
<td>11 August</td>
<td>AGM and last day of trading including the right to Redemption Depository Receipts (SDB IL)</td>
</tr>
<tr>
<td>14 August</td>
<td>First day of trading excluding the right to Redemption Depository Receipts (SDB IL)</td>
</tr>
<tr>
<td>15 August</td>
<td>Record date for the share split and entitlement to Redemption Depository Receipts (SDB IL)</td>
</tr>
<tr>
<td>16 August</td>
<td>First day of trading in Redemption Depository Receipts (SDB IL)</td>
</tr>
<tr>
<td>30 August</td>
<td>Last day of trading in Redemption Depository Receipts (SDB IL)</td>
</tr>
<tr>
<td>1 September</td>
<td>Record date for redemption</td>
</tr>
<tr>
<td>6 September</td>
<td>Cash is paid to holders of Redemption Depository Receipts (SDB IL)</td>
</tr>
</tbody>
</table>
THE REDEMPTION PROCEDURE

The procedure

BEFORE
Upon approval at the Annual General Meeting on 11 August 2017 each Swedish Depository Receipt (SDB) is split into two Depository Receipts of which one will be a Redemption Depository Receipt (SDB IL).

AFTER
The Redemption Depository Receipts (SDB IL) are then automatically redeemed for a SEK cash payment. The total amount to be distributed through the mandatory redemption programme in SEK will be determined and press released the day before the Annual General Meeting.

Please note that this example does not include any tax effects arising from the redemption procedure.

Please see the sections under the headings “Tax Issues in Sweden” and "Questions and Answers".
TERMS AND CONDITIONS

SPLIT AND REDEMPTION
Holders of Swedish Depository Receipts of Black Earth Farming registered with Euroclear on the record date for the split on 15 August 2017 are entitled to Redemption Depository Receipts. Each Black Earth Farming Swedish Depository Receipt (SDB) is split into two Depository Receipts, of which one will be named Redemption Depository Receipt (SDB IL) in the Euroclear system. Each Redemption Depository Receipt (SDB IL) will automatically be redeemed for a cash payment in SEK. The total amount to be distributed through the mandatory redemption programme in SEK will be determined and press released the day before the Annual General Meeting.

LAST DAY OF TRADING IN SWEDISH DEPOSITORY RECEIPTS INCLUDING THE RIGHT TO REDEMPTION DEPOSITORY RECEIPTS
The last day of trading in Black Earth Farming Swedish Depository Receipts (SDB) including the right to Redemption Depository Receipts (SDB IL) is 11 August 2017. Starting 14 August 2017, the Black Earth Farming Swedish Depository Receipts (SDB) will be traded excluding the right to Redemption Depository Receipts (SDB IL).

RECORD DATE
The record date at Euroclear for the split of the Black Earth Farming Swedish Depository Receipts (SDB IL) is 15 August 2017.

LAST DAY OF TRADING
The last day of trading in Swedish Depository Receipts (SDB) including right to Redemption Depository Receipts (SDB IL) is 11 August 2017.

PAYMENT OF REDEMPTION AMOUNT
In connection with the payment of the redemption amount, the Redemption Depository Receipts (SDB IL) registered in the holder’s securities account will be removed. A notice from Euroclear relating to this will not be sent out. The cash payment in SEK for every Redemption Depository Receipt is expected to be made on 6 September 2017. The total amount to be distributed through the mandatory redemption programme in SEK will be determined and press released the day before the Annual General Meeting. The payment will be made through Euroclear to the income account linked to the holder’s securities account. A notice from Euroclear will be sent out as confirmation of payment.

SWEDISH DEPOSITORY RECEIPTS REGISTERED WITH NOMINEES
Holders of Swedish Depository Receipts of Black Earth Farming whose Swedish Depository Receipts are registered with a nominee, for example a bank or other securities company, will receive Redemption Depository Receipts (SDB IL) in accordance with the information given by each nominee.

FOREIGN HOLDERS OF SWEDISH DEPOSITORY RECEIPTS
If you are a tax resident outside of Sweden, you will normally not be liable to Swedish taxation in connection with the redemption procedure (see further in the section "Tax Issues in Sweden").

TRADING IN REDEMPTION DEPOSITORY RECEIPTS
Trading in Redemption Depository Receipts (SDB IL) will take place on Nasdaq Stockholm during the trading period of 16 August 2017 – 30 August 2017, under the ticker BEF SDB IL and ISIN code SE0010219782. Banks and other securities companies with the necessary permits will assist with trading in Redemption Depository Receipts (SDB IL).

NEW ISIN CODE FOR SWEDISH DEPOSITORY RECEIPTS
In connection with the redemption procedure, the ISIN code for the original Black Earth Farming Swedish Depository Receipts (SDB) will be changed. The new ISIN code is valid from 14 August 2017.

New ISIN code for the SDB: SE0010219774

5
The following is a summary of certain Swedish tax consequences that may arise from the proposed redemption procedure for holders of Swedish Depositary Receipts in Black Earth Farming. Each holder of Swedish Depositary Receipts is recommended to consult a tax advisor for information on special tax consequences that may arise from the proposed redemption procedure, including the applicability and effect of foreign tax legislation, provisions contained in any tax treaties for the avoidance of double taxation or other rules which may be applicable.

**SWEDISH DEPOSITARY RECEIPTS SPLIT AND RECEIPT OF REDEMPTION DEPOSITARY RECEIPTS**

Taxation is not triggered by the Swedish Depositary Receipt split or the receipt of Redemption Depositary Receipts. However, the redemption or other disposal of Redemption Depositary Receipts does trigger capital gains taxation, see section “Redemption and Sale of Redemption Depositary Receipts” below.

Normally, the Swedish Depositary Receipts split will lead to the acquisition cost of the Swedish Depositary Receipts prior to the Swedish Depositary Receipts split to be allocated between the Redemption Depositary Receipts and the remaining Swedish Depositary Receipts based on their respective market value at the time of the Swedish Depositary Receipts split. If, for example, the Redemption Depositary Receipts would be considered to have a market value of 90 percent of the market value of the Swedish Depositary Receipts prior to the Swedish Depositary Receipts split, 90 percent of each holder’s pre-split acquisition cost would be allocated to the Redemption Depositary Receipts. Consequently, the acquisition cost for the remaining Swedish Depositary Receipts would equal 10 percent of the pre-split acquisition cost.

The acquisition cost for any Redemption Depositary Receipts that have not been acquired as a consequence of the Swedish Depositary Receipts split is calculated using the average cost method. The calculation is based on the actual acquisition cost for such Redemption Depositary Receipts.

**REDEMPTION AND SALE OF REDEMPTION DEPOSITARY RECEIPTS**

The redemption or sale of the Redemption Depositary Receipts will trigger capital gains taxation. A capital gain or capital loss is calculated as the difference between the proceeds received when the Redemption Depositary Receipts are redeemed or sold, after deduction for potential sale expenses, and the acquisition cost for tax purposes. If the Redemption Depositary Receipts are redeemed, the received proceed will equal the cash received. If the Redemption Depositary Receipts instead are sold, the received proceed will equal the sales price. The acquisition cost for acquiring Redemption Depositary Receipts through the Swedish Depositary Receipts split will be calculated by allocating the acquisition cost for the Swedish Depositary Receipts (see under “Swedish Depositary Receipts Split and Receipt of Redemption Depositary Receipts” above). The acquisition cost for the Swedish Depositary Receipts (and for Redemption Depositary Receipts acquired in the market) will normally be determined under the average cost method. This means that the cost of acquiring all Swedish Depositary Receipts/Redemption Depositary Receipts of the same type and series are added together and calculated collectively, with respect to changes to the holding. When applying the average cost method, Redemption Depositary Receipts and remaining Swedish Depositary Receipts are not considered to be of the same type and series. Alternatively, the standard rule, under which the acquisition cost is equal to 20 percent of the net proceeds received when the Redemption Depositary Receipts are redeemed or sold, may be applied to the disposal of listed Redemption Depositary Receipts.

**INDIVIDUALS**

Individuals are taxed for capital gains in the capital income category. The current tax rate on capital gains on listed securities is 30 percent.

In the case of Black Earth Farming, the Redemption Depositary Receipts will be listed on Nasdaq Stockholm during the trading period 16 August 2017 – 30 August 2017. Provided that the Redemption Depositary Receipts during that period are traded, the Redemption Depositary Receipts should meet the conditions for being considered as listed for tax purposes.

As a main rule, 70 percent of a capital loss is deductible against any other taxable income from capital. Capital losses on listed securities that are taxed as shares, such as depository receipts representing shares, other than listed shares in mutual funds containing only Swedish receivables (Sw. räntefond) are, however, fully deductible against taxable capital gains on such assets and on non-listed shares in Swedish limited liability companies and foreign legal entities. If capital losses pertain to both listed and non-listed securities, the losses pertaining to the listed securities are deductible prior to the losses on the non-listed securities. 70 percent of any excess amount is deductible under the main rule.

If a deficit arises within the capital income category, a credit of the tax on income from employment and from business operations, as well as the real estate tax and the municipal real estate fee, is allowed. The tax credit amounts to 30 percent of any deficit not exceeding SEK 100,000 and 21 percent of any deficit in excess of SEK 100,000.
Deficits may not be carried forward to a subsequent fiscal year. This calculation will differ if the taxable individual has made or will make an investment deduction (Sw. investeraravdrag) the same fiscal year.

LIMITED LIABILITY COMPANIES

For limited liability companies, capital gains on Redemption Depositary Receipts that do not fall under the participation exemption regime, are normally taxed as income from business activities at a flat rate of 22 percent. For the calculation of capital gains and losses, see the section “Redemption and Sale of Redemption Depositary Receipts” above.

A capital loss on securities that are taxed as shares, such as depository receipts representing shares, incurred by a corporate holder of Redemption Depositary Receipts may only be offset against taxable gains on Redemption Depositary Receipts/shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be deducted against capital gains on such securities within the same group of companies, provided that the requirements for group contributions (tax consolidation) are met and that the involved companies declare it in the income tax returns that have the same tax filing date. Capital losses on Redemption Depositary Receipts/shares and securities taxed in the same manner as shares which are not deducted within a certain year, may be carried forward and offset against capital gains on such securities in future years without any limitation in time.

HOLDERS OF SWEDISH DEPOSITARY RECEIPTS RESIDING OUTSIDE OF SWEDEN

Holders of Black Earth Farming Swedish Depositary Receipts or Redemption Depositary Receipts who are not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden to which their holding is effectively connected, are generally not liable for Swedish capital gains taxation on the disposal of such securities. The holders may, however, be subject to tax in their country of residence.

However, under a specific tax rule, individuals that are not tax resident in Sweden may be subject to Swedish capital gains taxation upon a sale or other disposal of Black Earth Farming Swedish Depositary Receipts or Redemption Depositary Receipts if these were acquired during their tax residency in Sweden and if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by applicable tax treaties between Sweden and other countries.
Provided that the Annual General Meeting on 11 August 2017 resolves on an automatic redemption of Receipts in Black Earth Farming according to the Board of Directors’ proposal, holders of Swedish Depository Receipts do not need to take any action in order to receive payment of the redemption amount.

QUESTIONS AND ANSWERS

Why is Black Earth Farming proposing a redemption?
Black Earth Farming has entered into agreement to sell its Russian operations and intends to distribute the proceeds to holders of Swedish Depository Receipts (SDB) through this automatic redemption programme.

What does the automatic redemption of Receipts entail?
Automatic redemption means that the Receipts that are named Redemption Depository Receipts (SDB IL) in the Euroclear system, once the split has taken place, are redeemed in exchange for a predetermined cash consideration, with no need for any action on the part of holders of Swedish Depository Receipts. It is a simple and efficient way for Black Earth Farming to distribute funds to its holders of Swedish Depository Receipts (SDB).

As a holder of Swedish Depository Receipts (SDB), do I need to do anything?
Provided that the Annual General Meeting on 11 August 2017 resolves on an automatic redemption procedure in accordance with the Board of Directors’ proposal, holders of Swedish Depository Receipts do not need to take any action. Black Earth Farming will automatically redeem your Redemption Depository Receipts (SDB IL) and you will receive a cash payment in SEK for each Redemption Depository Receipt (SDB IL) held.

What day will be the record day?
The record date for the split and entitlement to Redemption Depository Receipts (SDB IL) is 15 August 2017.

What day is the last day to buy Swedish Depository Receipts (SDB) in order to receive Redemption Depository Receipts (SDB IL)?
The last day of trading in Black Earth Farming Swedish Depository Receipts including the entitlement to Redemption Depository Receipts (SDB IL) is 11 August 2017.

What options do I have as a holder of Redemption Depository Receipts (SDB IL)?
Once the redemption is approved at the Annual General Meeting on 11 August 2017, you can await the redemption procedure without taking any further action. The Redemption Depository Receipts (SDB IL) allocated to you will be automatically redeemed for a cash payment in SEK. Alternatively, you may sell your Redemption Depository Receipts (SDB IL) before the redemption procedure is completed. Trading in Redemption Depository Receipts (SDB IL) will take place during the period 16 August 2017 - 30 August 2017.

When is the redemption amount paid to holders of Redemption Depository Receipts (SDB IL)?
Payment for Redemption Depository Receipts (SDB IL) is expected to be made on 6 September 2017.

How many Swedish Depository Receipts (SDB) will I have?
You will have the same number of Swedish Depository Receipts (SDB) in Black Earth Farming after the redemption procedure is completed, provided that you do not buy or sell any Swedish Depository Receipts (SDB). The Redemption Depository Receipts (SDB IL) issued will all be subject to automatic redemption. Following completion of the mandatory redemption and the contemplated voluntary liquidation, any remaining funds in the Company (i.e. after liquidation costs and discharge of the Company’s liabilities) will be distributed to the holders of the Swedish Depository Receipts. The Company will revert with further information and timing as to the contemplated voluntary liquidation of the Company following the completion of the redemption distribution.

How and when will the Swedish Depository Receipt (SDB) price be affected?
It is impossible to predict in detail how the share price will be affected by the split into Swedish Depository Receipts (SDB) and Redemption Depository Receipts (SDB IL). Theoretically, the price of the Black Earth Farming Swedish Depository Receipt (SDB) should decrease by the redemption amount of the redemption share. This price change should occur one trading day prior to the record date for the split of the Black Earth Farming Swedish Depository Receipts (SDB).

Why is the redemption procedure automatic?
An automatic redemption procedure is relatively simple and cost efficient since there is no need for action on the part of the holders of Swedish Depository Receipts (SDB).

What are the tax consequences of the Swedish Depository receipt redemption procedure?
The tax consequences for holders of Swedish Depository Receipts (SDB IL) will vary depending on their particular
QUESTIONS AND ANSWERS

situation. Certain tax consequences for Swedish and foreign holders of Swedish Depository Receipts are described in the section “Tax Issues in Sweden”. In case you need more information on your personal tax consequences, we recommend you to contact a tax advisor for assessment of possible tax consequences and any required measures.

Holders of Swedish Depository Receipts (SDB)
Upon the split of the Swedish Depository Receipt (SDB) into two Receipts, of which one is named Redemption Depository Receipt (SDB IL), the pre-split acquisition cost will be allocated between the remaining Swedish Depository Receipts (SDB) and the Redemption Depository Receipts (SDB IL). Redemption Depository Receipts (SDB IL) are deemed as disposed of upon redemption. Any capital gain that arises will be subject to capital gains taxation. The capital gain is calculated as the difference between the redemption payment (SEK per SDB IL) and the acquisition cost for the Redemption Depository Receipts (SDB IL) (see further the example in the section “Tax Issues in Sweden”).

Foreign holders of Swedish Depository Receipts (SDB)
If you are a tax resident outside of Sweden, you will normally not be liable to Swedish taxation in connection with the redemption procedure (see further in the section “Tax Issues in Sweden”).