

# QUARTERLY REPORT Q2 2017

## QUARTER IN BRIEF

- Above 51 000 hectares
- Net profit for the period was 11 387 KSEK
- Grivna currency weakened 3% against SEK
- All stock from year end are sold
- Small price changes

## FINANCIAL INDICATORS

	2Q 2017	2Q 2016
	KSEK	KSEK
Total revenue and gains	339 613	88 202
Gross profit	48 634	3 960
EBITDA	31 105	-2 940
EBITDA margin	9%	-3 %
Net profit/loss	11 387	-14 653
Net margin	3%	-17 %
Total assets	507 001	339 939
Total equity	275 611	198 776
Total liabilities	231 390	141 164
Profit/loss per share	1,5	-1,9

## GENERAL

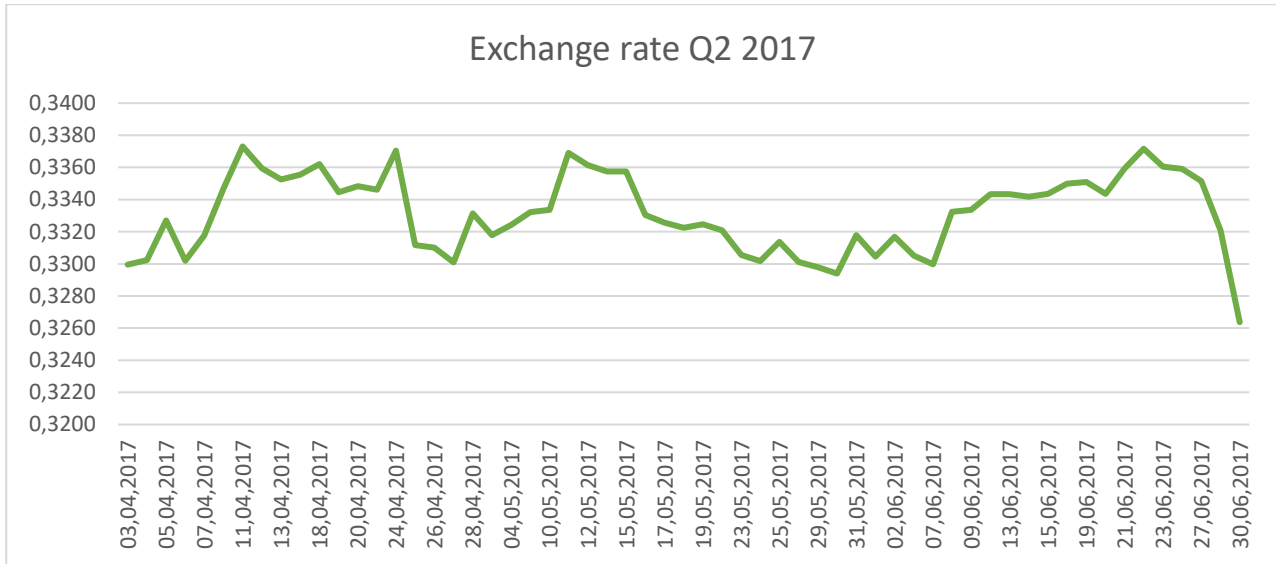
Prices for the crops that were in stock at the beginning of the year, which constitute the period's sales, have only increased to a small extent in 2017. The small price changes by 2017, the margins of the crops sold are significantly lower than they were the corresponding period in 2016. The fields containing corn that were not harvested in 2016 were harvested in January 2017 and the entire stock at the beginning of the year was sold under 2017.

During the autumn of 2016 approximately 8 700 hectares of winter wheat were sown. Spring sowing has been divided into 11,000 hectares of sunflower, 9,600 hectares of soy and 18,100 hectares of corn. This means that the actual sown areas are very close to the planned and about 4% higher than 2016.



## CURRENCY

The Ukrainian currency has weakened by about 3% against the Swedish the krona in the first half of the year. Viewed over the last three years, the currency has lost more than half the value against the Swedish krona but development has still improved over the last 18 months when the fall below it time has been less than 10%. However, it is still hard to see anyone clear improvement.



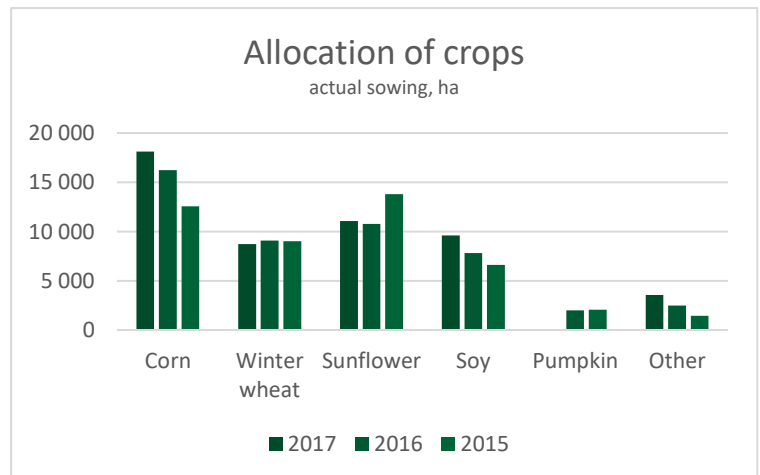
## STOCK

In stock at the end of 2016, there were basically all 2016 production of sunflowers and soy and just under half the production of corn. All that stock at the entrance of the year is now sold. Because the crops at harvest is valued at the current market price, minus selling costs, and rates remained relatively still during the period of 2017 which we sold, the gross profit will be relatively low. Turnover in 2017 it is almost three times what it was 2016 but the result is in largely the same as prices 2017 developed less favorably compared to 2016.

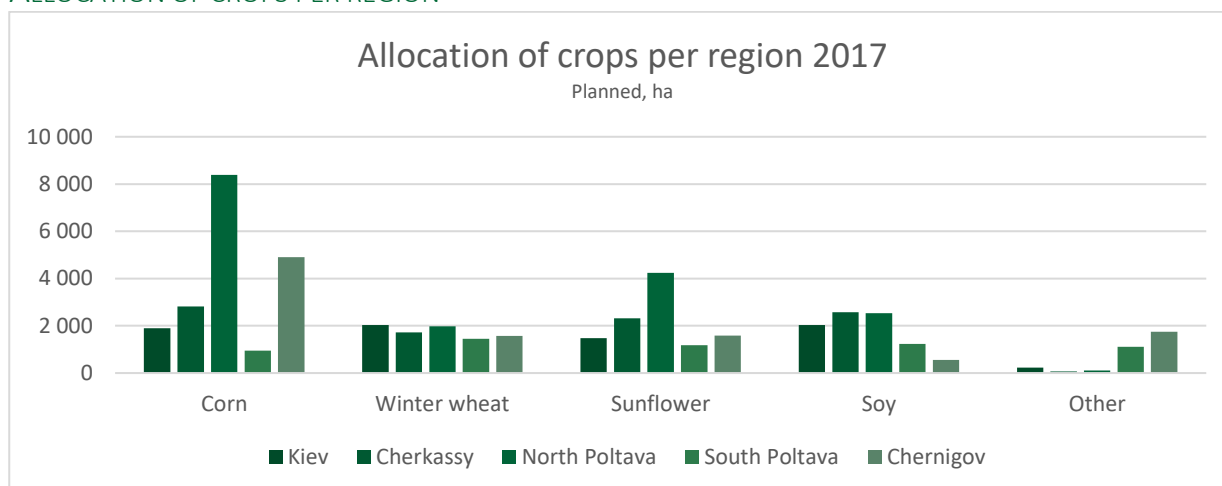
## ALLOCATION OF CROPS

Crop	2017	2016	2015
Corn	18 112	16 240	12 548
Winter wheat	8 715	9 066	9 019
Sunflower	11 049	10 759	13 787
Soy	9 597	7 827	6 612
Pumpkin	0	1 984	2 050
Other	3 542	2 466	1 458
<b>Total</b>	<b>51 015</b>	<b>48 342</b>	<b>44 016</b>

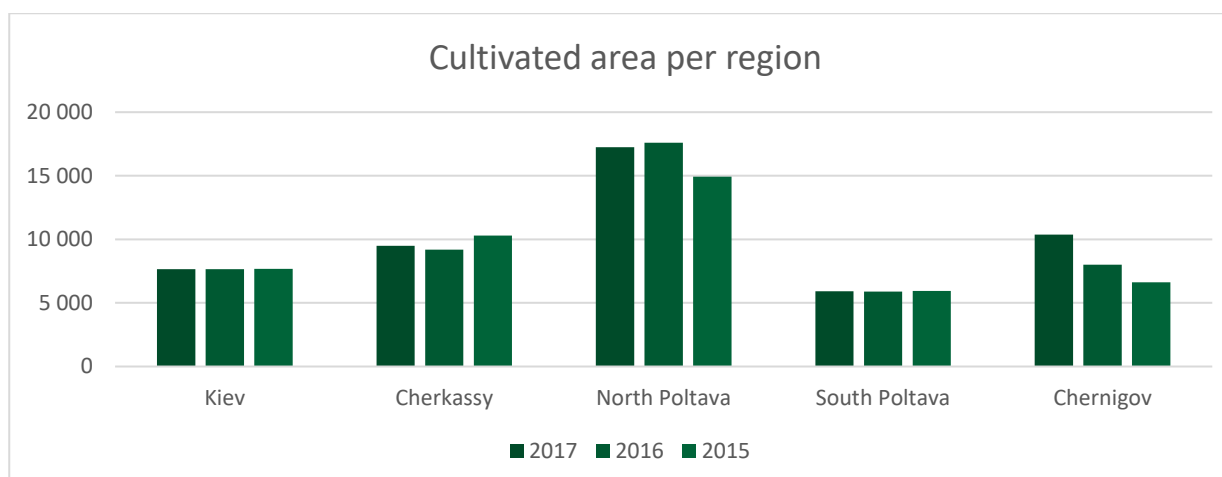
The table shows actual cultivated area during 2017 as well as the outcome in 2016. As shown in the table, the areas of corn and soy increase while sunflowers are relatively unchanged.



## ALLOCATION OF CROPS PER REGION



## CULTIVATED AREA PER REGION



## KEY RATIOS

	2Q 2017	2Q 2016	2016
Total revenue and gains	339 613	88 202	318 576
Gross profit	48 634	3 960	134 655
EBITDA	31 105	-2 940	117 489
EBITDA margin	9 %	-3 %	37 %
Net profit/loss	11 387	-14 653	84 046
Net margin	3 %	-17 %	26 %
Total assets	507 001	339 939	491 029
Total equity	275 611	198 776	273 456
Total liabilities	231 390	141 164	217 576
No of shares	7 807 775	7 807 775	7 807 775
Profit/loss per share	1,5	-1,9	11
Equity per share	35,3	25,5	35
Equity ratio	54 %	58 %	56 %



**Consolidated and Parent Company's statements of comprehensive income**  
In thousands of SEK

	<u>The Group</u>			<u>The Parent Company</u>		
	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
Revenue from sales	338 496	90 212	211 179	85 179	-	-
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	1 117	-2 010	107 396	-	-	-
Cost of sales	-290 979	-84 242	-183 921	-78 057	-3 082	-
<b>Gross profit</b>	<b>48 634</b>	<b>3 960</b>	<b>134 655</b>	<b>7 122</b>	<b>-3 082</b>	<b>-</b>
Other operating income	767	1 462	2 476	-	-	-
Selling expenses	-11 571	-10 886	-26 881	-	-	-
General and administrative expenses	-4 161	-965	-1 222	-	-	-5 254
Other operating expenses	-5 961	-2 206	-4 293	-	-	-
<b>Operating profit / (loss)</b>	<b>27 707</b>	<b>-8 636</b>	<b>104 734</b>	<b>7 122</b>	<b>-3 082</b>	<b>-5 254</b>
Finance costs	-15 355	-5 099	-19 762	-5 235	-2 007	-4 063
Finance income	35	65	138	1 033	1 048	2 151
Foreign exchange gain/loss	-1 001	-940	-1 040	-1 849	891	4 650
<b>Profit / (loss) before tax</b>	<b>11 387</b>	<b>-14 609</b>	<b>84 071</b>	<b>1 071</b>	<b>-3 150</b>	<b>-2 516</b>
Income tax expense	-16	-44	-25	-	-	-
<b>Profit / (loss) for the year</b>	<b>11 371</b>	<b>-14 653</b>	<b>84 046</b>	<b>1 071</b>	<b>-3 150</b>	<b>-2 516</b>
Whereof attributed to equity holders of the company	<b>11 371</b>	<b>-14 653</b>	<b>84 046</b>			
<b>Other comprehensive income:</b>						
Foreign exchange differences	-9 214	15 502	-8 519	-	-	-
Tax effect	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>2 157</b>	<b>849</b>	<b>75 527</b>	<b>1 071</b>	<b>-3 150</b>	<b>-2 516</b>
Whereof attributed to equity holders of the company	<b>2 157</b>	<b>849</b>	<b>75 527</b>			





**Consolidated and Parent Company's statements of financial position**  
In thousands of SEK

	<u>The Group</u>			<u>The Parent Company</u>		
	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>	<u>2017-06-30</u>	<u>2016-06-30</u>	<u>2016-12-31</u>
<b>Non-current assets</b>						
Intangible assets	-	-	-	-	-	-
Property, plant and equipment	155 719	126 939	147 649	-	-	-
Shares in subsidiaries	-	-	-	256 426	256 426	256 426
Biological assets	4 985	1 393	5 113	-	-	-
Other non-current assets	372	49	383	-	-	-
	<b>161 077</b>	<b>128 381</b>	<b>153 145</b>	<b>256 426</b>	<b>256 426</b>	<b>256 426</b>
<b>Current assets</b>						
Inventories	36 184	25 525	240 367	-	-	-
Biological assets	156 399	123 646	38 648	-	-	-
Trade and other receivables	36 426	2 528	5 914	-	-	-
Receivable subsidiary	-	-	-	31 267	38 619	41 619
Other current assets	53 326	35 026	40 058	5 476	493	359
Cash and cash equivalents	63 589	24 833	12 898	61 676	20 840	11 015
	<b>345 924</b>	<b>211 558</b>	<b>337 884</b>	<b>98 419</b>	<b>59 952</b>	<b>52 992</b>
<b>Total assets</b>	<b>507 001</b>	<b>339 939</b>	<b>491 029</b>	<b>354 845</b>	<b>316 378</b>	<b>309 418</b>
<b>Equity</b>						
Issued capital	11 556	11 556	11 556	11 556	11 556	11 556
Other contributed capital	278 295	278 295	278 295	278 295	278 295	278 295
Retained earnings	162 279	52 209	150 908	-43 700	-45 405	-44 771
Foreign currency translation reserve	-176 519	-143 284	-167 306	-	-	-
	<b>275 611</b>	<b>198 776</b>	<b>273 453</b>	<b>246 151</b>	<b>244 446</b>	<b>245 080</b>
<b>Non-current liabilities</b>						
Liability to non-controlling interests	-	-	-	-	-	-
Loans and borrowings	25 371	39 624	56 842	56 901	56 535	58 251
	<b>25 371</b>	<b>39 624</b>	<b>56 842</b>	<b>56 901</b>	<b>56 535</b>	<b>58 251</b>
<b>Current liabilities</b>						
Loans and borrowings bank	138 784	74 587	142 883	-	-	-
Loans and borrowings relative parties	9 281	14 649	5 495	9 281	14 649	5 495
Trade and other liabilities	50 931	9 859	10 584	39 616	248	490
Other current liabilities	7 021	2 445	1 772	2 897	500	102
	<b>206 018</b>	<b>101 540</b>	<b>160 734</b>	<b>51 794</b>	<b>15 397</b>	<b>6 087</b>
<b>Total liabilities</b>	<b>231 390</b>	<b>141 164</b>	<b>217 576</b>	<b>108 695</b>	<b>71 932</b>	<b>64 338</b>
<b>Total equity and liabilities</b>	<b>507 001</b>	<b>339 939</b>	<b>491 029</b>	<b>354 846</b>	<b>316 378</b>	<b>309 418</b>

2016-06-30 2015-06-30 2015-12-31

2016-06-30 2015-06-30 2015-12-31

**Non-current assets**





**Consolidated and Parent Company's statements of financial position**  
In thousands of SEK

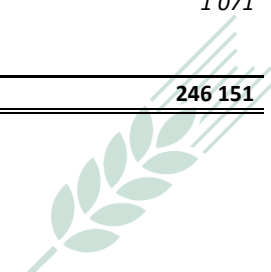
Intangible assets	-	-	-	-	-	-
Property, plant and equipment	126 939	107 963	112 092	-	-	-
Shares in subsidiaries	-	-	-	256 426	256 530	256 367
Biological assets	1 393	1 325	1 484	-	-	-
Other non-current assets	49	499	1	-	-	-
	<b>128 381</b>	<b>109 787</b>	<b>113 577</b>	<b>256 426</b>	<b>256 530</b>	<b>256 367</b>
<b>Current assets</b>						
Inventories	25 525	18 145	113 126	-	-	-
Biological assets	123 646	171 683	7 380	-	-	-
Trade and other receivables	2 528	2 536	2 319	-	-	-
Receivable subsidiary	-	-	-	38 619	44 924	42 796
Other current assets	35 026	21 937	47 091	493	811	622
Cash and cash equivalents	24 833	33 493	18 522	20 840	29 924	17 740
	<b>211 558</b>	<b>247 794</b>	<b>188 438</b>	<b>59 952</b>	<b>75 659</b>	<b>61 158</b>
<b>Total assets</b>	<b>339 939</b>	<b>357 581</b>	<b>302 015</b>	<b>316 378</b>	<b>332 189</b>	<b>317 525</b>
<b>Equity</b>						
Issued capital	11 556	11 556	11 556	11 556	11 556	11 556
Other contributed capital	278 295	278 295	278 295	278 295	278 295	278 295
Retained earnings	52 209	44 833	66 737	-45 405	-38 450	-42 255
Foreign currency translation reserve	-143 284	-135 542	-158 787	-	-	-
	<b>198 776</b>	<b>199 142</b>	<b>197 801</b>	<b>244 446</b>	<b>251 401</b>	<b>247 596</b>
<b>Non-current liabilities</b>						
Liability to non-controlling interests	-	1 418	-	-	-	-
Loans and borrowings	39 624	53 602	58 496	56 535	55 913	57 467
	<b>39 624</b>	<b>55 020</b>	<b>58 496</b>	<b>56 535</b>	<b>55 913</b>	<b>57 467</b>
<b>Current liabilities</b>						
Loans and borrowings bank	74 587	67 632	23 083	-	-	-
Loans and borrowings relative parties	14 649	23 380	12 150	14 649	23 380	12 150
Trade and other liabilities	9 859	10 734	7 787	248	1 495	312
Other current liabilities	2 445	1 673	2 698	500	-	-
	<b>101 540</b>	<b>103 419</b>	<b>45 718</b>	<b>15 397</b>	<b>24 875</b>	<b>12 462</b>
<b>Total liabilities</b>	<b>141 164</b>	<b>158 439</b>	<b>104 214</b>	<b>71 932</b>	<b>80 788</b>	<b>69 929</b>
<b>Total equity and liabilities</b>	<b>339 939</b>	<b>357 581</b>	<b>302 015</b>	<b>316 378</b>	<b>332 189</b>	<b>317 525</b>





**Consolidated and Parent Company's statements of changes in equity**  
*In thousands of SEK*

<b>The Group</b>	<b>Issued capital</b>	<b>Other contributed capital</b>	<b>Retained earnings</b>	<b>Foreign exchange differences</b>	<b>Total equity</b>
<b>Balance at 31 December 2015</b>	<b>11 556</b>	<b>278 295</b>	<b>66 862</b>	<b>-158 786</b>	<b>197 927</b>
Profit for the year			84 046		84 046
Loss for the year					
Other comprehensive income				-8 519	-8 519
<i>Total comprehensive income</i>			84 046	-8 519	75 527
<i>Transactions with owners</i>					
<b>Balance at 31 December 2016</b>	<b>11 556</b>	<b>278 295</b>	<b>150 908</b>	<b>-167 305</b>	<b>273 454</b>
Profit for the year			11 371		11 371
Other comprehensive income				-9 214	-9 214
<i>Total comprehensive income</i>			11 371	-9 214	2 158
<i>Issued Capital</i>					
Liquidation subsidiary					
<i>Transactions with owners</i>					
<b>Balance at 30 June 2017</b>	<b>11 556</b>	<b>278 295</b>	<b>162 279</b>	<b>-176 519</b>	<b>275 612</b>
<b>The Parent Company</b>	<b>Issued capital</b>	<b>Other contributed capital</b>	<b>Retained earnings</b>		<b>Total equity</b>
<b>Balance at 31 December 2015</b>	<b>11 556</b>	<b>278 295</b>	<b>-42 255</b>		<b>247 596</b>
Result for the year			-2 516		-2 516
<i>Total comprehensive income</i>			-2 516		-2 516
<i>Transactions with owners</i>					
<b>Balance at 31 December 2016</b>	<b>11 556</b>	<b>278 295</b>	<b>-44 771</b>		<b>245 080</b>
Result for the year			1 071		1 071
<i>Total comprehensive income</i>			1 071		1 071
<i>Transactions with owners</i>					
<b>Balance at 30 June 2017</b>	<b>11 556</b>	<b>278 295</b>	<b>-43 700</b>		<b>246 151</b>





**Consolidated and Parent Company's statements of cash flows**  
In thousands of SEK

	<b>The Group</b>			<b>The Parent Company</b>		
	2017-06-30	2016-06-30	2016-12-31	2017-06-30	2016-06-30	2016-12-31
<b>Operating activities</b>						
Profit / (loss) before tax	- 3 555	-14 528	84 046	1 071	-3 150	-2 516
Non-cash adjustments:						
Depreciation and amortisation	2 885	5 271	12 827	-	-	-
Gain on sales of fixed assets	-13		12			
Finance income	-21	-68	-138	-1 033	-1 048	-2 151
Foreign exchange gain/loss	592		1 040	1 849	-	-
Finance costs	8 519	2 620	16 184	5 235	2 007	4 063
Loss on impairment of accounts receivable and prepayments	-	-	1 729	-	-	-
Shortages and losses from damage of valuables	-	-	687	-	-	-
Working capital adjustments:						
Change in biological assets	12 687	-116 074	-35 583	-	-	-
Change in trade receivables and other current assets	-19 484	44 509	-3 496	3 384	4 415	1 383
Change in agricultural produce and other inventories	15 168	87 708	-129 333	-	-	-
Change in trade and other payables and other current liabilities	5 963	1 986	2 310	45 708	2 935	-6 375
	<b>22 741</b>	<b>11 425</b>	<b>-49 715</b>	<b>56 214</b>	<b>5 159</b>	<b>-5 596</b>
Interest received	21	68	138	1 033	880	1 980
Income tax paid	-	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>22 762</b>	<b>11 493</b>	<b>-49 577</b>	<b>57 247</b>	<b>6 039</b>	<b>-3 616</b>
<b>Investing activities</b>						
Purchase of property, plant and equipment	-10 761	-37 246	-53 782	-	-	-
Prepayments for PPE	-	-813	-	-	-	-
Proceeds from (payments for) other non-current assets, net	7	-48	-382	-	-	-
Proceeds from sale of assets classified as held for sale	-	-	-	-	-	-
Purchase of financial assets	-	-	-	-	-	-
<b>Net cash flows used in investing activities</b>	<b>-10 754</b>	<b>-38 107</b>	<b>-54 164</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing activity</b>						
Proceeds from loans and borrowings	55 503	101 651	258 949		-	784
Repayment of loans and borrowings	-32 410	-66 005	-144 772	-1 350	-932	-
Issue of capital	-	-	-	-	-	-
Interest paid	-8 519	-2 620	-16 184	-5 235	-2 007	-3 892
<b>Net cash flows from financing activities</b>	<b>14 574</b>	<b>33 026</b>	<b>97 993</b>	<b>-6 585</b>	<b>-2 939</b>	<b>-3 108</b>
Net change in cash and cash equivalents	27 090	6 411	-5 522	52 199	3 100	-6 724
Foreign exchange difference cash	-508	-101	-226	-1 537	-	-
Cash and cash equivalents at 1 January	12 899	18 522	18 647	11 014	17 740	17 740
<b>Cash and cash equivalents at end of period</b>	<b>39 481</b>	<b>24 832</b>	<b>12 899</b>	<b>61 676</b>	<b>20 840</b>	<b>11 016</b>