

**Prospectus for admission to trading of the shares  
in Agromino A/S on Nasdaq Stockholm**

## IMPORTANT INFORMATION

### Information for investors

This prospectus (the “**Prospectus**”) has been prepared by Agromino A/S, reg. no. (CVR) 29801843 (the “**Company**” or “**Agromino**”), in relation to the admission to trading on Nasdaq Stockholm of the newly issued shares of Agromino directed to Mabon investiční fond s proměnným základním kapitálem a.s. (“**Mabon**” or the “**Principal Shareholder**”) in connection with Agromino’s acquisition of 100 per cent of the shares of Resilient a.s. (the “**Target**” or “**Resilient**”) from Mabon (the “**Transaction**”). The “**Group**” refers to the Company, its subsidiaries and its associated company. The “**New Shares**” refers to the newly issued Agromino shares, which constitutes the consideration for the shares of the Target and the “**Issue in kind**” refers to the issue of new Agromino shares resolved by the board of directors, by virtue of the authorisation from the extraordinary general meeting of Agromino held on 2 September 2019, for which shares payment shall be made in kind of the shares in Resilient.

The Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “**Prospectus Regulation**”), supplemented by the Commission Delegated Regulation (EU) 2019/980 and the Commission Delegated Regulation (EU) 2019/979.

The Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) (the “**DFSA**”) has, in its capacity as competent authority under the Prospectus Regulation, transferred the authority to approve the Prospectus to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) in accordance with article 20(8) of the Prospectus Regulation. The Prospectus has therefore been approved by the SFSA, as competent authority under the Prospectus Regulation. The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the quality of the shares that are the subject of the Prospectus.

The Prospectus has been prepared in English only. English is an accepted language in prospectuses if an application for approval of the Prospectus has been submitted to the SFSA in accordance with Article 20(8) of the Prospectus Regulation. The Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with the Prospectus. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

### Forward-looking statements

The Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of Agromino or are assumptions based on information available to Agromino. The words “*consider*”, “*intends*”, “*deems*”, “*expects*”, “*anticipates*”, “*plans*” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in the Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of Agromino to be materially different from any future remits, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding Agromino’s present and future business strategies and the environment in which Agromino will operate in the future. Although Agromino believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting Agromino’s operations. An investment in shares is associated with risks and risk taking. Anyone considering investing in shares is therefore encouraged to carefully study the Prospectus, in particular the section “*Risk factors*”. Each potential investor should make its own assessment as to the suitability of investing in the shares.

### Business and market data

The Prospectus includes historical market data and industry trends. Certain information has been derived from reports prepared by third parties and Agromino has strived to present such information accurately in the Prospectus. Even if the Company considers these sources to be reliable, no independent verification has been made, and the accuracy or completeness of the information cannot be guaranteed. Business and market data are inherently subject to uncertainty and do not necessarily reflect actual market conditions. The value of comparisons of statistics for different markets is limited for various reasons. Among such reasons are that markets may have been defined differently and that information may have been gathered by different methods and on the basis of different assumptions. Certain information in the Prospectus has been prepared by the Company, in some cases based on assumptions. Although the Company believes that the methods and assumptions are reasonable, the information has only to a limited extent been reviewed or verified against external sources. Against this background, the reader shall note that market statistics presented in the Prospectus are subject to uncertainty and that its accuracy cannot be guaranteed. However, as far as the Company is aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Presentation of financial information

Unless otherwise explicitly stated, no information contained in the prospectus has been audited or reviewed by auditors. Certain financial and other numerical information set forth in the Prospectus has been rounded off and, as a result, the numerical figures shown as totals in the Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

References in the Prospectus to (i) “**Danish kroner**” or “**DKK**” refers to the currency of Denmark, (ii) “**euro**” or “**EUR**” refers to the single currency of the European Union member states participating in the European Monetary Union, (iii) “**U.S. dollars**” or “**USD**” refers to the currency of the United States, (iv) “**rouble**” or “**RUB**” refers to the currency of the Russian Federation (“**Russia**”), (v) “**Hryvna**” or “**UAH**” refers to the currency of Ukraine, and (vi) “**Swedish kronor**” or “**SEK**” refers to the currency of Sweden.

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### Other information

|                                      |              |
|--------------------------------------|--------------|
| ISIN code for Agromino’s shares:     | DK0060823516 |
| Ticker symbol for Agromino’s shares: | AGRO         |

### Financial information

|   |                  |
|---|------------------|
| Interim financial report 1 January – 30 September 2019: | 29 November 2019 |
| Interim financial report 1 January – 31 December 2019:  | 28 February 2020 |

## SUMMARY

### Section A – Introduction and warnings

|                     |  |
|---------------------|--|
| <i>Introduction</i> | <p>Agromino A/S, reg. no. (CVR) 29801843, with its registered office at c/o Kammeradvokaten/Advokatfirmaet Poul Schmith, Vester Farimagsgade 23, 1606 Copenhagen V, Denmark, and with telephone number +38 044 586 4445, with legal entity identifier (LEI) code: 549300KD26MLUOWM9D24, is in accordance with this Prospectus admitting to trading of the Company's shares with ISIN code DK0060823516 on Nasdaq Stockholm, a regulated market supervised by the Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i>) (the "SFSA").</p> <p>The SFSA, with postal address Finansinspektionen, P.O. Box 7821, SE-103 97 Stockholm, Sweden, and visiting address Brunnsgratan 3, SE-111 38 Stockholm, Sweden, with telephone number +46 (0) 8 408 980 00, who is the competent authority for registration and approval of the Prospectus. The Prospectus was approved by the SFSA on 15 October 2019.</p> <p>The Danish Financial Supervisory Authority (Dk. <i>Finanstilsynet</i>) has, in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council, transferred the authority to approve the Prospectus to the SFSA in accordance with article 20(8) of the Prospectus Regulation. Further, the SFSA has, with reference to Article 27(2) of the Prospectus Regulation, approved that the Prospectus has been prepared in English only. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.</p> |
| <i>Warnings</i>     | <p>This summary should be read as an introduction to the Prospectus and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor may lose all, or part of, its investment.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>   |

## Section B – Key information on the issuer

| <p><i>Who is the issuer of the securities?</i></p>                        | <p>Agromino A/S, reg. no. (CVR) 29801843, with legal entity identifier (LEI) code: 549300KD26MLUOWM9D24, is a public limited liability company (Dk. <i>Aktieselskab</i>), incorporated in Denmark and governed by the laws of Denmark, including, but not limited to the Danish Companies Act. The Company is domiciled in Denmark.</p> <p>The principal activities of the Company is to be a holding company and to indirectly through its sub-holding companies to make, manage and dispose of investments in the farming sector in Central and Eastern Europe.</p> <p>As per the date of the Prospectus, the Company has three shareholders holding more than 5 per cent of the shares and/or votes in the Company: Mabon investiční fond s proměnným základním kapitálem a.s. (63.3% of the shares and the votes) and GoMobile nu Aktiebolag (14.96% of the shares and the votes).</p> <p>The board of directors of Agromino consists of three ordinary board members, Petr Krogman, chairman, Jan Urban, vice chairman, and Jiri Vyskocil, board member, appointed for the period until the end of the annual general meeting 2020. The senior executives of Agromino are Petr Toman, CEO and executive board member, and Rastislav Pagáč, executive board member.</p> <p>Agromino’s auditor is, and has been since 23 July 2018, Beierholm Statsautoriseret Revisionspartnerselskab, Voergårdvej 2, DK-9200 Aalborg SV. Beierholm Statsautoriseret Revisionspartnerselskab is a member of FSR - Danish auditors. During the period covering the historical financial information and until 23 July 2018, the Company’s auditor was PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab, Strandvejen 44, DK-2900 Hellerup, Denmark.</p> |                   |                   |  |  |  |  |  |        |        |        |        |        |
|---|--|-------------------|-------------------|--|--|--|--|--|--------|--------|--------|--------|--------|
| <p><i>What is the key financial information regarding the issuer?</i></p> | <p>Below is a selection of key financial information for the Company for the financial years 2018, 2017 and 2016 and for the period January – June 2019.</p> <p><u>Income statement</u></p> <table border="1" data-bbox="470 1646 1353 1968"> <thead> <tr> <th>in TEUR</th> <th>2018<br/>(audited)</th> <th>2017<br/>(audited)</th> <th>2016<br/>(audited)</th> <th>January –<br/>June<br/>2019<br/>(unaudited)</th> <th>January –<br/>June<br/>2018<br/>(unaudited)</th> </tr> </thead> <tbody> <tr> <td>Total revenue, other income and fair value adjustments</td> <td>25,574</td> <td>32,825</td> <td>39,856</td> <td>22,178</td> <td>20,254</td> </tr> </tbody> </table>  | in TEUR           | 2018<br>(audited) | 2017<br>(audited)                        | 2016<br>(audited)                        | January –<br>June<br>2019<br>(unaudited) | January –<br>June<br>2018<br>(unaudited) | Total revenue, other income and fair value adjustments | 25,574 | 32,825 | 39,856 | 22,178 | 20,254 |
| in TEUR   | 2018<br>(audited)  | 2017<br>(audited) | 2016<br>(audited) | January –<br>June<br>2019<br>(unaudited) | January –<br>June<br>2018<br>(unaudited) |  |  |  |        |        |        |        |        |
| Total revenue, other income and fair value adjustments                    | 25,574   | 32,825            | 39,856            | 22,178                                   | 20,254                                   |  |  |  |        |        |        |        |        |

|  |         |       |         |        |       |
|--|---------|-------|---------|--------|-------|
| Operating profit/loss (+/-)  | -10,063 | 3,821 | 3,192   | 10,440 | 8,438 |
| Profit/loss for the period attributable to equity holders of the Company | -10,241 | 3,450 | -25,097 | 9,884  | 8,146 |

**Balance sheet**

| in TEUR      | 2018<br>(audited) | 2017<br>(audited) | 2016<br>(audited) | January –<br>June 2019<br>(unaudited) |
|--------------|-------------------|-------------------|-------------------|---------------------------------------|
| Total assets | 45,370            | 46,765            | 45,140            | 92,913                                |
| Total equity | 30,756            | 31,197            | 30,421            | 39,224                                |

**Cash flow statement**

| in TEUR                                  | 2018<br>(audited) | 2017<br>(audited) | 2016<br>(audited) | January –<br>June 2019<br>(unaudited) | January –<br>June 2019<br>(unaudited) |
|--|-------------------|-------------------|-------------------|---------------------------------------|---------------------------------------|
| Net cash flows from operating activities | 1,671             | -1,154            | 5,952             | 970                                   | -623                                  |
| Net cash flows from investing activities | 271               | 466               | 11,213            | -3,293                                | 1,401                                 |
| Net cash flows from financing activities | -2,942            | -874              | -15,347           | 1,811                                 | -1,514                                |

The acquisition of Resilient and the Issue in kind resolved by the board of directors, by virtue of the authorisation from the extraordinary general meeting of Agromino held on 2 September 2019, are deemed to have a significant and direct effect on Agromino's future results of operations, financial position and cash flow.

The purpose of the pro forma financial information is to present an illustrative overview of the effects the acquisition of Resilient and the carried out directed share issue might have had on:

- i) Agromino's consolidated income statement for 2018 as if the acquisition of Resilient had been carried out as at 1 January 2018; and

ii) Agromino's consolidated balance sheet as of 31 December 2018 as if the acquisition had been carried out as of this date.

The pro forma financial information is solely meant to describe a hypothetical situation and has been prepared for illustrative purposes only to inform about, and illustrate, facts, and is therefore not intended to show the financial position or results during the period, as if the above events had occurred on the mentioned dates. Furthermore, the pro forma financial information does not show the financial position or the results of operations as of a future date. Synergies and integration costs have not been considered in the pro forma financial information. The pro forma income statement and the pro forma balance sheet have been based on Agromino's and Resilient's consolidated income statements and consolidated balance sheets, respectively, that are included in Agromino's and Resilient's annual reports for the financial year 2018, respectively.

Consolidated pro forma income statement for the financial year 2018

|  | Audited  | Unaudited |             |      | Proforma       |
|--|----------|-----------|-------------|------|----------------|
| in TEUR  | Agromino | Resilient | Adjustments | Note | Agromino Group |
| Total revenue, other income and fair value adjustments | 25,574   | 13,794    | -130        |      | 39,238         |
| Operating profit/loss (+/-)                            | -10,063  | 1,275     | -292        |      | -9,081         |
| Profit/Loss for the period                             | -10,349  | 1,149     | 187         |      | -9 014         |
| Attributable to:                                       |          |           |             |      |                |
| Equity holders of the Company                          | -10,241  | 1 149     | 187         |      | -8,906         |
| Non-controlling interest                               | -108     |           |             |      | -108           |

Consolidated pro forma balance sheet as of 31 December 2018

|              | Audited  | Unaudited |             |      | Pro forma      |
|--------------|----------|-----------|-------------|------|----------------|
| in TEUR      | Agromino | Resilient | Adjustments | Note | Agromino Group |
| Total assets | 45,370   | 18,234    | 10,846      |      | 74,449         |
| Total equity | 30,756   | -1,254    | 14,141      |      | 43,643         |

What are the key risks that are specific to the issuer?

Main risks related to the Company and its business include:

- Agromino does not carry insurance policies to the extent common in some of the more developed market economies, including coverage for business interruption for agricultural business. Agromino maintains insurance against some, but not all, potential risks and

|  |   |
|--|---|
|  | <p>losses affecting its operations, and Agromino cannot assure that its insurance will be adequate to cover all of its losses or liabilities, which are regularly covered in other countries. If an uninsured event were to occur, Agromino could experience significant disruption to its operations and/or would have to make significant payments for which it would not be compensated, which in turn could have a material adverse effect on Agromino's business, financial condition and operational results.</p> <ul style="list-style-type: none"> <li>• Weather conditions are a significant operating risk affecting Agromino. Poor weather, unpredictable conditions or climate change, especially the changing level of precipitation and its timing and distribution over the crops' vegetation period, may adversely affect farm output which, in turn, may adversely affect volume-related revenues earned by the agricultural businesses in which Agromino intends to invest. Weather conditions are particularly important for Agromino's cereal production in the Black Earth region, where winters are cold, and summers are hot and dry.</li> </ul> |
|--|---|

### Section C – Key information on the securities

|   |   |
|---|---|
| <p><i>What are the main features of the securities?</i></p> | <p>The Company's shares are listed on Nasdaq Stockholm since 8 December 2010. At the time of publishing this Prospectus, the Company's registered share capital is EUR 17,421,313 divided into 17,421,313 fully paid and issued shares with a nominal value of EUR 1 each. Shareholders are entitled to one vote for each nominal share amount of EUR 1 at the Company's general meetings.</p> <p>The Company's shares are registered in book-entry form in the Danish Central Register of Securities, as maintained by VP Securities A/S, address Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S.</p> <p>Each share carries one (1) vote. The voting rights attached to the shares of the Company (including the New Shares) must be exercised at the general meetings of the Company (both ordinary and extraordinary).</p> <p>In accordance with Danish corporate law, shareholders have a pre-emptive right to subscribe for new shares in the event of issuance of new shares, unless derogated from by the general meeting.</p> <p>The Company has not paid dividends to its shareholders within the last three financial years. According to the articles of association of the Company, it is the Company's policy to seek to distribute 30 per cent of the group's annual audited net profits as dividends to shareholders to the extent this is consistent with the Danish Companies Act.</p> |
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|   |  |
|---|--|
| <p><i>Where will the securities be traded?</i></p>                        | <p>Agromino's shares are since 8 December 2010 admitted to trading on Nasdaq Stockholm, and the New Shares will be admitted to trading on Nasdaq Stockholm.</p>  |
| <p><i>What are the key risks that are specific to the securities?</i></p> | <p>Main risks related to the Company's shares and the New Issue include:</p> <ul style="list-style-type: none"> <li>• Due to share price fluctuations it is not certain that a shareholder can get a positive return on their invested capital. The general development of the stock market as well as the development of the specific company's share price depend on number of factors, including the development of the Company's operations and program portfolio, changes in the Company's earnings and financial position, changes in the market's expectations of future profits and dividends as well as supply and demand for the Company's shares.</li> <li>• Within the last three financial years, Agromino has not paid dividends to their shareholders. Any future payments from Agromino depend on a number of factors, including future earnings, financial position and other factors.</li> <li>• At the date of the release of the Prospectus, the Principal Shareholder holds approximately 63.3 per cent of the Company's shares and votes. Such major shareholders may therefore, jointly or separately, continue to have opportunity to exercise substantial influence over matters that are referred to the Company's shareholders for approval, including the election of directors and any increase in share capital, mergers, consolidation or the sale of all, or nearly all, of Agromino's assets.</li> <li>• The price of shares in the Company may drop if extensive sales of shares in the Company occur, in particular sales from the Company's directors, senior management, the major shareholders as described above, or any other major shareholder, or when large number of shares are sold.</li> <li>• Agromino could need to increase its capital in the future by issuing new shares to finance its operations, for purposes such as financing possible future acquisitions and other investments that the Company may decide to carry out, or to strengthen the balance sheet. There is a risk that additional financing on acceptable terms may not be available to the Company when it is needed, or at all.</li> </ul> |

**Section D – Key information on the admission to trading**

|   |   |
|---|---|
| <p><i>Why is the Prospectus being prepared?</i></p> | <p>This Prospectus has been prepared for the purpose of admitting the New Shares to trading on Nasdaq Stockholm, and there is no offer to acquire the New Shares.</p> |
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|  | <p>The Company's chairman of the board of directors, Petr Krogman, is also the indirect owner (through Mabon) of Resilient, and the Company's CEO, Petr Toman, is also statutory director in Resilient and CEO of Mabon and both have therefore not participated in the Company's dealings regarding the Transaction. Other than that, there are no potential conflict of interests in relation to the Transaction and the admission to trading of the New Shares.</p> |
|--|--|

## **RISK FACTORS**

*A number of risk factors may have an adverse impact on Agromino's operations. It is therefore important to thoroughly analyse the risk factors which are deemed to be of importance to Agromino. This section contains risk factors that are specific to Agromino and its securities. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact and is disclosed by rating the relevant risk as low, medium or high.*

*The risk factors are categorised in a limited number of categories. In each category, the most material risks, as assessed by Agromino, taking into account the negative impact on the Company and the probability of their occurrence are set out first.*

### **Risks relating to Agromino**

#### **Risks relating to Agromino's acquisitions**

##### **Acquisition-related risk**

The Company will acquire Resilient, which involves integration risks. Difficulties in integration may include, for example, problems with utilisation of the accompanying products or failure to manage the expanded operations. The described difficulties could mean that integration becomes more costly than expected. Furthermore, the integration process may require so much attention from the key employees in the Company that their focus on the ongoing operations will suffer, which may infer, for example, that the Company miss other acquisition opportunities. There is also a risk that the Company miscalculated the value of Resilient. In addition, there is a risk that communicated and calculated synergies are not fully realised or realised at all.

The risks described above linked to the acquisition of Resilient can individually, or together, have a material adverse effect on the Company's operations, financial position and earnings.

Risk rating: medium

#### **Risks relating to Agromino's financial situation**

##### **Financing may not be available for the Company on reasonable terms**

The Company uses credit facilities provided by the major Ukrainian banking institutions to finance its working capital to ensure that it possesses sufficient funds to meet its current needs. Business expansion and maintenance of the current assets that require enhancement to increase the competitive ability of the Company in the agricultural business environment call for the additional funds. It might be difficult to obtain financing for the Ukrainian operations on commercially acceptable terms and there will always be a risk that the Company will be not able to do that. Inability of the Company to prolong/renew its current working capital loans is also be regarded as a potential risk to the Company's financial stability.

Risk rating: medium

#### **Risks relating to the current macroeconomic environment**

Global and European economy has material effect on the Company's net revenue. The volatility and turmoil of the global capital markets experienced during the last decade continues to affect many

economies around the world leading to either negative or reduced growth of such economies in comparison to the previous years. Weakened and volatile capital markets together with inflation can adversely affect the demand for the Company's products as a result of the possible decrease in the global grain market leading to a potential deterioration of the Company's business, financial stability and operational results.

Risk rating: medium

#### **Currency exchange controls**

The Government of Ukraine has imposed significant currency exchange controls. The currency exchange controls are negatively affecting international companies that are dependent on their operations in Ukraine. The Company is reliant on the ability to repatriate the profits of the Company from Ukraine in order to finance its cash needs outside of Ukraine. There is a risk that the Government of Ukraine imposes even more restrictive currency exchange controls, which can have a material adverse effect on the Company's operations, financial position and earnings.

Risk rating: low

#### **Devaluation of currencies**

The Company operates in jurisdictions with highly volatile currencies. The devaluation of Ukrainian Hryvna and Russian Rouble negatively affects the balance sheet value of the Company's assets in Russia and Ukraine in euro terms. Highly volatile currencies can also cause losses on foreign currency transactions.

Risk rating: low

#### **Risks relating to Agromino's industry and business**

##### **Insurance policies cannot be maintained to the extent common**

Agromino does not carry insurance policies to the extent common in some of the more developed market economies of North America and Western Europe, including coverage for business interruption for agricultural business. Agromino maintains insurance against some, but not all, potential risks and losses affecting its operations, and Agromino cannot assure that its insurance will be adequate to cover all of its losses or liabilities, which are regularly covered in other countries. Agromino does not maintain separate funds or otherwise set aside reserves to cover losses or third-party claims from uninsured events. Thus, if such an uninsured event were to occur, Agromino could experience significant disruption to its operations and/or would have to make significant payments for which it would not be compensated, which in turn could have a material adverse effect on Agromino's business, financial condition and operational results.

Risk rating: high

##### **Dependence on management and key personnel**

Each of the Company's farming operations relies on a small-numbered management team for the implementation of its strategy and the operation of its day-to-day activities and, as a result, the Company is dependent on the performance of its key employees. The Company's performance depends to a significant extent on its ability to attract and retain highly qualified and skilled managerial

and operational personnel for its farming operations, and in particular personnel with experience in the Ukrainian and Russian agricultural markets. There is a risk that key members of the senior management team or management members at the local operational level chose not to remain with the Company.

Competition in Ukraine and Russia for reliable and trustworthy higher and lower level personnel with relevant expertise is intense due to the small number of qualified individuals. Any inability to attract and retain the Company's key employees and managers and other professional personnel could have a material adverse effect on the Company's business, financial condition and operational results.

Risk rating: medium

### **The Company is a holding company**

The Company is a holding company and holds no significant assets other than its investments in operating companies and is therefore dependent upon the receipt of sufficient income from these companies to meet its obligations. The Company's financial position is dependent on the contractual and legal ability of its subsidiaries to declare and pay dividends as well as make any other profit distributions. Most of Agromino's business operations are conducted through subsidiaries governed by Ukrainian and Russian law. Under Ukrainian and Russian law, a company is not allowed to pay dividends or make other profit distributions unless current or retained profits are available to cover such distributions. The Company's ability to benefit from the distribution of any assets of its subsidiaries upon liquidation of any such companies will be subject to the prior claims of such companies' creditors, including commercial creditors. The restrictions on dividends under Ukrainian and Russian law may have an adverse effect on the Company's financial condition and operational results.

Risk rating: medium

### **General tax risk**

Agromino operates its business mainly through subsidiaries in a number of jurisdictions. The business, including intra-group transactions, is conducted in accordance with Agromino's interpretation of applicable laws, tax treaties, regulations and requirements of the tax authorities in the relevant countries. It cannot be ruled out that Agromino's interpretation of applicable laws, tax treaties, regulations, or administrative practice is incorrect, or that such rules are changed, possibly with retroactive effect. Legislative changes or decisions by tax authorities may impair the present or previous tax position of Agromino. If for any reason the Agromino's tax position were to be disputed by the tax authorities, the possible tax liabilities of Agromino could have a substantial material adverse impact on Agromino's business, financial condition and operational results.

As at the date of this Prospectus, Agromino is involved in 7 tax disputes. The total amount disputed to pay to the state budget is approximately TUSD 643 as per September 2019.

Agromino has already paid approximately TUSD 120 to the state budget of Ukraine (including late payment penalty in amount TUSD 26). Said amount remains to be disputed by Agromino and is subject to pending litigation. In case Agromino loses all its aforementioned tax disputes, in addition to amount already paid, it will additionally have to pay approximately TUSD 549 (excluding any possible penalties). Agromino assesses its position in relation to most of the abovementioned disputes as a strong one and

takes all measures to ensure that the disputes are resolved in favour of Agromino, but it is impossible to make any forthcoming prognosis on the outcome of such types of disputes in Ukraine.

Risk rating: medium

### **Changes in agricultural commodity prices may influence the Company's business**

Agricultural commodities are staple crops and animals produced or raised on farms or plantations. The Company's business consists of cereal production, storage and trading, and milk production. Agricultural commodity prices are volatile because short term production and consumption elasticities are low. Agricultural commodity prices are prone to changes due to the high degree of influence that such volatile and unpredictable factors as global or regional demand for produce, weather, governmental regulations and restrictions and agricultural trends and policies have on them. The Company faces the risk of being affected by the decreased agricultural commodity prices in terms of business, financial condition and operational result.

Risk rating: medium

### **Risks relating to Agromino's business in Ukraine**

#### **Cereal operations are heavily affected by weather**

Weather conditions are a significant operating risk affecting Agromino. Poor weather, unpredictable conditions or climate change may adversely affect farm output which, in turn, may adversely affect volume-related revenues earned by the agricultural businesses in which Agromino intends to invest. Weather conditions are particularly important for Agromino's cereal production in the Black Earth region, where winters are cold, and summers are hot and dry.

The success of a grain harvest in the Black Earth region is greatly dependent on rainfall during the growing season. In a climate of hot dry summers, it is even more dependent on snowfall during the winter, as the melting snow provides water for the sowing and growing periods. The snow is also essential for protecting winter wheat against frost. Winter wheat, which lies without snow cover for two to three weeks or more, is likely to suffer significant damage in temperatures below -15° C.

Risk rating: high

#### **Agromino leases its Ukrainian land**

There is a blanket moratorium against selling freeholds of agricultural land until the adoption of the particular legal act on the land market and land cadastre in Ukraine. Based on currently available information, the moratorium on the sale of agricultural land may be lifted in January 2020 or in the following months. The legal act on the agricultural land market shall contain rules regarding procedure for concluding land sales transactions, the conditions for applicability of pre-emptive rights and other similar rights to acquire freehold of the leased land.

Agromino 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 probably soon-to-be adopted legislation it remains unclear, whether Agromino will be able to exercise its right of first refusal to acquire the freehold. In the event that Agromino's title to any of its land is challenged, and Agromino

is unable to defend such a claim, Agromino risks losing its rights to such land which could materially affect future Agromino's business, financial condition, and operational results.

Risk rating: medium

**Investment into infrastructure and logistics, such as grain elevator capacity and drying facilities may be required**

The infrastructure in Ukraine is in poor condition which may lead to Agromino having to increase its infrastructure and logistics investments in order to achieve optimal logistics.

Furthermore, an important factor in the Agromino's success and stability is its access to dry storage facilities after harvest. While Agromino has sufficient dry storage capacity for its current farming operations, there is still a risk that further grain elevator capacity will be needed or that the market prices for grain elevator capacity may increase. Increased costs of grain elevator capacity as well as insufficient access to such storage facilities may negatively affect Agromino's operational results.

Risk rating: low

**Military actions**

Deterioration of political conflicts between Ukraine and Russia may lead to the military actions between these two countries resulting in the losses incurred by the Company in terms of mobilisation of the staff, vehicles and worsening of the conditions for export. Military actions can also block the Company's access to major ports used for shipping of the export produce or result in the destruction of the produce during the railway carriage of the produce to the port. This may adversely affect the financial condition and operational results of the Company within a relatively short period of time.

Risk rating: low

**Risks relating to Agromino's business in Russia**

**The Company's ownership of agricultural land in Russia may be open to legal challenges**

Russian law does not allow neither a foreign entity nor a foreign controlled Russian entity to own directly 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 of the Company is currently owned by Russian operating company, which is wholly-owned subsidiary of the relevant holding company incorporated in Russia. The Russian parent holding company is, in turn, owned by a foreign company. While this structure technically complies with the Russian law restriction on the foreign ownership of Russian agricultural land, there is a risk that the ownership structure will 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, it is not certain 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 Company is found to breach the above mentioned Russian law restriction, the Company 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 Company's business, financial condition and operational results.

Risk rating: medium

#### **Agromino's operations may be affected by defects in title to the land plots in Russia**

In certain cases, title to the land may be encumbered by historical title risks (for example, the previous owner of the land may have acquired it in violations of applicable law) or acquisition of land thereto may not have followed the procedure required by certain pre-emptive rights to other owners, state or municipal authorities or spousal or corporate consents. The Company believes that there are no such defects in title to its land plots in Russia, however, it is not possible to rule such risk out completely. If any assets of Agromino are subject to the defects in title, there is a risk that such title may be challenged, and Agromino may lose the relevant assets.

Risk rating: low

#### **The Company may face fines from the Russian state authorities for improper usage of land**

In 2015 the Russian legislator increased the fines for administrative offences related to the violation of the land legislation as a result of which the land owner will now pay several times more than he used to do should he commit an administrative offence. The state authorities have increased the frequency of on-the-spot checks for compliance with the land legislation and specifically for ensuring that the agricultural land is used for its purpose and is not covered with grass stand and bushes so that the quality of the agricultural land has not been or is not under the risk of being deteriorated. The increase of fines may be seen by the authorities as an additional way of attracting the funds into the budget so there is a risk that the agricultural land owners will be flooded with land checks conducted using insufficiently objective and accurate methods of analysis used for determining whether the state of agricultural land plot in question has indeed deteriorated. The example of insufficiently objective and accurate methods of analysis includes visual inspection of a fraction of the land plot since the state authorities do not possess sufficient technological, staff and financial resources to perform the thorough and objective analysis. The potential fines imposed by the state authorities may negatively affect the Company's financial position.

Risk rating: low

#### **Sanctions**

In the times of volatile political situation in the countries where Agromino is operating, the risk of the potential sanctions being imposed on import of Agromino's produce may be regarded as possible, although currently not probable. Not only might it result in decreasing of Agromino's trading and export activity but also affect the contractual relationship of Agromino with its business partners in terms of Agromino being unable to meet its obligations under the contracts concluded before the sanctions had been imposed resulting in worsening of financial condition and damage the reputation of Agromino as a reliable business partner.

Risk rating: low



### **Political and social risks**

Laws and regulations affecting business operating in Russia are subject to rapid changes and the Company's assets and operations could be at risk in the event of negative changes in the political and business environment. These risks entail in particular expropriation, nationalisation, confiscation of assets and legislative changes relating to the level of foreign ownership. Such instability may in some cases have an adverse impact on the Company's business, financial condition and results of operations.

Ukraine is experiencing political uncertainty both internally and in its relations with Russia, which might have negative effects on the Ukrainian economy and the Company's business, financial condition and operational results.

Risk rating: low

### **Misuse of corporate governance is problematic**

There are deficiencies in the legislation on and procedures for corporate governance, and the concept of fiduciary duties remains undeveloped. This, together with deficiencies in judicial enforcement and corporate legislation may lead to breaches of fiduciary duties and violations by directors of Agromino companies, which may have a material adverse effect on the Company's business, financial condition and operational results.

Risk rating: low

### **Crime, corruption, illegal or unacceptable business methods and unlawful or arbitrary governmental action**

The widespread corruption and non-acceptable business practices conducted in Russia and Ukraine as compared with other more developed countries may decrease a Russian or Ukrainian company's ability to compete globally. The operations of Agromino could be adversely affected by illegal activities, corruption or claims implicating Agromino in illegal activities.

Risk rating: low

### **Risks relating to Agromino's securities**

#### **Risks relating to the specifics of the securities**

##### **The share price can be volatile, and the share price is dependent on several factors**

Since an investment in shares may decline in value, there is a risk that an investor will not get its invested capital back. Agromino's share is listed on Nasdaq Stockholm. During the period 1 January 2019 – 30 September 2019, Agromino's share price was at its lowest SEK 15.75 and at its highest SEK 20.2. Accordingly, the share price may be volatile. The share price development is dependent on several factors, some of which are company specific while others are linked to the stock market as a whole. For example, the share price can be affected by supply and demand, variations in actual or expected results, inability to reach analysts' earnings expectations, failure to reach financial and operational goals, changes in general economic conditions and other factors. Agromino's share is also in some cases affected by competitors' activities and position in the market. There is a risk that there will not at all times be an active and liquid market for trading in Agromino's share.

Risk rating: medium

**Future dividends from Agromino depend on many factors and may not be paid or they may vary**

Within the last three financial years, Agromino has not paid dividends to their shareholders. Any future payments from Agromino depend on a number of factors, including future earnings, financial position, cash flows, net working capital requirements, investment costs and other factors. The Company may also lack sufficient distributable funds and Agromino's shareholders may resolve not to pay dividends.

Risk rating: medium

**Certain shareholders may be able to exercise significant influence over Agromino's business and be able to influence matters requiring approval from Agromino's shareholders**

At the date of the release of the Prospectus, the Principal Shareholder holds approximately 63.3 per cent of the Company's shares and votes. Such major shareholders may therefore, jointly or separately, continue to have opportunity to exercise substantial influence over matters that are referred to the Company's shareholders for approval, including the election of directors and any increase in share capital, mergers, consolidation or the sale of all, or nearly all, of Agromino's assets. In addition, such shareholders may have a considerable influence over the Company's senior management and operations. The interests of the named shareholders may coincide with those of Agromino or other shareholders, and such shareholders could be able to exercise influence over Agromino in a way that does not best promote the interests of other shareholders.

Risk rating: medium

**The sale of large tranches of shares in the Company by existing shareholders could cause the price of the shares to fall**

The price of shares in the Company may drop if extensive sales of shares in the Company occur, in particular sales from the Company's directors, senior management, the major shareholders as described above, or any other major shareholder, or when large number of shares are sold. The sale of large quantities of shares by major shareholders, or the perception that such sales will occur, could have a negative impact on the Company's share price.

Risk rating: medium

**Future issuances of shares or other securities in Agromino could dilute the shareholding and affect the price of the shares**

Agromino could need to increase its capital in the future by issuing new shares to finance its operations, for purposes such as financing possible future acquisitions and other investments that the Company may decide to carry out, or to strengthen the balance sheet. Moreover, Agromino may need to make additional investments in equipment, development programs and/or technology and raise additional funds by issuing shares, share-related or convertible debt instruments. There is a risk that additional financing on acceptable terms may not be available to the Company when it is needed, or at all. If the Company chooses to raise additional capital, for example through the issue of shares, there is also a risk that the Company's shareholders' shareholdings may be diluted, which could also affect

the price of the shares. Should these risks materialise, the result could be a material adverse effect on the investors' invested capital and/or the price of the shares.

Risk rating: medium

## **BACKGROUND AND REASONS**

The reason for the issue of New Shares is to finance the acquisition of Resilient for the approximate amount of MEUR 12.9. The New Shares shall form a consideration under the acquisition and shall fully cover the purchase price for 100 per cent of the shares in Resilient.

The main reason for the acquisition of Resilient is to increase the landbank and cattle numbers of Agromino and to complement the current business model and strategy of Agromino. The acquisition will also improve the regional diversification of farmland within Ukraine and therefore will partially mitigate the existing risks related to weather conditions as well as the geopolitical risks. Additionally, it will enable to share and rotate the best managers and experts from both companies to improve Agromino group and may lead to economies of scale.

Copenhagen, October 2019

**Agromino A/S**

*The board of directors*

*The board of directors is responsible for the content of this Prospectus. The board of directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with fact and contains no omission likely to affect its import.*

## **BUSINESS OVERVIEW – AGROMINO**

### **Overview**

Agromino is an integrated soft commodities producer, storage provider and trader in Ukraine and Russia established in May 2006.

Following the successful share capital raising in 2008 and bond issue in 2011, the Group continuously acquired new land plots and elevators in Eastern and Central Ukraine. From 2013 till 2016 the Group has divested its cereal production clusters in Russia and partly disposed its dairy business in Estonia, while focusing on the farming in Ukraine.

Today, after the divestment of Russian cereal production and reducing its shareholding in milk producer Trigon Dairy Farming Estonia (TDFE) to 39.24 per cent, is the business of Agromino group divided into two segments - Cereal Production, Storage, and Trading in Central Eastern Ukraine and Milk Production in the St Petersburg region of Russia, farming totally at approximately 47,000 hectares.

The largest business segment by revenue and EBITDA is Ukraine, where the Group operates a landbank of 44,000 hectares, under medium to longterm rental agreements. 100% of the landbank is cropped annually. The core farming operations are organised into three production clusters: Kharkiv, Nikolaev, and Kirovograd. The sales of this segment account for 88% of total Group's revenue and is generated mainly by growing and selling own crop. The Group also owns three elevators to store its grain. Agromino sells maximum amount of wheat, corn, rapeseed, and soya for exports and other crops on the domestic market.

In Russia, the Milk production segment operates 1,190 milking cows and produces more than 8,000 tonnes of milk per year, while sales of milk amount to 12 per cent of total Group's revenue. The key operations of the dairy farms include feed procurement, livestock supervision, raw milk storage and manure utilisation.

Since the beginning of 2019 Agromino has not performed any significant changes in its operations and principal activities. Due to adoption of IFRS 16 Agromino expanded both assets and liabilities as of 31 March 2019. Assets were increased by land right-of-use assets and liabilities were increased by lease liabilities.

### **Investments**

Since 31 December 2018 Agromino has made minor investments into the increase of its storage capacities. New elevator has been set up and as a result the storage capacity has increased from 85t tons to 101t tons.

### **Trends**

The operational and financial performance of Agromino in the first half of 2019 has slightly improved (if compared with the relevant period in 2018). More detailed data including the comparison to previous periods are available in the interim report for the period January 2019 – June 2019 published by the Company on 30 August 2019. As at the date of the Prospectus, aside from already published information, there has been no other significant changes in the financial performance of Agromino since the end of the last financial period for which financial information has been published.

## BUSINESS OVERVIEW – RESILIENT

The information regarding Resilient in this section is provided on the basis of requirements for additional information in the case of complex financial history under Article 18 of Commission delegated Regulation (EU) 2019/980. For information on the hypothetical effects of the complex financial history on Agromino's financial history, see section "Pro forma financials".

Resilient has, in accordance with applicable local legislation, for the financial years 2016, 2017 and 2018 prepared separate financial statements for the different entities within the Resilient group, but not prepared any consolidated financial statements for the group in which Resilient a.s. is the parent company, other than the unaudited consolidated financial statement for 2018 used as basis for the pro forma financials, refer to section "Pro forma financials". Further, Resilient has not prepared any semi-annual financial statements during the period from 2016 to the date of this Prospectus (neither on a consolidated group level nor for the separate entities within the Resilient group).

### Overview

Resilient is a Czech based agriculture company producing grain, oilseeds, pulses and milk on its farms located in the fertile and water-rich regions of western and central Ukraine. Resilient was established in 2014 and as of 31 December 2018, it had around 8,500 hectares and around 2,000 heads of cattle under its control.

Resilient's crop structure is diversified with approximately 27 per cent of acreage under corn, 25 per cent under soybean, 23 per cent under wheat, 19 per cent under sunflower and remaining under other cereals, oilseeds and forage crops.

In the Kiev region, Resilient develops milk production on its farms as a synergetic segment. Cattle breeding is a strong part of Resilient's business with around 2,000 heads of cattle. High productive Holstein dairy cattle is Resilient's main breed.

After acquisition of 9 companies in the years 2014-2016, Resilient concentrated on improvement of operations of its newly acquired farms. Within this process, significant amounts were invested in new machinery and change of agricultural processes to meet western standards. The total land area managed reached 8,500 hectares in 2016 and has stayed stable since that time. During the period from 2016 to 2018 the revenues increased from MEUR 8.5 to MEUR 13.8.

Through the acquisitions mentioned above and increasing production per harvested hectares, Resilient group harvested about 10,000 tons of grains for sale in 2016. In 2017, the group harvested about 30,000 tons of grain and in 2018 it harvested around 49,000 tons. The landbank increased by about 180 per cent between 2016 and 2017 and harvested tons increased by about 200 per cent. The table below shows harvested tons by main crops during the period from 2016 till 2018.

| Crop, t         | 2016*           | 2017            | 2018            |
|-----------------|-----------------|-----------------|-----------------|
| Corn            | 1,495.0         | 12,454.9        | 28,690.2        |
| Winter Wheat    | 3,636.0         | 8,396.5         | 8,842.5         |
| Soya            | 2,757.0         | 3,734.0         | 5,567.2         |
| Winter Rapeseed | 454.0           | 1,213.4         | 977.9           |
| Sunflower       | 927.0           | 4,204.1         | 4,679.7         |
| Barley          | 818.0           | 447.9           | 475.4           |
| <b>Total</b>    | <b>10,087.0</b> | <b>30,450.8</b> | <b>49,233.0</b> |

\* Data does not include tons harvested by the companies acquired by Resilient in November 2016.

The table below shows milk production for Resilient.

| <b>Milk, ths. Liters</b> | <b>2016*</b> | <b>2017</b> | <b>2018</b> |
|--------------------------|--------------|-------------|-------------|
| Total                    | N/A          | 5,449       | 5,949       |

\* Data does not include milk production by the companies acquired by Resilient in November 2016.

## **History**

Resilient was established in 2014 and in the same year it acquired its first farm in the the Lvov Region. After further acquisitions in the Zhytomyr and Khmelnytskyi regions in 2015, Resilient had about 3,000 hectares of land under its control. In 2016 Resilient acquired grain and milk farms in the Kiev region and extended its land bank by 5,500 hectares.

Since 2016, the individual crops sowed and harvested by Resilient are more or less unchanged. Milk production was commenced by Resilient in 2016. Financial results are stable, except for the year 2017 influenced by drought, which was partially offset by increase of soft commodity prices.

## **Investments**

In 2016 Resilient acquired four companies operating in Kyiv region, near Biela Tserkva for total price of approximately MUSD 9. There were no other acquisitions of running businesses in 2017, 2018 or 2019. However, Resilient continued to invest into agricultural machinery and technologies on its farms in an extent of up to MUSD 2 per year.

## **Trends**

Resilient started focusing on spring crops cultivation with higher profit margin in 2017. By applying new agricultural trends in each region (precise sowing, strip-till technology etc.), Resilient performed significant costs savings. By merging individual farms under one management, the group reduced staff count and personnel costs. In 2016 Resilient started its milk production due to the acquisition of two companies with milk farms.

The biggest challenge for Resilient, as for all agricultural companies in the region, is the ongoing climate change, bringing longer dry periods and intensive but short precipitation. This effect can be partially mitigated by amendments of sowing plans, e.g. by changing the ratio of winter / spring crops.

Environmental factors do not affect Resilient's fixed assets in an extent which would be substantial or would exceed standard impacts of typical plant and animal production.

## **Employees**

The average number of employees working in Resilient's farms in the years 2016, 2017 and 2018 was 409, 326 and 283, respectively. Out of the total number of employees in 2018, 227 worked in Kyiv region, 28 worked in Zhytomyr region, 16 worked in Khmelnytsky region and 12 worked in Lviv region. Resilient employs only a limited number of temporary employees.

**ADDITIONAL INFORMATION REGARDING RESILIENT**

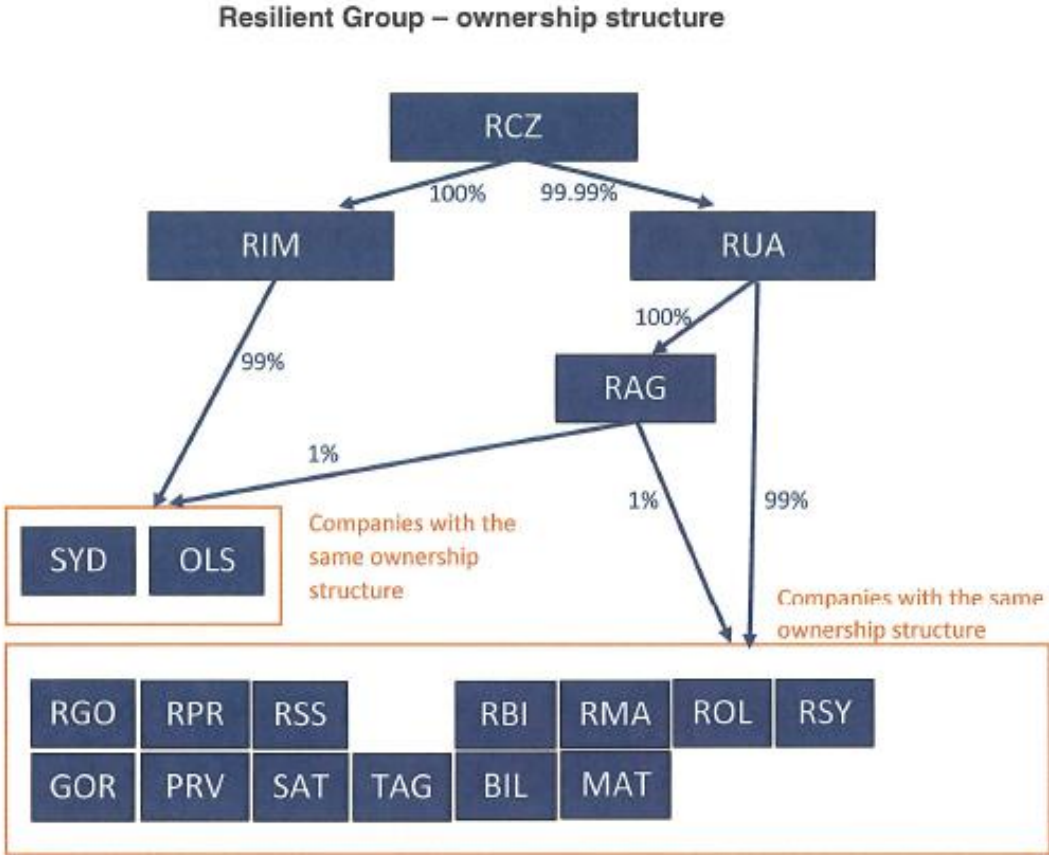
The information regarding Resilient in this section is provided on the basis of requirements for additional information in the case of complex financial history under Article 18 of Commission delegated Regulation (EU) 2019/980. For information on the hypothetical effects of the complex financial history on Agromino’s financial history, see section "Pro forma financials".

**General corporate information**

Resilient’s business is conducted in accordance with Czech law. Resilient’s current legal name and commercial name, Resilient a.s., was registered on 15 December 2014. Resilient was established on 15 December 2014 and is a limited liability company incorporated and domiciled in the Czech Republic. Resilient’s registered address is Churnajevova 1217/10, 143 00 Prague 4, Czech Republic. Resilient’s telephone number is +420 728 625 654 and its website is www.resilient.cz (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus). According to Resilient’s articles of association, the principal activities of the Company are trade, commerce and activities specified in the appendices to the Trade Licence Act.

**Group structure**

As per the date of the Prospectus, the Resilient group comprises 19 companies, where Resilient a.s. is the parent company. The structure of the Resilient group is set out in more detail below.





| Used Abb. | Description  | Activity           |
|-----------|--|--------------------|
| RUA       | Resilient  | holding company    |
| RAG       | Resilient Agro   | rent of machines   |
| GOR       | „Gorodilovichi“  | production company |
| RGO       | „Resilient Gorodilovichi“                                | service company    |
| SAT       | Saturn Agrokom   | service company    |
| RSS       | „Resilient Stara Synyava“                                | production company |
| TAG       | Private enterprise „Trans - Agro“                        | service company    |
| PRV       | Limited Liability Company „Pryvitivske“                  | production company |
| RPR       | Limited Liability Company „Resilient Pryvitiv“           | service company    |
| BIL       | Limited Liability Company Agrocompany „Bilotserkivska“   | production company |
| RBI       | Limited Liability Company „Resilient Bilotserkivska“     | service company    |
| OLS       | Limited Liability Company „Oliynykova Sloboda“           | production company |
| ROL       | Limited Liability Company „Resilient Oliynykova Sloboda“ | service company    |
| MAT       | Limited Liability Company Agrocompany „Matyushi“         | production company |
| RMA       | Limited Liability Company „Resilient Matyushi“           | service company    |
| SYD       | Private Rental Agricultural Enterprise „Sydory“          | production company |
| RSY       | Limited Liability Company „Resilient Sydory“             | service company    |
| RIM       | Rimella International s.r.o.                             | holding company    |
| RCZ       | Resilient a.s.   | mother company     |

## Market overview

Food demand in the world is expected to increase with population and prosperity growth. In a world with limited and scarce resources, the regions with the most appropriate prerequisites will benefit from the race for commodities. The underlying factors shaping the future agriculture market landscape are cost drivers such as water availability, soil fertility and climate conditions.

Over the last three decades, global grain consumption has grown steadily alongside rising global population and sustained economic development. Several factors are driving the development of the agricultural sector including population and prosperity growth, growth of local livestock and new sources of demand for e.g. biofuels.

In general, grain prices are subject to a high degree of seasonal fluctuation throughout the year. If a good harvest is forecasted, prices tend to fall at the outset of the growing season in late spring. If the harvest proves good, oversupply may depress prices further in the period from August to November. Prices tend to recover at the end of the calendar year as supply gradually decreases. In general, prices remain high until the next harvest season and are influenced by the national grain stock.

In respect of Resilient the relevant markets are defined by the nature of Resilient’s business, i.e. commodity markets in grains, oilseeds, pulses and milk. Resilient sells grain mainly to local grain traders who afterwards export it worldwide.

## Related party transactions

IAS 24 is applied in identifying related party relationships, transactions, and outstanding balances.

Since the establishment of Resilient Group in 2014 the most of financing has been provided by Mr. Petr Krogman and Mabon, which is controlled by Mr. Petr Krogman. The total outstanding amount of such loans as of June 30th, 2019 was around MEUR 15. The vast majority of the loans are payable in years 2024-2029.

Additionally, Resilient provides consultancy services concerning agricultural operations to Agromino. These services are of non-substantial value and are considered as services within an ordinary course of business.

### **Material contracts**

Other than what is set out below, Resilient has not entered into any material contracts to which Resilient is a party, for the two years immediately preceding the date of the Prospectus, neither has Resilient entered into any other contract which contains any provision under which Resilient has any obligation or entitlement which is material to Resilient as at the date of the Prospectus, other than, in both situations, contracts entered into in the ordinary course of business.

Resilient is entering into standard one-shot contracts with its suppliers (fertilizers, machinery delivery, machinery repairing, etc.), with local grain and milk traders and with Czech and Ukrainian banks who participate in financing of the agricultural cycle within the calendar year. The only material contracts entered into during the two years immediately preceding the date of the Prospectus are the loan agreements signed with Mr. Petr Krogman and Mabon, which is controlled by Mr. Petr Krogman. The total outstanding amount of such loans as of 30 June 2019 was around MEUR 15. The vast majority of the loans are payable in years 2024-2029.

### **Legal and arbitration proceedings**

Resilient conducts operations in two countries and is from time to time involved in disputes, claims and administrative procedures in the ordinary course of business. Resilient has not, during the past 12 months, been involved in any legal or arbitration proceedings, nor any investigations (including proceedings or investigations that are pending or the Resilient is aware may arise), which recently have had, or may have, significant effect on Resilient's financial position and profitability.

### **Agromino following the acquisition of Resilient**

*This section contains forward-looking possible synergies and cost savings. Such statements are subject to risks, uncertainties and other factors, including those presented under the "Risk factors" section, which could cause actual cost savings and synergies benefits to differ from Agromino's current estimates. See section "Important information – Forward-looking statements" for the risks associated with relying on forward-looking statements.*

The new group will be active in very similar (basically the same) segments as Agromino, i.e. grains, oilseeds, pulses and milk. Geographically, the new group will have agricultural farms in Ukraine and Russia and minority shareholdings in Estonian farms.

Resilient's farms will become parts of the Agromino group with centralized functions like finance, legal, audit, procurement, sales of the production, grain storage management, security and sowing plans management. The group will benefit from sharing of management skills, agronomists, machinery, etc.

No significant integration costs are expected.

## CAPITAL STRUCTURE, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION REGARDING AGROMINO

The tables in this section describe Agromino's capitalisation and indebtedness on group level as of 31 July 2019. For information about the Company's shares, refer to the section "Share capital and ownership structure". The Company does not have any indirect or contingent liabilities recorded on the balance sheet as of 31 July 2019.

### Capital structure

The table below set forth Agromino's capital structure as per 31 July 2019.

| <b>in TEUR</b>   | <b>31 July 2019</b> |
|--|---------------------|
| <b>Current liabilities</b>                                   |                     |
| Guaranteed   | 0                   |
| Secured*   | 14,128              |
| Unsecured  | 12,759              |
| <b>Total current liabilities</b>                             | <b>26,887</b>       |
| <b>Non-current liabilities</b>                               |                     |
| Guaranteed   | 0                   |
| Secured*   | 1,589               |
| Unsecured  | 28,969              |
| <b>Total non-current liabilities</b>                         | <b>30,558</b>       |
| <b>Total current liabilities and non-current liabilities</b> |                     |
| <b>Equity</b>  |                     |
| Share capital  | 17,421              |
| Share premium  | 120,151             |
| Other reserves   | -35,888             |
| Profit and loss reserve                                      | -64,760             |
| <b>Total shareholders' equity</b>                            | <b>36,924</b>       |
| Non-controlling interest in equity                           | 252                 |
| <b>Total equity</b>  | <b>37,176</b>       |

*\*Financial lease liabilities were considered as secured and were included in secured liabilities due to the nature of financial lease. Bank loans as of 31 July 2019 were secured by the following pledge: buildings, machinery and equipment; biological assets; inventories.*

### Net indebtedness

The table below set forth Agromino's financial net debt as per 31 July 2019.

| <b>in TEUR</b> |   | <b>31 July 2019</b> |
|----------------|---|---------------------|
| A.             | Cash  | 1,692               |
| B.             | Cash equivalents  | 0                   |
| C.             | Trading securities  | 0                   |
| <b>D.</b>      | <b>Liquidity (A) + (B) + (C)</b>                          | <b>1,692</b>        |
| <b>E.</b>      | <b>Current financial receivables</b>                      | <b>0</b>            |
| F.             | Current bank debt   | 12,455              |
| G.             | Current portion of non-current debt                       | 7,125               |
| H.             | Other current financial debt                              | 2,014               |
| <b>I.</b>      | <b>Current financial debt (F) + (G) + (H)</b>             | <b>21,594</b>       |
| <b>J.</b>      | <b>Net current financial indebtedness (I) – (E) – (D)</b> | <b>19,902</b>       |
| K.             | Non-current bank loans                                    | 0                   |
| L.             | Bond issue  | 0                   |
| M.             | Other non-current interest-bearing loans                  | 30,328              |
| <b>N.</b>      | <b>Non-current financial debt (K) + (L) + (M)</b>         | <b>30,328</b>       |
| <b>O.</b>      | <b>Financial net debt (J) + (N)</b>                       | <b>50,230</b>       |

### Other financial information

#### Financing

The total borrowings of Agromino as at 31 July 2019 amounted to TEUR 15 717. Details of the borrowings' currencies, interest rates and maturities are shown in the included table.

| <b>in TEUR</b> | <b>Amount</b> | <b>Maturity</b> | <b>Interest rate</b> |
|----------------|---------------|-----------------|----------------------|
| RUB-nominated  | 307           | 2019-2021       | 5%-25.8%             |

|   |               |           |                     |
|---|---------------|-----------|---------------------|
| USD-nominated                                     | 7,374         | 2019-2020 | 5.1%-6.5%           |
| USD-nominated                                     | 1,098         | 2021      | 12.59% - 12.62%     |
| USD-nominated                                     | 4,971         | 2019      | 1mLIBOR+3.5%        |
| UAH-nominated                                     | 1,967         | 2023      | 1mLIBOR + 4.4%-9.4% |
| <b>Total:</b>                                     | <b>15,717</b> |           |                     |
| Less: non-current portion                         | 1,589         |           |                     |
|   | <b>14,128</b> |           |                     |
| Less accrued interest                             | -93           |           |                     |
| <b>Current portion excluding accrued interest</b> | <b>14,035</b> |           |                     |

During the period January - July 2019 Agromino made drawdowns under the existing credit facility with its major shareholder Mabon at total amount of MEUR 2, therefore balance payable to Mabon as of 31 July 2019 was TEUR 2,014.

#### **Working capital statement**

Agromino is of the opinion that the Company does not have sufficient working capital to finance its current obligations for the next twelve months. Working capital in this context refers to the unconditional financing available for the Company to enable it to meet its current payment obligations for the next twelve months without any consideration to expected refinancing during the period. The insufficient working capital is due to the need to refinance the current portion of the Company's borrowings (refer to the section "*Other financial information – Financing*"), amounting to MEUR 14,128 maturing within the next twelve months.

To the extent that the Company would not be able to refinance the current portion of its existing borrowings as they mature, the Company would have a shortfall of working capital amounting to MEUR 4,457 in January 2020. The Company has a long and mutually beneficial relationship with its financing banks, established five years ago. The Company is therefore confident that it will successfully renegotiate and prolong existing loan agreements at the end of the year 2019, as it has successfully done during previous years. Should such negotiation or refinancing in the unlikely event fail, the Company would consider alternative financing sources, including additional debt financing and/or equity raisings which, in Agromino's opinion, would result in sufficient working capital for the next twelve months.

#### **Cash flow**

Main sources of cash flow are receipts from customers. The amount of cash receipts from customers during the period January – July 2019 was TEUR 15,728 (86 per cent from crop sales, 9 per cent from milk sales, 2 per cent from cattle sales, 2 per cent from elevator services sales and 1 per cent from other sales).

**Age of most recent audited financial information**

The most recent audited financial information has been taken from Agromino's consolidated financial statements for the financial year ended 31 December 2018, which was published on 25 March 2019 on the Company's website, [www.agromino.com](http://www.agromino.com) (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus).

**Significant change in Agromino's financial position since 30 June 2019**

On 31 July 2019 Agromino entered into an agreement with the owner of Resilient, who is also the major shareholder of Agromino, Mabon, to acquire 100 per cent of the shares in Resilient for a consideration of newly issued shares in Agromino equivalent to a value of approximately MEUR 12.9. Agromino's acquisition of 100 per cent of the shares in Resilient a.s. is deemed to have a material impact on financial position and performance of Agromino.

The acquisition of 100 per cent of the shares in Resilient by Agromino for a consideration of newly issued shares in Agromino equivalent to a value of approximately MEUR 12.9 was approved on extraordinary general meeting of Agromino held on 2 September 2019.

## **PRO FORMA FINANCIALS**

*The pro forma financial statements in this section illustrates a hypothetical situation and do not necessarily reflect what the actual results of Agromino's operations would have been if the Transaction had been completed at an earlier date, and the pro forma financial statements should not be considered to be indicative of Agromino's results for any future period. Accordingly, investors should not pay undue attention to the pro forma financial statements.*

### **Purpose of the pro forma financials**

Agromino's acquisition of 100 per cent of the shares in Resilient is deemed to have a material impact on Agromino's financial position and performance, partly through the acquired corporate group, and partly through issue of new shares in Agromino.

According to a proposal by the board of directors of Agromino, an extraordinary general meeting in the Company held on 2 September 2019 decided to conduct a share issue amounting to approximately MEUR 12.9.

The pro forma information is based on the assumption that the share issue is subscribed in full.

The purpose of the consolidated pro forma information below is to present the hypothetical effect that the acquisition and share issue would have had on Agromino consolidated income statement for the period 1 January 2018 – 31 December 2018 and the consolidated balance sheet as at 31 December 2018 if the transactions took place on 1 January 2018.

The sole purpose of the pro forma information is to provide information and shed light on facts. The pro forma information is by nature intended to describe a hypothetical situation, and accordingly does not serve to describe Agromino actual financial position and performance. In addition, the pro forma information is not representative for what the results of operations will look like in the future. Investors should accordingly be cautious about assigning too much importance to the pro forma information.

### **Grounds for the pro forma information**

The pro forma information has been based on the accounting principles, International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

The pro forma information for the period 1 January 2018 – 31 December 2018 has been prepared based on the audited consolidated financial statements of Agromino group for the period, and consolidated financial statements of Resilient group for the period 1 January 2018 – 31 December 2018, which are unaudited.

The pro forma balance sheet was prepared as of 31 December 2018 and is based on Agromino financial statements for the period 1 January 2018 – 31 December 2018, which were subject to audit, and Resilient consolidated financial statements for the period 1 January 2018 – 31 December 2018, which are unaudited.

Agromino and Resilient financial statements are published at web sites:

<http://www.agromino.com/>

<http://www.resilient.cz/>

### **Pro forma adjustments**

The pro forma adjustments are described in detail in the notes to the pro forma statements. Unless otherwise stated, the adjustments are recurring.

### **Acquisition analysis and new shares issue**

The preliminary acquisition analysis and other pro forma information are based on the following assumptions:

1. Agromino A/S has acquired all outstanding shares in Resilient for a consideration of 7.4 million newly issued shares in Agromino (of nominally EUR 1 per share) equivalent to a value of MEUR 12.9;
2. The preliminary acquisition analysis indicates an unallocated surplus value of MEUR 14.2. Because it was not possible to conduct a complete acquisition analysis, and no surplus values were allocated to other assets, surplus value has in its entirety been recognised as unallocated surplus value in the pro forma balance sheet; and
3. Since the owner of Resilient is also the major shareholder of Agromino, Agromino's balance receivable from major shareholder for newly issued shares is eliminated with Agromino's balance payable to major shareholder for acquisition of 100 per cent of the shares in Resilient.

### **Intragroup transactions and balances**

This proforma adjustment refers to eliminating intragroup balances and operations in corresponding reporting period. In case there are no intragroup balances and operations for corresponding period, eliminating is no needed.

Intragroup operations for amount of MEUR 0.13 were eliminated from Revenue and Raw materials and consumables used for production purposes in Income statement for the period from 1 January 2018 – 31 December 2018. Intragroup balances for amount of MEUR 0.02 were eliminated from Trade and other receivables and Trade and other payables in Balance sheet as of 31 December 2018.

### **Accounting policy adjustments**

The difference in accounting principles was identified related to IFRS 16 Leases, effective for annual period beginning on or after 1 January 2019. Following new standard becomes effective for Agromino from 1 January 2019.

Resilient applied IFRS 16 Leases as of 1 January 2018 (earlier application), recognizing land lease rights and lease liabilities at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. Resilient depreciates the land lease rights from the commencement date to the earlier of the end of the useful life of the land lease right asset or the end of the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. This difference in accounting principles resulted in pro forma adjustments in the balance sheet as of 31 December 2018 and in income statement for period from 1 January 2018 – 31 December 2018 to eliminate the impact of earlier application of IFRS 16 "Leases" by Resilient. Since date of initial application of IFRS 16 by Agromino is 1 January 2019, this proforma adjustment is of non-recurring nature.



## Transaction expenses

The total estimated expenses in connection with the acquisition and the new share issue consist of fees to financial and legal advisers and auditors. They are estimated to total approximately MEUR 0.2 and are not charged to the pro forma income statement, since the issue expenses are recognised in equity, and transaction expenses, which would have been charged to profit or loss, are recognised in the period before the acquisition occurs. The estimated issue and transaction expenses have, however, been taken into account in the pro forma balance sheet as a reduction of equity and cash and cash equivalents. This pro forma adjustment is of a non-recurring nature and is therefore not recurring.

## Pro forma information 1 January 2018 – 31 December 2018

### Income statement 1 January 2018 – 31 December 2018

The consolidated pro forma income statement for the period 1 January 2018 – 31 December 2018 has been prepared as if the acquisition of Resilient and the directed share issue registered had taken place on 1 January 2018.

| in TEUR  | Audited        | Unaudited     |                  |      | Proforma          |
|--|----------------|---------------|------------------|------|-------------------|
|  | Agromino       | Resilient     | Adjust-<br>ments | Note | Agromino<br>Group |
| Revenue  | 25,287         | 11,248        | -130             | 2    | 36,405            |
| Other income   | 271            | 74            |                  |      | 345               |
| Gain/loss of biological assets arising from changes in fair value less costs to sell | 16             | 2,472         |                  |      | 2,488             |
| <b>Total revenue, other income and fair value adjustments</b>                        | <b>25,574</b>  | <b>13,794</b> | <b>-130</b>      |      | <b>39,238</b>     |
| <b>Net changes in inventories of agricultural produce and work in process</b>        | <b>3,483</b>   | <b>-4,177</b> |                  |      | <b>-694</b>       |
| Cost of purchased goods for trading purposes   | -575           | -27           |                  |      | -602              |
| Raw materials and consumables used for production purposes                           | -19,625        | -5,287        | -557             | 2,3  | -25,469           |
| Employee benefits expense  | -4,872         | -1,468        |                  |      | -6,340            |
| Depreciation and amortisation  | -1,662         | -1,044        | 395              | 3    | -2,311            |
| Other administrative expenses  | -1,763         | -511          |                  |      | -2,274            |
| Revaluation of land  | 0              | 0             |                  |      | 0                 |
| Other (losses)/gains - net   | -10,623        | -6            |                  |      | -10,629           |
| <b>Operating profit/loss (+/-)</b>   | <b>-10,063</b> | <b>1,275</b>  | <b>-292</b>      |      | <b>-9,081</b>     |
| Gains/losses from exchange rate differences  | -157           | 788           |                  |      | 631               |
| Finance income   | 21             | 9             |                  |      | 30                |
| Finance costs  | -964           | -928          | 479              | 3    | -1 413            |
| Share of profit/loss of investments accounted for using the equity method            | 832            |               |                  |      | 832               |

|                                      |                |              |            |               |
|--------------------------------------|----------------|--------------|------------|---------------|
| <b>Profit/Loss before income tax</b> | <b>-10,331</b> | <b>1,144</b> | <b>187</b> | <b>-9,001</b> |
| Corporate income tax                 | -18            | 5            |            | -13           |
| <b>Profit/Loss for the period</b>    | <b>-10,349</b> | <b>1,149</b> | <b>187</b> | <b>-9,014</b> |
| <b>Attributable to:</b>              |                |              |            |               |
| Equity holders of the Company        | -10,241        | 1 149        | 187        | -8,906        |
| Non-controlling interest             | -108           |              |            | -108          |
|                                      | <b>-10,349</b> | <b>1,149</b> | <b>187</b> | <b>-9,014</b> |

2) Refers to eliminating intergroup operations for amount TEUR 130.

3) Refers to accounting policy adjustments. Eliminating effect of earlier application of IFRS 16 "Leases" by Resilient.

### Pro forma balance sheet as of 31 December 2018

The abbreviated consolidated pro forma balance sheet as of 31 December 2018 was prepared as if the acquisition of Resilient and the directed share issue had taken place on 31 December 2018.

| in TEUR                                       | Audited       | Unaudited     |                  |      | Pro forma         |
|---|---------------|---------------|------------------|------|-------------------|
|   | Agromino      | Resilient     | Adjust-<br>ments | Note | Agromino<br>Group |
| <b>ASSETS</b>                                 |               |               |                  |      |                   |
| <b>Current assets</b>                         |               |               |                  |      |                   |
| Cash and cash equivalents                     | 701           | 3,198         | -200             | 4    | 3,699             |
| Trade and other receivables                   | 4,771         | 1,664         | 463              | 2,3  | 6,898             |
| Inventories                                   | 12,282        | 2,310         |                  |      | 14,592            |
| Biological assets                             | 2,117         | 900           |                  |      | 3,017             |
| Assets held for sale                          | 18            |               |                  |      | 18                |
|   | <b>19,889</b> | <b>8,072</b>  | <b>263</b>       |      | <b>28,224</b>     |
| <b>Non-current assets</b>                     |               |               |                  |      |                   |
| Prepaid land rents and land usage rights      | 457           | -             | -                |      | 457               |
| Other non-current prepayments and receivables | 143           | -             | -                |      | 143               |
| Biological assets                             | 2,267         | 613           |                  |      | 2,880             |
| Deferred tax assets                           |               | 6             |                  |      | 6                 |
| Surplus value, unallocated                    |               |               | 14,154           | 1    | 14,154            |
| Intangible assets                             | 761           | 3,751         | -3,571           | 3    | 941               |
| Property, plant and equipment                 | 12,609        | 5,791         |                  |      | 18,400            |
| Investments in associates                     | 9,244         | 0             |                  |      | 9,244             |
|   | <b>25,481</b> | <b>10,162</b> | <b>10,583</b>    |      | <b>46,225</b>     |
| <b>Total assets</b>                           | <b>45,370</b> | <b>18,234</b> | <b>10,846</b>    |      | <b>74,449</b>     |
| <b>LIABILITIES</b>                            |               |               |                  |      |                   |
| <b>Current liabilities</b>                    |               |               |                  |      |                   |
| Trade and other payables                      | 3,068         | 790           | 14               | 2,3  | 3,872             |
| Borrowings                                    | 10,350        | 2,918         |                  |      | 13,268            |

|   |               |               |               |         |               |
|---|---------------|---------------|---------------|---------|---------------|
| Current land lease liabilities  |               | 673           | -673          | 3       | 0             |
|   | <b>13,418</b> | <b>4,380</b>  | <b>-659</b>   |         | <b>17,140</b> |
| <b>Non-current liabilities</b>  |               |               |               |         |               |
| Trade and other payables  | 23            |               |               |         | 23            |
| Borrowings  | 986           | 12,399        |               |         | 13,385        |
| Non-current land lease liabilities                                      |               | 2,638         | -2,638        | 3       | 0             |
| Deferred tax liabilities  | 187           | 71            |               |         | 258           |
|   | <b>1,196</b>  | <b>15,107</b> | <b>-2,638</b> |         | <b>13,666</b> |
| <b>Total liabilities</b>  | <b>14,614</b> | <b>19,488</b> | <b>-3,295</b> |         | <b>30,806</b> |
| <b>EQUITY</b>   |               |               |               |         |               |
| <b>Capital and reserves attributable to equity holders of the Group</b> |               |               |               |         |               |
| Ordinary shares   | 17,421        | 5,862         | 1,538         | 1       | 24,821        |
| Share premium   | 120,151       | 0             | 5,500         | 1       | 125,651       |
| Other reserves  | -39,005       | 0             |               |         | -39,005       |
| Accumulated deficit   | -68,067       | -7,116        | 7,103         | 1,2,3,4 | -68,080       |
|   | <b>30,500</b> | <b>-1,254</b> | <b>14,141</b> |         | <b>43,387</b> |
| Non-controlling interest in equity                                      | 256           | 0             |               |         | 256           |
| <b>Total equity</b>   | <b>30,756</b> | <b>-1,254</b> | <b>14,141</b> |         | <b>43,643</b> |
| <b>Total equity and liabilities</b>                                     | <b>45,370</b> | <b>18,234</b> | <b>10,846</b> |         | <b>74,449</b> |

1) Refers to a preliminary acquisition analysis where the difference compared with the recognised net assets is presented as an unallocated surplus value.

2) Refers to eliminating intergroup balances for amount TEUR 22.

3) Refers to accounting policy adjustments. Eliminating effect of earlier application of IFRS 16 "Leases" by Resilient.

4) Refers to assessed effect of estimated expenses in connection with the acquisition and the new share issue.

## **AUDITOR'S REPORT ON PRO FORMA FINANCIALS**

### **To the shareholders and potential investors of Agromino A/S**

We have examined whether the pro forma financial information for Agromino A/S has been properly compiled on the basis stated and whether this basis is consistent with the company's accounting policies. The applicable criteria to be applied in the compilation of the pro forma financial information are set out in Commission regulation (EU) no. 2017/1129, Commission delegated regulation (EU) no. 2019/979, and Commission delegated regulation (EU) no. 2019/980, Annex 3, "Registration document for secondary issuances of equity securities", Item 11.5, "Pro forma financial information", and Annex 20, "Pro forma information" (the Commission regulations).

The pro forma financial information is set out on pages 29 - 33 of the prospectus. The basis on which the company has compiled the pro forma financial information is described in the section "*Grounds for the pro forma information*".

The pro forma financial information has been compiled by the management of the company to illustrate an impact of the company's acquisition of all of the shares of the company Resilient a.s. with registered office in The Czech Republic on the company's statement of profit and loss for the period 01.01.18 - 31.12.18 and financial position as at 31.12.18 as if the acquisition had taken place as at 01.01.18. As part of this process, the management of the company has extracted information regarding Resilient a.s.' financial performance and financial position from the financial statements for the financial year 01.01.18 - 31.12.18. The financial statements have been published on [www.resilient.cz/oznameni](http://www.resilient.cz/oznameni).

In this engagement to report on the pro forma financial information, the term "properly compiled" means that given the nature of available data such have been collected, classified and summarised as well as presented appropriately on the basis described in the section "*Grounds for the pro forma information*".

In this engagement to report on the pro forma financial information, the term "consistent with the company's accounting policies" means that the pro forma financial information where relevant and to the extent possible in respect of recognition and measurement (including necessary adjustments) have been prepared consistently with the accounting policies disclosed in the financial statements of the company for the financial year 01.01.18 - 31.12.18.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate an impact of a significant event or transaction on the historical unadjusted financial information of the company as if the event or transaction had been completed at an earlier date selected for the purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction being completed at 01.01.18 would have been as presented.

The pro forma financial information and the accompanying reports have been prepared solely for the purpose of inclusion in the prospectus prepared in accordance with the Commission regulations. Accordingly, the pro forma financial information may not be suitable for any other purposes.

### **Management's responsibility**

The management of the company is responsible for the proper compilation of the pro forma financial information on the basis stated and assuring that this basis is consistent with the company's accounting policies, and that the pro forma financial information complies with the criteria set out in the Commission regulations.

## **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by IESBA, and additional requirements applicable in Denmark, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We are subject to International Standard on Quality Control (ISQC) 1 and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## **Auditor's responsibility**

Our responsibility is, in accordance with Commission delegated regulation (EU) no. 2019/980, Annex 20, Section 3, "Requirements for an accounting/audit report", to express a conclusion about whether the pro forma financial information has been properly compiled on the basis stated, and that this basis is consistent with the company's accounting policies.

We conducted our examinations in accordance with International Standard on Assurance Engagements (ISAE) 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", and additional requirements under Danish audit regulation. This standard requires that the auditor plan and perform procedures in order to obtain reasonable assurance as to whether the pro forma financial information, in all material respects, is properly compiled on the basis stated, and that this basis based on available data is consistent with the company's accounting policies.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate an impact of a significant event or transaction on the company's unadjusted financial information as if the event had occurred or the transaction was completed at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction if completed at 01.01.18 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated, and whether the basis is consistent with the company's accounting policies, includes performing procedures in order to assess whether the relevant criteria used by management in compiling the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, as well as obtaining sufficient and appropriate evidence of whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also includes evaluating the overall presentation of the pro forma financial information.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

**Conclusion**

In our opinion, the pro forma financial information has, in all material respects, been properly compiled based on the applicable criteria and the basis stated, and this basis is consistent with the company's accounting policies.

Aalborg, 15 October 2019

**Beierholm**

Statsautoriseret Revisionspartnerselskab

Henrik Bjørn

State Authorized Public Accountant

## BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITORS

### Board of directors

The board of directors of Agromino consist of three members. All members are elected for the period until the end of the annual general meeting 2020.

| Name          | Position      | Elected | Independent of the Company and management | Independent of major shareholders | Shareholding*            |
|---------------|---------------|---------|---|-----------------------------------|--------------------------|
| Petr Krogman  | Chairman      | 2018    | No  | No                                | 11,026,544 <sup>1)</sup> |
| Jan Urban     | Vice chairman | 2018    | Yes                                       | Yes                               | 306,184                  |
| Jiří Vyskočil | Board member  | 2018    | Yes                                       | Yes                               | -                        |

*\*Directed and indirect holdings*

*1) Excluding the approximately 7,400,000 New Shares issued through the Issue in kind. For more information refer to section "Share capital and ownership structure - The Issue in kind".*

### Information on the members of the board of directors

#### PETR KROGMAN

*Born 1973. Chairman of the board of directors since 26 February 2018.*

**Education:** MSc from the University of Economics, Prague.

**Other current assignments/positions:** Statutory director in Mabon, ZSZ investiční fond s proměnným základním kapitálem a.s., Nad Komornickou 3, s.r.o. and Nad Prahou s.r.o. Member of the administrative board of Resilient a.s.

**Previous assignments/positions (past five years):** Chairman of the board of directors of Českolipská zemědělská s.r.o., Děčínská zemědělská s.r.o., Farma Ploučnice a.s., Local agrarian council Česká Lípa, Pastviny a.s., PG-Hazlov a.s., Spojené farmy a.s. and Verneřický Angus a.s. Statutory director in Agrome s.r.o., Angusland s.r.o., Biohovězí s.r.o., Biochov s.r.o., Biopark s.r.o., Biopotraviny s.r.o., JAGRA spo. s r.o., Naturland s.r.o., PV Cvikov s.r.o., RL – Management s.r.o., Rolnická Skalná s.r.o., SPO-ZEM Nový Kostel s.r.o., Swardman, s.r.o., Zelená louka s.r.o. and ZEMSPOL s.r.o.

**Holdings:** 11,026,544 shares (indirect and excluding the approximately 7,400,000 New Shares issued through the Issue in kind. For more information refer to section "Share capital and ownership structure - The Issue in kind".

*Dependent of the Company and the management as well as major shareholders.*

## JAN URBAN

*Born 1972. Vice chairman of the board of directors since 26 April 2018.*

**Education:** JD and PhD from the Charles University Law School, MA in Finance from the Prague University of Economics and LLM from the Harvard Law School. Qualified Czech and US attorney.

**Other current assignments/positions:** Statutory director in upTAXI Czech Republic s.r.o. and Provoco, s.r.o. Director in UPTAXI HOLDING LIMITED. Member of the executive board of Urban Entertainment Promoters s.r.o.

**Previous assignments/positions (past five years):** member of the board of directors of Direct finance Europe a.s. Statutory director in 5CA s.r.o.

**Holdings:** 306,184 shares.

*Independent of the Company and the management as well as of major shareholders.*

## Jiří Vyskočil

*Born 1973. Member of the board of directors since 2018.*

**Education:** MSc from Finance at the University of Economics, Prague.

**Other current assignments/positions:** Member of the supervisory board of Bonett EUROGAS CNG Highway, a.s. Bonett Gas Investment, a.s. and Bonett EUROGAS CNG Fleet, a.s.

**Previous assignments/positions (past five years):** Chairman of the board of directors of Patria Finance, a.s., Patria Corporate Finance, a.s. and Patria investiční společnost, a.s.

**Holdings:** No holdings.

*Independent of the Company and the management as well as of major shareholders.*

### 1.1 Senior executives

| Name            | Position                       | Year of birth | At Agromino since | Shareholding* |
|-----------------|--------------------------------|---------------|-------------------|---------------|
| Petr Toman      | CEO and executive board member | 1973          | 2018              | -             |
| Rastislav Pagáč | Executive board member         | 1986          | 2018              | -             |

*\*Directed and indirect holdings*



## Information on senior executives

### PETR TOMAN

*Born 1973. CEO and executive board member since 2018.*

**Education:** MSc from the University of Economics, Prague.

**Other current assignments/positions:** Statutory director in Resilient, a.s., Resilient TOV, Resilient Agro TOV and Rimela International s.r.o. CEO in Mabon and ZSZ investiční fond s proměnným základním kapitálem a.s.

**Previous assignments/positions (past five years):** Member of the board of directors of SOFOLGIA a.s., EPIC Holding a.s. / Lazarská 5 a.s. and ZSZ investiční fond s proměnným základním kapitálem a.s.

**Holdings:** No holdings.

### RASTISLAV PAGÁČ

*Born 1986. Executive board member since 2018.*

**Education:** LLM in International Business Law from the Tilburg University.

**Other current assignments/positions:** Statutory director in Grimer Corp., s.r.o.

**Previous assignments/positions (past five years):** Member of the supervisory board of EMA European Medical Academy AG. In-house counsel in ERIELL Services s.r.o. and ERIELL Corporation s.r.o.

**Holdings:** No holdings.

## Other information on the board of directors and senior executives

All senior executives may be contacted at the Company's address (please refer to section "Addresses").

No board member or senior executive has, during the past five years, been subject to any allegations and/or sanctions on the part of any authority or professional association under public law. No board member or senior executive has during the past five years been declared bankrupt. Further, no board member or senior executive has been involved in any bankruptcy or liquidation proceedings in relation to companies they have represented in the past five years. No board member or senior executive has been convicted in any case relating to fraud in the past five years. No board member or senior executive has in the past five years been subject to injunctions against carrying on business. No special arrangements have been entered into between principal shareholders, clients, suppliers or other parties according to which any of the board members or senior executives have been appointed to their present position. The board members are not entitled to any benefits when they retire from the board.

There are no family ties between the board members and/or the senior executives. The Company's chairman of the board of directors, Petr Krogman, is also the indirect owner (through Mabon) of Resilient, and the Company's CEO, Petr Toman, is also statutory director in Resilient and CEO of Mabon and both have therefore not participated in the Company's dealings regarding the Transaction. Other than that, no board member or senior executive has any private interest that might conflict with the Company's interest. Further, none of the above-mentioned board members or senior executives have

entered into any agreement with the Company or its subsidiaries that would entitle the board members or senior executives to post-employment benefits, other than what is stated in the Prospectus.

### **Auditors**

The auditor of the Company is, and has been since 23 July 2018, Beierholm Statsautoriseret Revisionspartnerselskab, Voergårdvej 2, DK-9200 Aalborg SV, Denmark. Beierholm Statsautoriseret Revisionspartnerselskab is a member of FSR - Danish auditors. During the period covering the historical financial information and until 23 July 2018, the Company's auditor was PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab, Strandvejen 44, DK-2900 Hellerup, Denmark.

### **Corporate governance**

Agromino applies the recommendations issued by the Committee on Corporate Governance (the "Code", latest version of which is available at [www.corporategovernance.dk](http://www.corporategovernance.dk)). The principles of corporate governance in Agromino are governed by the articles of association, applicable laws, the Code, Rules of Procedure for both of the boards, exchange requirements and market practice. It is Agromino's declared intention to secure that the standards and principles of good corporate governance will be adhered to at all times. The governance of Agromino is attended to by: the general meeting of shareholders, the board of directors and the executive board.

## **SHARE CAPITAL AND OWNERSHIP STRUCTURE**

### **Share information**

The Company's shares are listed on Nasdaq Stockholm since 8 December 2010. At the time of publishing this Prospectus, the Company's registered share capital is EUR 17,421,313 divided into 17,421,313 fully paid and issued shares with a nominal value of EUR 1 each. Shareholders are entitled to one vote for each nominal share amount of EUR 1 at the Company's general meetings.

The Company's shares are registered in book-entry form in the Danish Central Register of Securities, as maintained by VP Securities A/S, address Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S.

### **The Issue in kind**

On the extraordinary general meeting held on 2 September 2019 the board of directors was authorised by the shareholders in the period until 2 September 2024 to increase the share capital of the Company by issuance of new ordinary shares for an aggregate amount of up to nominally EUR 8,000,000. The New Shares shall be paid in by way of cash contribution, non-cash contribution and/or by way of conversion of debt in one or more rounds.

The Issue in kind was proposed and adopted by the general meeting to finance the consideration payable for the Transaction. The consideration is estimated to consist of approximately 7,400,000 of New Shares subscribed for by Mabon at a price of SEK 18.6 per New Share, however the exact number of New Shares to be issued depends on a number of factors, such as the SEK/EUR exchange rate, the value of the target, and the listed share price of the Company, etc.

The board of directors intends to exercise the authorisation around 15 October 2019.

### **Takeover bids**

#### **Mandatory takeover bid by Mabon**

Mabon, being the major shareholder of the Company, announced on its website on 23 January 2019 the outcome of mandatory public cash offer to the shareholders and warrant holders of the Company.

The offer was accepted by shareholders and warrant holders in the Company representing 3,525,494 shares and 101,294,920 warrants, which corresponded to approximately 35.5 per cent of the shares included in the offer and approximately 50.8 per cent of the total number of issued warrants. Following the completion of the offer, Mabon owned 11,026,544 shares and 101,294,920 warrants in the Company.

On 11 February 2019 Mabon published on its website a press release concerning the completion of the mandatory public cash offer to the shareholders and warrant holders of the Company.

As at the date of the Prospectus, the total shareholding of Mabon was 11,026,544 (excluding the approximately 7,400,000 New Shares issued through the Issue in kind. For more information refer to section "*Share capital and ownership structure - The Issue in kind*").

## **Certain rights attached to the shares**

### **Voting rights**

The New Shares are ordinary shares. Therefore, and according to the articles of association of the Company, each New Share of a nominal value of EUR 1 carries one (1) vote. The voting rights attached to the shares of the Company (including the New Shares) must be exercised at the general meetings of the Company (both ordinary and extraordinary).

### **Pre-emption rights**

In accordance with Danish corporate law, shareholders have a pre-emptive right to subscribe for new shares in the event of issuance of new shares, unless derogated from by the general meeting.

On 2 September 2019, the general meeting authorised the board of directors to increase the share capital of the Company and issue the New Shares without pre-emptive right for the existing shareholders.

### **Rights to profits and surplus in the event of liquidation**

Under Danish law the Company's assets may only be distributed to its shareholders:

1. As dividends, based on the latest adopted financial statements;
2. As extraordinary dividends;
3. In connection with capital reductions; or
4. In connection with dissolution of the Company.

The board of directors is responsible for ensuring that distributions do not exceed a reasonable amount having regard to the Company's financial position and, for parent companies, the Group's financial position, and that no distribution is made to the detriment of the Company or its creditors.

In the event of a solvent liquidation of the Company, the shareholders are, pursuant to the general rules of Danish law, entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

### **Redemption and conversion provisions**

According to the articles of association of the Company, no shareholder is obliged to have its shares redeemed in whole or in part. In addition, no shares hold any conversion right.

### **Convertible or exchangeable securities**

#### **Authorisation to issuance of warrants**

According to the Company's articles of association, the board of directors is in the period until 20 April 2022 authorised to issue in one or more rounds up to 1,014,695 warrants which shall entitle the recipients to subscribe for ordinary shares in the Company for a total aggregate nominal amount of up to EUR 1,014,695. The warrants may be issued to members of the Company's executive management and to key employees. Partial payment of the share capital which is subscribed for in connection with the exercise of warrants shall not be allowed. The existing shareholders shall neither have pre-emptive rights in connection with the issuance of warrants nor in connection with the subscription of shares by

exercise of the warrants. The warrants are subject to transfer restrictions and may only be transferred in accordance with the warrant terms as determined by the board of directors. The new ordinary shares which are subscribed for on the basis of the warrants shall be negotiable instruments and shall be registered in the name of the holder. The remaining terms and conditions for the warrants shall be determined by the board of directors in connection with the board's utilisation of the authority.

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

As of the time of the preparation of this Prospectus, the board of directors has not issued any warrants nor have any warrants been exercised and no shares subscribed for in the Company on the basis of the exercised warrants.

### **Authorisation to increase the share capital**

#### **Authorisation to increase the share capital with up to nominally EUR 2,000,000**

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

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

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

If the board of directors utilises one or more of the authorisations listed above in this section, the following shall apply to the respective capital increases:

Partial payment of the share capital which is subscribed for in connection with the capital increase shall not be allowed. The new shares shall be ordinary shares. The new shares shall not be subject to any transfer restrictions. The new shares shall be negotiable instruments and shall be registered in the name of the holder. The remaining terms and conditions for the capital increase shall be determined by the board of directors in connection with the board's utilisation of the authority.

The total aggregate nominal amount of the capital increase(s) which may be carried out by the board of directors pursuant to the authorisations listed above in this section may not exceed EUR 2,000,000.

#### **Authorisation to increase the share capital with up to nominally EUR 8,000,000**

On the extraordinary general meeting on 2 September 2019 the board of directors was authorised by the shareholders in the period until 2 September 2024 to increase the share capital of the Company by issuance of new shares for an aggregate amount of up to nominally EUR 8,000,000. The new shares

shall be paid in by way of cash contribution, non-cash contribution and/or by way of conversion of debt in one or more rounds.

Partial payment of the share capital which is subscribed for in connection with the capital increase shall not be allowed. The new shares shall be ordinary shares. The new shares shall not be subject to any transfer restrictions. The new shares shall be negotiable instruments and shall be registered in the name of the holder. The remaining terms and conditions for the capital increase shall be determined by the board of directors in connection with the board's utilisation of the authority.

#### **Exercise window and lapse of warrants**

According to the annual report of 2018 for the Company, an extraordinary exercise period was launched in 2019, in connection with a tender offer made by the major shareholder Mabon. However, no warrants were exercised during the exercise period, and therefore no new shares were issued by the Company.

All warrants issued by the Company lapsed on 13 March 2019 and were delisted from Nasdaq Stockholm with effect as of 14 March 2019. The deregistration of the warrants in Euroclear Sweden and VP Securities' systems occurred between 15 – 18 March 2019.

At the time of publishing this Prospectus there are no issued warrants in the Company.

#### **Dividends**

##### **Dividend policy**

According to the articles of association of the Company, it is the Company's policy to seek to distribute 30 per cent of the group's annual audited net profits as dividends to shareholders to the extent this is consistent with the Danish Companies Act.

##### **Previous dividends**

The Company has not paid dividends to its shareholders within the last three financial years.

##### **Major shareholders**

The major shareholders in the Company as at the date of the Prospectus is set out in the table below.

| <b>Major nominee shareholders</b> | <b>Shares</b> | <b>Voting rights</b> | <b>Shares, % of total</b> | <b>Votes, % of total</b> |
|-----------------------------------|---------------|----------------------|---------------------------|--------------------------|
| Mabon                             | 11,026,544    | 11,026,544           | 63.3                      | 63.3                     |
| GoMobile Aktiebolag nu            | 2,601,510     | 2,601,510            | 14.9                      | 14.9                     |
| <b>Other</b>                      | 3,793,259     | 3,793,259            | 21.8                      | 21.8                     |
| <b>Total</b>                      | 17,421,313    | 17,421,313           | 100                       | 100                      |

### Shareholders agreement and other arrangements regarding control

The board of directors of Agromino is not aware of any shareholder agreements, other agreements or similar between the Company's shareholders.

### Dilution

The total consideration for 100 per cent of the shares in Resilient is estimated to consist of approximately 7,400,000 of newly issued Agromino shares subscribed for at a price of SEK 18.6 per new share. The estimated number of newly issued shares is calculated based on the preliminary acquisition value of Resilient of EUR 12,900,000.

Based on the preliminary calculation of the consideration shares, the consideration shares will represent 29.8 per cent of the total number of outstanding shares and votes in Agromino after the transaction. Accordingly, the issue of the consideration shares will entail a dilution of approximately 29.8 per cent of the total number of shares and votes in the Company calculated after the transaction.

The table below shows net asset value per share before and after the Issue in kind and is based on equity as of 30 June 2019.

|  | <b>Before the Issue in kind (as at 30 June 2019)</b> | <b>After the Issue in kind</b> |
|--|--|--------------------------------|
| Equity, in TEUR                          | 39,224   | 52,124 <sup>1)</sup>           |
| Number of shares                         | 17,421,313   | 24,821,313 <sup>2)</sup>       |
| <b>Net asset value per share, in EUR</b> | <b>2.25</b>  | <b>2.1</b>                     |

*1) Refers to Agromino's equity as of 30 June 2019 increased by the Issue in kind.*

*2) Based on the estimated number of shares of 7,400,000 to be issued through the Issue in kind. For more information refer to section "Share capital and ownership structure - The Issue in kind".*

### Trading information

Agromino's shares are admitted to trading on Nasdaq Stockholm. After the Danish Central Register of Securities has registered the New Shares, the Company will apply for approval of the New Shares to be traded on Nasdaq Stockholm. Such trading is expected to commence in October 2019.

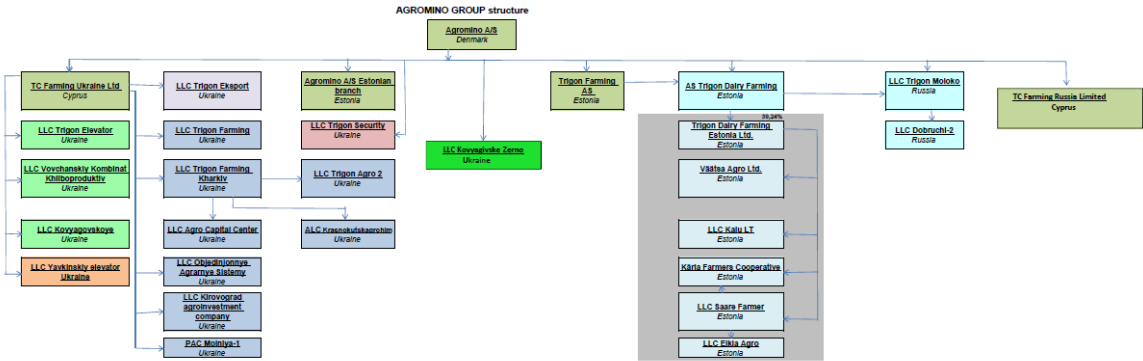
**LEGAL CONSIDERATION AND SUPPLEMENTARY INFORMATION**

**General corporate information**

The Company’s business is conducted in accordance with the Danish Companies Act. The Company’s current legal name and commercial name, Agromino A/S, was registered on 20 April 2017. Agromino was established on 11 December 2006 and is a limited liability company incorporated and domiciled in Denmark. Agromino’s registered and duly certified address is c/o Advokatfirmaet Poul Schmith, Vester Farimagsgade 23, DK-1606 Copenhagen, Denmark and the office address is Business center «Vector», Starokievskaya 10G, building B, 4th floor, UA-Kiev 04116, Ukraine. The Company’s telephone number is +38 044 586 4445 and its website is [www.agromino.com](http://www.agromino.com) (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus). Agromino’s LEI code is 549300KD26MLUOWM9D24. According to the Company’s articles of association, the principal activities of the Company is to be a holding company and to indirectly through its sub-holding companies to make, manage and dispose of investments in the farming sector in Central and Eastern Europe.

**Group structure**

As per the date of the Prospectus, the Agromino group comprises approximately 25 directly and indirectly owned companies, where Agromino is the parent company of the group, as well as 1 associated company (the “Group”). The structure of the group is set forth below.



**Material contracts**

Other than what is set out below, Agromino has not entered into any material contracts to which Agromino is a party, for the two years immediately preceding the date of the Prospectus, neither has Agromino entered into any other contract which contains any provision under which Agromino has any obligation or entitlement which is material to Agromino as at the date of the Prospectus, other than, in both situations, contracts entered into in the ordinary course of business.

On 29 January 2018 Agromino entered into an agreement regarding the sale of its Ukrainian subsidiary – PrJSC Novomirgorodskiy Elevator (the “Elevator”) for a price of MUSD 2.6. The Elevator was located in Kirovograd region, Ukraine, and had a total usable storage capacity of 107,700 tonnes, out of which concrete bins held 72,000 tonnes of grains.



On 22 February 2018 Agromino entered into an agreement regarding the divestment of eleven Russian legal entities holding 10,261 hectares of agricultural land, located in Dno and Dedovichi regions of Pskov Oblast of the Russian Federation for a net consideration of EUR 171,000.

On 31 July 2019 Agromino entered into an agreement with the owner of Resilient, who is also the major shareholder of Agromino, Mabon, to acquire 100 per cent of the shares in Resilient for a consideration of newly issued shares in Agromino equivalent to a value of approximately MEUR 12.9. The agreement contains customary provisions on limitation of liability as well as customary indemnity undertakings.

### **Legal and arbitration proceedings**

Agromino conducts operations in several countries and is from time to time involved in disputes, claims and administrative procedures in the ordinary course of business. Agromino has not, during the past 12 months, been involved in any legal or arbitration proceedings, nor any investigations (including proceedings or investigations that are pending or the Agromino is aware may arise), which recently have had, or may have, significant effect on Agromino's financial position and profitability, other than what is set out below.

On 11 May 2017 Agromino announced that it anticipates difficulties in recovering the prepayment for undelivered ammonium nitrate fertiliser in the amount of UAH 40,537,520 (approx. MEUR 1.4) from a supplier under the contracts for supply of the ammonium nitrate. The Company also announced that it had claimed back the money for the non-delivered ammonium nitrate from the supplier as well as accrued penalties. Substantial part of the disputed amount (including accrued penalties) is still subject of pending legal dispute and the Company will continue to defend its interests within the ongoing as well as any further legal proceedings in this matter.

On 27 March 2018 Agromino initiated an internal investigation based on indications that certain assets may have been divested on terms not viable from a commercial point of view, resulting in the Company not receiving the full benefit from the transactions. Several unclear circumstances remain to be investigated, but according to initial indications, the Company may have received up to MUSD 5 less than it should have received if the transactions had been made on commercially viable terms. The transactions in question are transactions in connection with the agreements entered into on 29 January 2018 and 22 February 2018 described in the section "*Legal consideration and supplementary information - Material contracts*". The investigation is still continuing. When the investigation and analysis of possible measures is closed, the market will be informed accordingly.

### **Related party transactions**

Agromino's annual reports and interim reports are prepared in accordance with International Financial Reporting Standards. IAS 24 is applied in identifying related party relationships, transactions, and outstanding balances between Agromino and its related parties. As regards the interim report for the period January - June 2019 the related party transactions are set out in note 15. In addition to the related party transaction described below, Agromino has not been party to any related party transactions since 30 June 2019.

On 31 July 2019 Agromino entered into an agreement with the owner of Resilient, who is also the major shareholder of Agromino, Mabon, to acquire 100 per cent of the shares in Resilient for a consideration of newly issued shares in Agromino equivalent to a value of approximately MEUR 12.9.

Mabon is controlled by Mr. Petr Krogman, who is also the chairman of the Agromino's board of directors.

Since 30 June 2019 has continued to receive advisory services from Resilient. By their extent, non-substantial value and nature (consultancy concerning agricultural operations) said services are considered as services within an ordinary course of business.

### **Advisers**

Advokatfirmaet Poul Schmith, Kammeradvokaten I/S has acted as Danish legal counsel and Hamilton Advokatbyrå KB has acted as Swedish legal counsel to Agromino in connection with the Prospectus and the admission to trading on Nasdaq Stockholm.

### **Costs**

Agromino's total costs for the Transaction are estimated to amount to approximately MEUR 0.2, whereof approximately MEUR 0.1 is allocated to the admission to trading of the New Shares (including preparation of the Prospectus). The Issue in kind will not generate any issue proceeds to the Company.

### **Documentation available**

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's head office (please refer to section "Addresses") during the ordinary weekday office hour:

- the Company's articles of association;
- the Company's consolidated audited annual report for 2018;
- the Company's consolidated unaudited interim report for January - June 2019; and
- the Prospectus.

The above-listed documents will also be available at the Company's website, [www.agromino.com](http://www.agromino.com) (the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus).

### **Competent authority approval**

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and such approval shall not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

## **REGULATORY DISCLOSURES**

*Below is a summary of as at the date of the Prospectus relevant information disclosed under Regulation (EU) No 596/2014 (MAR) over the last 12 months.*

### **Financial reports and general meetings**

On 30 November 2018, Agromino published its report for the third quarter 2018.

On 27 February 2019, Agromino announced that the annual general meeting 2019 will be held on 25 April 2019.

On 28 February 2019, Agromino published its report for the fourth quarter 2018.

On 25 Mars 2019, Agromino published its annual report 2018.

On 29 Mars 2019, Agromino published the notice convening the annual general meeting 2019.

On 25 April 2019, Agromino announced the passing of the annual general meeting 2019.

On 31 May 2019, Agromino published its report for the first quarter 2019.

On 9 August 2019, Agromino published the notice convening an extraordinary general meeting.

On 30 August 2019, Agromino published its report for the second quarter 2019.

On 2 September 2019, Agromino announced the passing of an extraordinary general meeting.

### **Takeovers**

On 26 November 2018, Agromino disclosed that an independent committee of the board of directors of Agromino would evaluate a mandatory bid to the Company's shareholders.

On 12 December 2018, Agromino published the statement by the independent committee of the board of directors of Agromino in relation to the public offer by the major shareholder, Mabon.

On 14 December 2018, Agromino announced that the major shareholder of Agromino, Mabon, had published an offer document regarding the mandatory bid on its website.

On 21 December 2018, Agromino announced that Mabon had published on its website a press release by which it announced that the only condition for completion of the offer was fulfilled.

On 23 January 2019, Agromino announced that Mabon had announced on its website the outcome of mandatory public cash offer to the shareholders and warrant holders of Agromino.

On 12 February 2019, Agromino announced that the major shareholder of Agromino, Mabon, on 11 February 2019 had published a press release on its website concerning the completion of the mandatory public cash offer to the shareholders and warrant holders of Agromino.

On 13 Mars 2019, Agromino announced that no warrant holders exercised their warrants during the extraordinary exercise period and that, accordingly, no new shares will be issued by the Company.

### **Acquisitions**

On 31 July 2019, Agromino disclosed that Agromino has entered into an agreement with the owner of Resilient, who is also the major shareholder of Agromino, Mabon to acquire 100 per cent of the shares in Resilient for a consideration of newly issued shares in Agromino equivalent to a value of approximately MEUR 12.9.

## **TAX CONSIDERATIONS IN SWEDEN**

*The following is a summary of certain consequences that may arise from the Transaction, mainly for individuals or limited liability companies tax resident in Sweden. The summary below is intended as general information only. The statements concerning Swedish tax laws set forth below are based on the laws and regulations as at today and any changes occurring after that date, may have retroactive effect. General comments for shareholders who are not tax resident in Sweden are also provided. This description does not deal comprehensively with all tax consequences that may occur in this context. For instance, the summary does not address securities held by partnerships or securities held as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when shares are considered to be held for business purposes (Sw. näringsbetingade andelar). Neither are the specific rules covered that could be applicable to holdings in companies that are, or have previously been, closely-held companies or shares acquired on the basis of so-called qualified shares in such companies. Moreover, the summary does not address shares or other equity-related securities that are held in a so-called investment savings account that are subject to specific rules and are taxed on a notional basis. Specific tax rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on each investor's particular circumstances. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in their individual case, including the applicability and effect of foreign rules and tax treaties.*

### **Individuals**

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 per cent. A preliminary tax of 30 per cent is generally withheld on dividends paid to individuals' resident in Sweden. The preliminary tax is withheld by Euroclear or, in the case of nominee-registered shares, by the Swedish nominee.

Upon the sale or other disposal of listed shares, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30 per cent. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method. The tax basis for listed shares may alternatively be determined as 20 per cent of the sales proceeds after deducting sales costs under the "notional rule".

Capital losses on listed shares are fully deductible against taxable capital gains on shares and on other listed equity-related securities realised during the same year, with the exception of units in securities funds or special funds that consist solely of Swedish receivables ("interest funds"). Up to 70 per cent of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion if such net loss that does not exceed SEK 100.000 and of 21 per cent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

### **Limited liability companies**

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 22 per cent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares may only be deducted against taxable capital gains on other securities that are taxed in the same manner as shares. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilised during a given year may be carried forward and be set-off against taxable capital gains or shares or other equity-related securities during subsequent fiscal years without any limitation in time.

### **Foreign shareholders**

Dividends paid on shares to non-tax resident shareholders in Sweden are generally subject to 30 per cent withholding tax. However, the tax rate is generally reduced for shareholders resident in jurisdictions with which Sweden has entered a tax treaty. The majority of Sweden's tax treaties enable an at-source reduction of the Swedish withholding tax to the tax rate stipulated in the treaty provided that necessary information is made available to Euroclear or the nominee in relation to the person entitled to such dividends. In Sweden, Euroclear, or, in the case of nominee-registered shares, the nominee generally carries out the deduction of withholding tax.

If a 30 per cent withholding tax is deducted from a payment to a shareholder entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Non-tax resident shareholders in Sweden who are not operating a business from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares. The shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individual shareholders that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed 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 tax treaties between Sweden and other countries.

## **TAX CONSIDERATIONS IN DENMARK**

*The following is a general description of Danish tax rules relevant for the subscribing for, purchasing, holding or selling shares in the Company. The description deals only with taxation in Denmark as per the income year 2019 and is limited to rules concerning shares in companies the shares of which are traded on a regulated market.*

*The description does not purport to be a complete or exhaustive description of all tax issues. The description does not address investors subject to special tax rules, such as investors subject to the Danish Pension Yield Tax Act (“pensionsafkastbeskatningsloven”) or the rules on private equity partners, investment funds, banks, dealers in securities or investors holding shares as part of their profession etc.*

*The description is based on the legislation in force in Denmark as at the date of this Prospectus. Danish tax legislation can be amended, in some instances with retroactive effect. Current and potential investors are advised to consult their own tax advisors with respect to the tax implications of investing in owning, managing and transferring the Shares.*

*The summary is for general information purposes only and does not purport to be tax or legal advice.*

### **Individuals**

Dividends received by individual investors are taxed as share income at rate of 27 per cent up to an amount of DKK 54,000 (2019) which is doubled for cohabiting spouses to an amount of DKK 108,000 (2019). The thresholds are adjusted annually. Share income exceeding the specified amounts is taxed at a rate of 42 per cent.

Dividends are subject to withholding tax of 27 per cent upon distribution. If the share income in a given year does not exceed DKK 54,000/108,000 (2019), the withholding tax constitutes a final tax.

Gains on the sale of shares are, in general, taxed as share income and, consequently, subject to the same tax rates and thresholds as accounted for.

The capital gain (or loss) on the sale of shares that are traded on a regulated market is calculated as the difference between the average acquisition cost of all shares in the issuing company and the (net) sales price.

A loss on the sale of shares that are traded on a regulated market can only be used to offset taxable gains and dividend income received from other shares that are traded on a regulated market (whether earned by the shareholder or a cohabiting spouse). Any exceeding loss can be carried forward for subsequent income years and utilised in the same manner (i.e. offset against taxable gains and dividend income received from other shares that are traded on a regulated market).

### **Limited liability companies**

For corporations (limited liability companies) a distinction should be made between subsidiary shares, group shares, tax-exempt portfolio shares and taxable portfolio shares:

- “Subsidiary shares” are generally shares owned by a shareholder holding at least ten per cent of the nominal share capital of the issuing company.

- "Group shares" are generally defined as shares in companies with which the shareholder is subject to Danish mandatory tax consolidation or where the requirements for international tax consolidation under Danish law are fulfilled.
- "Tax-exempt portfolio shares" are generally defined as shares not traded on a regulated market owned by a shareholder holding less than 10 per cent of the nominal share capital of the issuing company.
- "Taxable portfolio shares" are shares that do not qualify as subsidiary shares, group shares or tax-exempt portfolio shares. In general, taxable portfolio shares are shares that are traded on a regulated market and where the shareholder holds less than ten per cent of the nominal share capital of the issuing company.

Dividends received from subsidiary shares and group shares are, in general, tax exempt irrespective of the ownership period. Dividends received on taxable portfolio shares are fully taxable at the general corporate income tax rate of 22 per cent (2019) irrespective of the ownership period.

Gains on the sale of subsidiary shares and group shares are, in general, tax exempt irrespective of the ownership period as well as losses on such shares are not deductible.

Gains on taxable portfolio shares are fully taxable at the general corporate income tax rate of 22 per cent (2019) irrespective of the ownership period. Losses are generally tax deductible.

Gains or losses on taxable portfolio shares are taxed annually based on a "mark-to-market principle", i.e. realised as well as unrealised gains and losses have to be recognised for tax purposes. A gain or a loss is calculated as the difference between the value of the taxable portfolio shares at the beginning and the end of the income year, beginning with the difference between the acquisition cost and the value at the end of the same income year. Upon realisation of the taxable portfolio shares, i.e. redemption or disposal, the taxable income of that income year equals the difference between the value of the taxable portfolio shares at the beginning of the income year and the value of the shares upon realisation. If the taxable portfolio shares have been acquired and realised in the same income year, the taxable income equals the difference between the acquisition cost and the price at realisation.

Transition from the status of subsidiary shares/group shares to taxable portfolio shares, and vice versa, is for tax purposes treated as disposal and acquisition at market value at the time of status change.

## **Foreign shareholders**

### **Individual investors**

Dividends distributed to non-resident individuals in respect of shares held in Denmark are generally subject to Danish withholding tax at the rate of 27 per cent (2019).

A reduced withholding tax rate may apply by virtue of a double taxation treaty between Denmark and the residency state of the shareholder. Denmark has an extensive double taxation treaty network worldwide. A refund from the Danish tax authorities is in that case made of the tax amount exceeding the rate applicable under the treaty. Treaties generally provide for a 15 per cent withholding tax rate. The refund must be requested following a specific application procedure.

If the shareholder holds less than 10 per cent of the nominal share capital and is tax resident in a state which has a double taxation treaty or an agreement on assistance in tax matters according to which

the state of the shareholder is obliged to exchange information with Denmark, dividends are subject to taxation at a rate of 15 per cent. This does, however, not affect the withholding tax rate of 27 per cent why the shareholder must make an application for a refund of the excess tax withheld.

Non-resident investors are generally not subject to capital gains taxation in Denmark upon disposal of shares. No Danish share transfer tax or stamp duties are payable upon the transfer of shares.

### **Limited liability companies**

Non-resident shareholders receiving dividend from subsidiary shares are in general not subject to Danish withholding tax, irrespective of the ownership period, provided that the shareholder is the beneficial owner of the dividends and that the dividend taxation is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU) or a double taxation treaty between Denmark and the residency state of the shareholder. Furthermore, Danish withholding tax does not apply to dividends paid to foreign shareholders of group shares if the above listed conditions are met (had the shares been subsidiary shares) and provided that the foreign company is domiciled in the EU/EEA.

Dividends from taxable portfolio shares are subject to Danish taxation at a rate of 22 per cent regardless of the ownership period.

The tax rate may be reduced by virtue of a double taxation treaty. If the shareholder holds less than ten per cent of the company's nominal share capital and the shareholder is tax resident in a jurisdiction that has concluded a double taxation treaty or a tax information exchange agreement with Denmark, and the shareholder is eligible for a reduction under the treaty/agreement, then the applicable tax rate is 15 per cent (unless a lower rate applies under the double taxation treaty in question). If the shareholder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15 per cent rate that the shareholder together with any group related shareholders holds less than ten per cent of the company's nominal share capital.

However, regardless of the final tax rate applicable to the dividend at issue, the dividend distributing company is - until further - obliged to withhold dividend tax of 27 per cent. The shareholder must, therefore, claim a refund from the Danish tax authorities of the excessive tax withheld. The refund must be requested following a specific application procedure.

Non-resident investors are in general not subject to capital gains taxation in Denmark upon disposal of shares. As an exception, gains and losses on the sale of portfolio shares are taxed under the same rules as for Danish resident investors, in cases where these shares are attributable to a permanent establishment in Denmark.

### **Other taxes**

There is no Danish share transfer tax or stamp duty or the like upon the transactions comprised by this Prospectus.



## DEFINITIONS

The terms defined below are used in the Prospectus.

| <b>Word/term</b>                          | <b>Definition</b>  |
|---|--|
| <b>Agromino or the Company</b>            | Agromino A/S.  |
| <b>Danish kroner or DKK</b>               | The currency of Denmark.   |
| <b>DFSA</b>                               | Danish Financial Supervisory Authority (Dk. <i>Finanstilsynet</i> ).   |
| <b>Euro or EUR</b>                        | The single currency of the European Union member states participating in the European Monetary Union.  |
| <b>Group</b>                              | Agromino A/S, its subsidiaries and its associated company.   |
| <b>Hryvna or UAH</b>                      | The currency of Ukraine.   |
| <b>Issue in kind</b>                      | The issue of new Agromino A/S shares resolved by the board of directors, by virtue of the authorisation from the extraordinary general meeting of Agromino A/S held on 2 September 2019, for which shares payment shall be made in kind of the shares in Resilient a.s.  |
| <b>Mabon or the Principal Shareholder</b> | Mabon investiční fond s proměnným základním kapitálem a.s.   |
| <b>New Shares</b>                         | The newly issued Agromino A/S shares, which constitutes the consideration for the shares of Resilient a.s.   |
| <b>Prospectus</b>                         | This prospectus  |
| <b>Prospectus Regulation</b>              | Regulation (EU) 2017/1129 of the European Parliament and of the Council.   |
| <b>Resilient or the Target</b>            | Resilient a.s.   |
| <b>Rouble or RUB</b>                      | The currency of the Russian Federation.  |
| <b>SFSA</b>                               | Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i> ).  |
| <b>Swedish kronor or SEK</b>              | The currency of Sweden.  |
| <b>Transaction</b>                        | The newly issued shares of Agromino A/S directed to Mabon investiční fond s proměnným základním kapitálem a.s. in connection with Agromino's acquisition of 100 per cent of the shares of Resilient a.s. from Mabon investiční fond s proměnným základním kapitálem a.s. |
| <b>U.S. dollars or USD</b>                | The currency of the United States.   |

## **ADDRESSES**

### **Agromino A/S**

*Registered address*

Agromino A/S

c/o Advokatfirmaet Poul Schmith

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### **Legal advisers**

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#### **As to Swedish law**

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DK-9200 Aalborg SV

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**PricewaterhouseCoopers Statsautoriseret Revisionsaktieselskab**

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Sweden