



Notice of Extraordinary General Meeting in Black Earth Farming Ltd

Notice is hereby given to the holders of Swedish Depository Receipts in respect of shares in Black Earth Farming Ltd (the "**Company**") that an Extraordinary General Meeting of shareholders shall be held on 23 March 2017 at 15.00 (3.00 p.m.) CET at Roschier Advokatbyrå's office at Brunkebergstorg 2 in Stockholm, Sweden.

Notice to attend etc.

Holders of Swedish Depository Receipts wishing to attend the Extraordinary General Meeting shall:

- (1) be recorded in the register of holders of depository receipts kept by Euroclear Sweden AB on 17 March 2017; and
- (2) notify the Company of the intention to attend the Meeting not later than 1:00 pm on 17 March 2017 by post at the address Computershare AB "EGM of Black Earth Farming Ltd", Box 610, 182 16 Danderyd, Sweden, by telephone +46 (0)771 24 64 00 or via online registration https://portal.computershare.se/00000/tilmelding_adgangskort-sv.asp?ASIdent=60031&MoedeNr=416&lan=en&Intranet=1. The holder of the Swedish Depository Receipts shall state his/her name, personal or company identification number, address as well as telephone number. If a holder of Swedish Depository Receipts intends to be represented by proxy, the name of the proxy holder shall be stated. For holders of Swedish Depository Receipts who will be represented by a proxy at the Meeting, a proxy form will be made available at the Company's website on www.blackearthfarming.com. The validly signed proxy form should be sent or mailed to the Company at the above address prior to the Meeting.

Holders of Swedish Depository Receipts which hold their receipts through nominees (Sw. *förvaltare*) must request a temporary registration of the voting rights in order to be able to participate at the Meeting. Holders of Swedish Depository Receipts that want to obtain such registration must contact the nominee regarding this well in advance of 17 March 2017.

Voting forms (Sw. *röstkort*) will be distributed to the holders that have complied with the above requirements and the voting form must be brought to the Meeting.

Proposed agenda

1. Election of Chairman for the Meeting.
2. Preparation and approval of voting list.
3. Approval of the agenda.
4. Election of one or two persons to check and sign the minutes.
5. Resolution that the Meeting has been duly convened.

6. Resolution to approve the sale of the Company's Russian operations.
7. Closing of the Meeting.

6. Resolution to approve the sale of the Company's Russian operations. (item 6)

On Monday 13 February the Company announced that its direct wholly owned subsidiary, Planalto Enterprises Limited ("Planalto") had entered into a framework share purchase agreement (the "SPA") regarding the sale of its indirectly wholly owned subsidiaries Agro Invest ("AIMC") and Agro Invest Regions ("AIRMC") and an assignment agreement pursuant to which Planalto assigns its claims under the intergroup loans to AIMC to Volgo-DonSelkhozInvest LLC (the "Transaction").

Background to and reasons for the Transaction

During 2016, the Company received a number of expressions of interest substantially above the undisturbed share price level of SEK 3.55 per share prior to the announcement on 9th August 2016 confirming that the Company were in talks with potential buyers.¹ All were from prospective Russian buyers underpinning the higher value put on the Company by potential domestic purchasers. On 9th August 2016, the Board of Directors of Black Earth Farming communicated by press release that the Company was in talks with potential buyers regarding a substantial land and asset sale in Russia. Having evaluated an asset sale versus other alternatives, the Board of Directors of Black Earth Farming has concluded that a divestment of AIMC and AIRMC to Volgo-DonSelkhozInvest is the best alternative for the Company and its shareholders. Additionally the Board of Directors believes that this alternative is a better alternative for Black Earth Farming's shareholders than continued long-term operations. It has not been possible to solicit a public takeover offer for all depositary receipts in the Company on terms more favorable than the terms of the Transaction.

Transaction details

The Transaction entails an indirect divestment of 100 percent of the shares (participation interests) in the indirectly wholly owned subsidiaries AIMC and AIRMC to Volgo-DonSelkhozInvest together with any outstanding intragroup debt of AIMC owed to Planalto. The total estimated purchase price is set at an initial consideration of USD 184,000,000. The purchase price is subject to adjustment depending on certain variables such as changes in net debt and working capital as estimated at signing compared to completion.

Volgo-DonSelkhozInvest has paid USD 10,000,000 as a deposit in connection with signing (see press release of 16 February 2017). The rest of the purchase price shall be paid subject to and following closing of the Transaction and will be subject to adjustment based upon (i) the amount of outstanding liabilities under the intragroup loans at closing and (ii) completion accounts that will be prepared following completion by reference to 31 March 2017 subject to certain specific adjustments.

Closing of the Transaction is subject to, inter alia, approval by BEF's shareholders, relevant regulatory approvals and the satisfaction of certain customary closing conditions set out in the Transaction documents.

¹ Closing price on 8 August 2016. Source for share price: Nasdaq Stockholm.

Board recommendation and owner undertakings

The members of the Board of Directors unanimously recommend the shareholders to approve the Transaction and the other resolutions related to the Transaction proposed by the Board.

The three largest shareholders of the Company, Kinnevik AB (publ), Alecta pensionsförsäkring, ömsesidigt and GoMobile Nu AB and the Company's CEO, Richard Warburton, have made a lock-up undertaking until the Extraordinary General Meeting and undertaken to vote in favor of the Transaction and the other resolutions related to the Transaction proposed by the Board of Directors. All members of the board of directors, including Per Åhlgren, who owns GoMobile Nu, and Franco Danesi, who is employed by Kinnevik, have taken part in the board's dealings with the Transaction and participated in the board's resolution to enter into the SPA and Richard Warburton has conducted the commercial negotiations with the purchaser.

Miscellaneous

The notice and as well as other relevant documents, such as press releases, are available at the Company's office Black Earth Farming Limited, 37 Esplanade, St Helier JE2 3QA Jersey, and at its website www.blackearthfarming.com.

6 March 2017

BOARD OF DIRECTORS OF BLACK EARTH FARMING LTD

For additional information, please contact:

Richard Warburton, Chief Executive Officer, + 7 985 208 24 01, Richard.warburton@BlackEarthFarming.com

This information is information that Black Earth Farming Ltd is obliged to make public pursuant to the EU Market Abuse regulation. The information was submitted for publication, through the agency of the CEO set out above, at 08:00 CET on 6 March 2017.

Notes to Editor:

Black Earth Farming Ltd is a farming company operating in Russia. Its shares are listed as depository receipts on Nasdaq Stockholm. The company develops and farms agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming has gained a strong market position in the Kursk, Tambov, Lipetsk and Voronezh areas, controlling some 244,000 hectares of what is possibly some of the world's most fertile soil. In 2015, Black Earth Farming harvested approximately 150,000 hectares, effectively making it one of the world's largest public farming companies by cropped area. The Company's main products are wheat, corn, barley, sunflower and potatoes

Corporate website: www.blackearthfarming.com

For subscription to Company Announcements, please contact us at: svetlana.abakumova@blackearthfarming.com
If you do not want to receive Black Earth Farming Ltd announcements, please send an e-mail to the same address: svetlana.abakumova@blackearthfarming.com.