Agrinos®

Annual Report 2015

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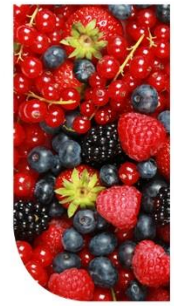


Board of Directors' report

Agrinos is a leading provider of microbial and biological crop inputs which improve crop yield and quality, the efficiency of conventional inputs and grower productivity. Agrinos' integrated value chain includes research and development activities in the U.S., feedstock sourcing and production in Mexico, and sales and marketing activities in the Americas, Europe and Asia.

The Parent Company is located in Oslo, Norway. The Company also has activities in the U.S., Brazil, China, Spain, India, Indonesia, Malaysia, and Mexico.

All financial statements in this report are presented on the basis of a “going concern” assumption in accordance with the Norwegian Accounting Act section 3-3a.

The Board of Directors is of the opinion that the prerequisites for a going concern assumption are present. While the Company has invested in production and distribution capacity since inception in 2009, and has seen deployment of products at an end-user level, as well as cash inflow grow, the Company still reports a negative cash flow in its seventh year of operations. To improve cash flow the Company has implemented measures to adjust its business portfolio cost base and working capital. In addition the Company has increased investments in R&D and production to enhance manufacturing capabilities, expand capacity, and improve cost of goods.

In January 2016, the Company announced a private placement of equity funding from strategic investors Manor Investment SA, Havfonn AS, and EuroChem Group AG (EuroChem). The EuroChem investment was a component of a strategic partnership established between Agrinos and EuroChem, which includes Research & Development and Sales & Marketing agreements, as well as an option for EuroChem to make an additional equity investment in the future.

The private placement provides the short-term capital for the Company to build toward an improved cash flow that will, in turn, enable the Company to make strategic investments in its High Yield Technology (HTY®) platform, research and development efforts focused on new product development, and sales & marketing tactics to strengthen our competitive position and growth. The Board is of the opinion that the Company is able to raise additional new capital should that be required. Other than the EuroChem Investment, Research & Development and Sales & Marketing agreements, along with the overall Capital raised in February 2016, to the best of the Directors’ knowledge, no subsequent events have occurred since 31 December 2015 that would impact the accounts for 2015 which are not described in this report.

Key developments in 2015

- **Distribution Agreements**: Consistent with Agrinos’ new business strategy several new distribution agreements and partnerships were signed this year. New distribution agreements were signed with Rallis India LTD, (India); ButtonWillow Warehouse Company (California, USA), Zuari Agri Sciences (India), PT Sampoerna(Indonesia), and distribution at a new UAN (liquid fertilizer) terminal operated by Security Seed & Chemical (Kentucky, USA).
- **Strategic Partnership**: In December 2015, Agrinos announced an intention to enter Strategic Partnership Agreements with EuroChem Group AG. The execution of the Investment, Research & Development and Sales & Marketing agreements was completed in January 2016.
- **Production**: In December 2015, Agrinos announced initiating the construction of a state-of-the-art Microbial Crop Input Production Facility in Clackamas, Oregon, USA. The facility is expected to be in full production by the end 2016.

- **Balance sheet**: In February 2016, the Board of Directors strengthened the Company's balance sheet with a NOK 178 million stock issuance.
- **Product Development:** In 2015, Agrinos continued to advance key new product initiatives to deliver next generation microbial and bio-nutrient products by completing construction on the first phase of the Company's Global Biological Solutions R&D Center in Davis, California, USA.
- **Board of Directors:** Matthieu Baumgartner and Svetoslav Valkov were appointed to the Board of Directors.
- **Company restructuring**: During the course of the year Agrinos added several key positions. Steve Sinkula, VP of Business Development, Terry Stone, VP of Regulatory Affairs and Sustainability Programs, Bruce Odens VP of North America Businesses, and Dr. Michael Austin, Head of Global Agronomy. In addition Camilla Nilsson was appointed VP Europe, Middle East and Central Asia Businesses and Indranil Das appointed as VP Asia and India Businesses.

Biological crop inputs market overview

Biological crop inputs, or agricultural biologicals, is an umbrella term for products comprised of components including microbes, plant extracts, insects and other materials used by growers to improve and protect crop yields and health. Biological technologies offer growers valuable options to increase productivity and improve sustainability, and many products are listed for organic use and used extensively in the rapidly growing organic marketplace.

Microbial-based products, a sub-category of biologicals, are derived from naturally-occurring microorganisms such as bacteria, fungi and other microorganisms. They are normally applied to seeds before planting, in-furrow at planting, or sprayed on soil and/or crops to enhance plant productivity and fertility. In addition, some microbial products can also protect crops from pests and diseases.

Based on statements from the global agricultural companies, leading market research firms, and other reputable industry sources, biologicals today represent a growing industry currently representing more than USD 2.5 billion in annual sales with double digit annual percent growth anticipated through 2020. The agricultural biological sector is subject to the dynamics of general global agricultural markets and forecasts may be adjusted as markets respond to changes in commodity prices related to geopolitical influences and resource availability.

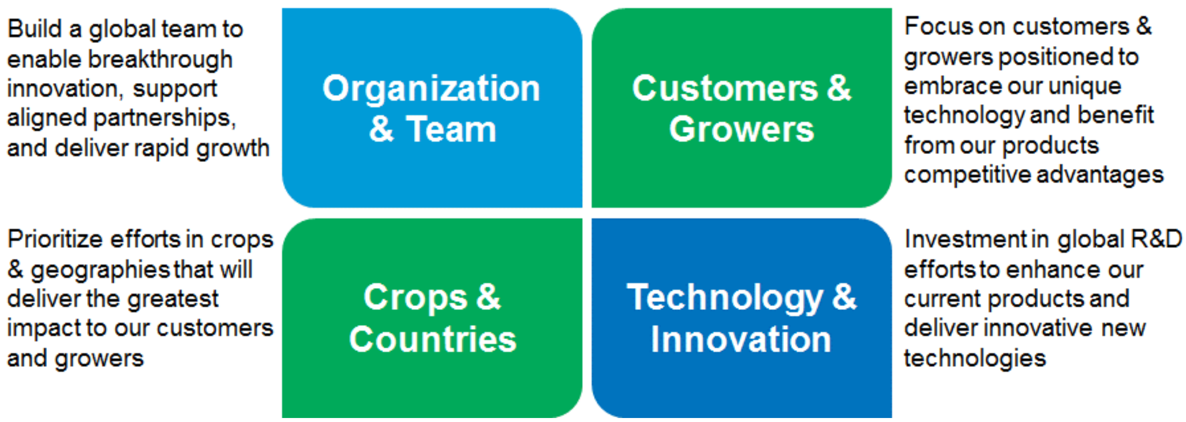
Agrinos is positioned within the biological crop input market as a provider of bio stimulant and microbial products focused on crop yield, quality and health.

Strategy

Agrinos was established to commercialize the proprietary High Yield Technology (HYT®) platform and products in the agricultural crop input and nutrient markets, and has subsequently created an R&D platform to leverage our proprietary Microbial Fermentation Collection (MFC) and co-fermentation process to develop a pipeline of innovative biological crop solutions. On the basis of excellent results demonstrated by Agrinos products in both third-party trials and commercial field results – along with the ability to rapidly scale up production capacity – Agrinos is pursuing a distribution commercialization strategy within targeted markets in the Americas, Europe, and Asia.

In 2014, Agrinos defined a strategy to rapidly build the organizational expertise required to maximize the value of our competitive advantages and deliver long-term profitable growth. As outlined below, the strategy focuses on excellence in four critical pillars.

Agrinos Growth Strategy Cornerstones



Operational review

Business model

Agrinos develops, produces, and markets biological crop inputs, also described as agricultural biologicals or specialty crop nutrients. The company has commercial market activities in the US, Brazil, Spain, China, India, Indonesia, Malaysia and Mexico.

The Company's continuing growth strategy is focused on commercial development in its core geographies. In 2015, the Company completed the transition from a corporate headquartered operating model to a corporate hub based model with support functions. R&D, Regulatory, and North American Sales and Marketing have been located in the USA, while Sales and marketing activities for Europe, Middle East and Central Asia regions are led from Norway, and Asia and India Sales efforts are led from India.

During 2015, the Company continued to sharpen its focus on marketing its product portfolio through established third party distributors, both to maximize the efficiency of its sales and marketing activity and to reduce the need for working capital related to sales and distribution. Consistent with this business strategy, In India and Asia new distribution relationships were launched with Rallis India LTD, Zuari Agri Sciences, and PT Sampoerna. In the North America distribution relationships were established with ButtonWillow Warehouse Company, and with a newly constructed UAN (liquid fertilizer) terminal operated by Security Seed & Chemical.

Competition continues to intensify in the biological crop inputs market. Large agro-chemical companies and specialized independents are making significant investments in research and development, as well as in marketing platforms. For an integrated and independent company such as Agrinos, research and development is necessary to drive the efficacy, cost position and competitiveness with existing and new products.

Agrinos' business model value drivers are:

- Deliver value to growers by providing consistent field results, ease-of-use, and attractive return-on-investment (ROI) through increased crop productivity and quality
- Provide commercial distribution partners with differentiated, high-value products that fit within current grower practices
- Achieve and maintain attractive product margins through a combination of volume growth, product enhancements and production excellence
- Focused R&D efforts to both enhance existing products and rapidly develop next generation technologies and crop inputs

Production
Agrinos has a production facility in Sonora, Mexico and has initiated construction on a state-of-the-art Microbial Crop Input Production Facility in Clackamas, Oregon, USA. The facility is expected to be in full production by the end 2016.

The Company continued to develop its quality assurance and product compliance processes for the Mexican production facility, and strengthened the technical, process and management expertise during 2015.

Research and development

Research and development is a key enabler of Agrinos' future growth potential.

In 2015, Agrinos made significant investments in expanding its technical expertise and infrastructure to develop an innovative product portfolio and further enhance production efficiency. In February 2015, a new Global Biological R&D Solutions Center was opened in Davis California. The short term focus of this team and facility will be on "line extensions", or improvements of current products, and on discoveries to create new products and patent filings further secure the company's proprietary position in the marketplace.

Financial review

Financial and Operational performance in 2015 is highlighted by sales as well as additional cost controls which resulted in a reduced overall spend rate during the year.

Operating revenue
Improved sales activity in Agrinos targeted markets increased overall operating revenue by 22 per cent to NOK 54.7 million up from 44.9 million in 2014. The increase was primarily due to sales revenue that increased to NOK 52.9 million from NOK 39.4 million in 2014.

See note 2 for further information on Agrinos' revenue recognition principles and note 3 for geographical distribution.

Operating expenses and EBITDA
Cost of goods sold (COGS) was NOK 10.9 million in 2015 versus NOK 13.8 million in 2014. COGS comprise raw materials, production costs, overheads as well as shipping and transportation.

Salaries and personnel costs amounted to NOK 89.1 million in 2015, compared with NOK 73.1 million in 2014. Agrinos had 132 employees (FTE) at 31 December 2015, down from 137 at the beginning of the year.

Other operating expenses amounted to NOK 198.7 million in 2015, versus NOK 161.6 million in 2014. The increase was primarily due to the Goodwill Impairment write off for Bioderpac and Indonesia In the amount of NOK 37.4 million, as well as the realization of intercompany loss related to Colombia investment in the amount of NOK14.5 million.

Total operating expenses in 2015 amounted to NOK 286.9 million before depreciation and amortization and earn-out, versus NOK 235.8 million in 2014.

Pre earn-out, the earnings before interest, taxes, depreciation and amortization (EBITDA) was negative at 244.0 million in 2015, down from a negative NOK 204.8 million in 2014, Goodwill Impairment from Bioderpac and Indonesia ,and Colombia Investment write-off in 2015 contributed to the decrease.

Earn-out

Agrinos entered into an earn-out agreement in relation to the acquisition of Bioderpac. The agreement covers the sales of HYT B and HYT C outside Mexico and Columbia for three years 2011 - 2013 and is calculated based on a fixed fee per liter/kilogram sold in the period. After the period end the total amount to be paid was agreed to at USD 2 million. At year end 2014 USD 1 million has been settled in cash and USD 0.2 million has been settled by equity issuance of Agrinos AS shares. Of the remaining USD 0.26 million was settled in cash in 2015 and the remaining 0.54 was settled in February 2016

Net loss

Agrinos reported an after-tax loss for the year of NOK 243.5 million, down from NOK 185.3 million in 2014.

Transfers

The Board proposes that the result in Agrinos AS of NOK 415.5 million shall be settled against retained earnings and the result in the Group of negative NOK 243.5 million shall be settled against retained earnings with NOK 245.8 million and minority interests with NOK 2.3 million.

Balance sheet and cash flow

Write downs and provisions in 2015 impacted the operating income but not the cash flow.

Net cash flow from operating activities was negative at NOK 178.9 million in 2015, compared to negative NOK 125.5 million in 2014. The net cash flow was driven by low cash collection compared to the expense level during the year.

Net change in cash and cash equivalents was negative NOK 136.7 million in 2015. The gross proceeds from the stock issued of NOK 115.8 million in the first quarter of 2016 covered the bulk of the negative net cash flow. Cash and cash equivalents hence stood at NOK 16.2 million at end of 2015.

Total non-current assets amounted to NOK 72.7 million at the end of 2015, down from NOK 115.7 million at the beginning of the year. The decrease was primarily driven by Goodwill Write-off adjustment.

Inventories ended at NOK 5.8 million at the end of the year, down from NOK 76.3 million at the start of the year. The primary drive of the change was a reserve taken for obsolete inventory.

Account receivables were decreased by NOK 88.1 million to NOK 14.6 million during the year. The primary drive was the write off of accounts receivables for Mexico Distributors.

Other receivables were increased by NOK 1.2 million to NOK 67.0 million during the year.

Total assets were decreased by NOK 337.2 million to NOK 176.2 million during the year.

Accounts payable decreased by NOK 19.9 million to NOK 10.7 million during the year. Primarily driven by the write off of accounts payable for Mexico Distributors.

Other current liabilities decreased by 83.8 million to NOK 84.9 million during the year. Primarily driven by the deferred revenue write-off related to Mexico distributors' income from previous years.

Total current liabilities decreased by NOK 109.3 million to NOK 98.0 million during the year.

Financing

The Company's financing strategy is to have a sound capital structure to ensure financial flexibility. As such, the Company has taken actions to match its cash outflow with cash inflow, including closing of business units, implementation of cost-cutting programs, and personnel reductions across the organization.

The Board of directors; however, regards the current financial flexibility as limited given the scope of the current operations, and the Company will continue to streamline its operations to reduce the cash outflows to ensure a sufficient level of liquidity is maintained.

Shareholders

Agrinos had 270 shareholders as of 31 December 2015. The total number of shares outstanding was 73,978,382 at year-end and the 20 largest shareholders held 62,966,766 shares, equal to 85.1 per cent of the total shares. Shares are prior to the capital raise announced in December and do not include shares registered in January 2016.

The Company's shares have been tradable in the over the counter (OTC) market since December 2010 following an inclusion in The Norwegian Securities Dealers Association's information system for unlisted shares (the NOTC system). The share price was NOK 2.30 at 1 January 2015 and NOK 5.50 at 31 December 2015.

Risk exposure and management

Agrinos has an integrated value chain and operates in an international marketplace, and is thereby exposed to a number of risk factors. The board is committed to ensuring that risk is managed purposefully and systematically. The Company will continue to implement and improve routines for monitoring, controlling and mitigating its total risk exposure. The company operates internationally and reports in NOK and it is exposed to foreign exchange rates risks. These risks arise primarily from the U.S. Dollar exchange rate. Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rate prevailing at balance sheet.

The Company's business is exposed to economic cycles. Changes in economic situations in the markets in which the Company operates can affect the demand for the Company's products and there can be no guarantee that sufficient demand for the Company's products can be created.

While demand for bio stimulants is expected to expand, competition is certain to intensify. Competition may affect the sales of Agrinos products in the future.

Product risk

The basis for commercialisation of Agrinos' products is that they deliver value to customers. A risk exists that the products fail to deliver in accordance with expectations. This could be owing to production errors, suboptimal storage, activation or application. That may affect market perception of future demand and Agrinos' relative market position.

The Company has implemented quality assurance procedures along the value chain as well as simplified activation and application methods to minimise these risks.

Financial risk

Financial risk includes credit, currency, interest-rate, liquidity and operational risk.

Client and credit risk

Agrinos is subject to substantial client and credit risk.

The client portfolio in general is broad and covers a range from large distributors to small farmers. Credit terms in several markets are linked to harvesting, the timing of which can be unpredictable. Similarly, a failed harvest or a fall in product prices may affect the ability of farmers or distributors to settle their accounts. Adverse weather conditions also impose uncertainty related to harvest and collection.

Currency risk

Agrinos' reporting currency is in NOK, but the Company also operates in several other currencies. The majority of sales revenues for 2015 were in USD. All production costs of goods sold and a major part of operating expenses were in MXN. Other major cost components were in USD and NOK. The Company has been financed in NOK and the net proceeds have been converted to USD deposits. Hence, the Company is primarily exposed to the development of USD/NOK and MXN/NOK.

At initial recognition transactions in foreign currency are recognized in the financial statements at the exchange rates prevailing at transaction date. Currency exchange rate differences resulting from the translation on the balance sheet of monetary assets and liabilities denominated in foreign currencies are recognized in the profit-and-loss account.

For the translation of the financial statements of foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the average exchange rate. The translation differences that arise are directly deducted from or added to group equity.

Average rates are used for the income statement activity and ending rates are used for the balance sheet.

Interest rate risk

Agrinos is directly exposed to fluctuations in the level of interest rates. The company issued convertible bonds that have a floating interest rate of 3 months NIBOR + 10%. See note 20.

Liquidity risk

The industry in which Agrinos operates is characterised by seasonal demand fluctuations, unpredictable weather affecting customer behaviour and crops and long credit periods. This may limit Agrinos' ability to obtain sales and collect payment from customers

Due to the current credit and liquidity risk, the Company may need additional capital to finance its operations and future growth. Due to the current liquidity risk the company is considered a "going concern".

Management approach to these liquidity risks is to ensure to have sufficient liquidity to meet its liabilities when due.

Operational risk

Agrinos' product portfolio is based primarily on water, microorganisms and shrimp waste. Feedstock shortage will reduce production capacity and ultimately sales and collection as the Company is dependent upon one production facility in Mexico. While the Company has quality assurance procedures throughout the value chain, a risk exists that a product might fail to deliver the expected results at some stage. Agrinos monitors the sourcing, production and distribution process continuously in order to limit the risk and impact of such an event. The Company is also expected to open a second production facility In the US in 2016 which should further mitigate this risk.

Contractual Risk

The Company operates in an environment where business can be based on oral understandings and/or short-form documents, which increases the risk that disputes could arise as to the actual contents of an agreement between the parties.

Taxation Risks

The Company's and/or its subsidiaries' own activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating, as its activities in most cases will be deemed to form a permanent establishment according to the tax laws of those countries. Thus, the Company is exposed to material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. There will also be taxation risks related to previously completed acquisitions, intra-group transfers of IP rights and other intra-group and related party transactions, and there can be no guarantee that tax authorities will agree with the Company's assessments of these matters or that they will deem the Company's documentation of such transactions satisfactory.

Regulatory and Environmental Risks

The Company does business in various jurisdictions around the world. Operating internationally increases exposure to regulatory requirements to be aware of and to satisfy. Changes in environmental regulations in the relevant jurisdictions may therefore affect the Company's operations.

IPR Risk

The Company relies upon intellectual property and trade secret laws and contractual restrictions to protect important proprietary rights, and, if these rights are not sufficiently protected, this may negatively affect the Company's ability to compete and generate revenue. Further, the Company may not obtain sufficient patent protection on the technology embodied in its products and production processes. There is also a risk of IPR infringement claims from third parties, potentially hindering the Company's operations or leading to losses for the Company.

Corporate governance

Agrinos aims to strengthen its leading position in the biostimulant segment by combining good financial results with verifiable and professional business operations. Agrinos aims to establish an international corporate governance standard to the best for its business, capital market position, role in society and its shareholders.

Matthieu Baumgartner, founding partner of Treis Partners LLP, London, and Chairman of the Board of Manor Investment SA, Luxembourg and Svetoslav Valkov, Director of Fertilizers at SNC-Lavalin, Brussels joined the Board of Directors.

At the end of the year the board consisted of Jean Baptiste Oldenhove Chairman of the board, Morten Bergesen, Nick Adamchak, Matthieu Baumgartner, and Svetoslav Valkov.

Organization, working environment and equal opportunity

As a part of the ongoing strategy to strengthen the employee base several key hires were announced, including Steve Sinkula, VP Business Development, Terry Stone, VP of Regulatory affairs and Sustainability Programs, Bruce Odens, VP North America Business, and Dr. Michael Austin, Head of Global Agronomy joined Agrinos. In addition Camilla Nilsson was appointed as VP Europe, Middle East and Central Asia, and Indranil Das was appointed as VP Asia and India businesses.

Agrinos had 132 (FTE) employees per 31 December 2015.

Agrinos seeks to be an attractive employer for people with different backgrounds, regardless of their ethnicity, gender, religion, age or disabilities. The Company's objective Is to promote gender equality, ensure equal opportunity and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, or religion and faith. The group works actively to promote this objective. The group will provide equal pay for equal work and reward good results. Key elements in determining remuneration are the scope of responsibility, job content, the individual’s expertise, commitment and performance, and local rates of pay. In addition the group is actively promoting a workplace that promotes gender equality

Salary and other compensation

Agrinos compensates its employees according to market conditions that are reviewed on an annual basis. Compensation includes base salary, insurance and retirement benefit programs, a bonus plan based on performance, and in certain cases stock warrants.

Health, safety and environmental issues

Agrinos emphasizes health, safety and environmental (HSE) performance. The Company is committed to worker safety on the basis of its belief that every accident is preventable. It works systematically to reduce Focus on key crops, geographies and segments accidents and injuries to its own as well as third-party personnel and equipment.

Agrinos interacts with the external environment through its production of liquid microbial, and liquid bio-nutrient, and micronized chitin products. The production itself and the use of the products are not regarded as having negative impact on the environment.

During 2015 there were no reported accidents; however, there were 108 absences due to sickness.

Sustainability goes to the very core of Agrinos' technology and products, designed to improve agricultural productivity while increasing the efficiency of traditional chemical inputs.

Outlook

Agrinos is a biological solutions-based agricultural company pursuing growth through research and development and commercial product sales & marketing activities. The company's novel technology, strong field trial results and established channels to large agricultural inputs markets is believed to provide opportunities where the company can create value for its customers and capture an attractive margin on the sale of its products to support operations and new product development.

Commercially, the company is experiencing positive developments within Agrinos' core geographies, driven by in-the-field results, maturing relationships with key partners, and end-user technology adoption. Despite the current headwinds in the agricultural sector, the company expects this progress to continue throughout 2016. In addition, our recently announced Research & Development and Sales & Marketing agreements with EuroChem, along with the completion of the private placement in Q1 2016, sets the stage for continued growth by bringing our existing product line along with new technology solutions to both current and new markets.

Agrinos strategy targets growth through sales & marketing efforts in core geographies and continued expansion of the company's research and development operations. For investments beyond the cash flow generated from sales -- such as corporate charges, global research and development expenditures, and capital expenditures -- the company will use its balance sheet and anticipates the need for additional capital increase to meet its long-term strategic objectives.

To ensure that Agrinos has the financial platform necessary to implement its strategy and to achieve both short and long-term goals the board issued shares generating NOK 178.0 million in Q1 2016.

As part of its long-term growth strategy, Agrinos may consider a stock exchange listing and IPO. The company will evaluate various corporate development opportunities, while remaining focused on cost control in order to reach a profitable state. The Company's main objectives for 2016 are to implement the strategic plan, complete construction of its new U.S. microbial production facility, and grow the sales and distribution of Agrinos products in core geographies.

While the Company still reports negative cash flow in its seventh year of operations, the Board is of the opinion that the Company is able to raise new capital should that be required.

Oslo, 25 May 2016

The board of directors of Agrinos

Jean Baptiste Chairman of the Board	Morten Bergesen Board member
Nick Adamchak Board member	Matthieu Baumgartner Board member
Douglas Ry Wagner Chief Executive Officer	Svetoslav Valkov Board member

Profit and Loss Statement

Agrinos AS				Agrinos Group	
2015	**2014**	**NOK**	**Note:**	**2015**	**2014**
23,769,458	29,545,662	Sales revenue	(3)	52,865,685	39,415,912
1,611,800	1,147,100	Other operating revenue	(3)	1,880,183	5,495,739
25,381,258	30,692,762	Operating revenue	(3)	54,745,869	44,911,651
(12,485,708)	(13,631,097)	Cost of goods sold		(10,921,374)	(13,832,494)
(9,409,744)	(20,512,137)	Salaries and personnel costs	(4)	(89,127,751)	(73,129,680)
(787,035)	(787,036)	Depreciation and amortization	(7),(8),(17)	(18,321,191)	(16,489,978)
(443,598,966)	(324,379,367)	Other operating expenses	(2),(4),(11)	(198,719,341)	(161,588,991)
-	(1,128,434)	Earn-out	(11)	-	(1,128,434)
(466,281,453)	(360,438,071)	Total operating expenses		(317,089,656)	(266,169,578)
(440,900,195)	(329,745,309)	**Operating income**		(262,343,788)	(221,257,927)
25,417,509	80,034,146	Net financial income / expense (-)	(5)	21,398,251	47,660,742
(415,482,686)	(249,711,163)	Net income / loss (-) before taxes		(240,945,536)	(173,597,185)
-	-	Tax expense	(6)	(4,891,980)	(13,049,888)
-	-	Minority Interest.	(15)	2,313,958	1,299,926
(415,482,686)	(249,711,163)	**Net income / loss (-)**		(243,523,558)	(185,347,148)

Balance sheet assets at 31 December 2015

Agrinos AS				Agrinos Group	
2015	2014	NOK	Note:	2015	2014
		Assets			
-	-	Goodwill	(7),(17)	-	45,020,738
4,960,511	5,622,635	Other intangible assets	(7)	9,771,141	10,778,606
-	-	Deferred Tax Asset		3,550,895	2,074,774
4,960,511	5,622,635	Total intangible assets		13,322,036	57,874,118
242,897	367,808	Property, plant and equipment	(8)	59,375,130	57,873,737
27,108,010	7,126,207	Investments in other shares and interes	(2),(9)	-	-
683,586	102,695,189	Other non-current receivables	(2),(10),(11)	-	-
27,791,596	109,821,396	Total financial non-current assets		-	-
32,995,004	115,811,840	**Total non-current assets**		72,697,166	115,747,855
-	3,174	Inventories	(12)	5,755,474	76,288,413
-	3,174	Total goods	(12)	5,755,474	76,288,413
14,720,706	193,042,773	Accounts receivable	(10),(11);	14,613,067	102,733,242
1,223,582	847,323	Other receivables	(11)	66,995,493	65,834,970
15,944,288	193,890,095	Total receivables	(11)	81,608,560	168,568,211
7,080,636	120,607,644	Bank deposits, cash etc.	(13)	16,152,066	152,833,936
23,024,925	314,500,913	**Total current assets**		103,516,100	397,690,560
56,019,929	430,312,752	**Total assets**		176,213,266	513,438,415

Balance sheet equity and liabilities at 31 December 2015

Agrinos AS				Agrinos Group	
2015	2014	NOK	Note:	2015	2014
		Equity			
735,284	726,673	Share capital	(14),(15)	735,284	726,673
976,015,778	974,639,910	Premium reserve	(15)	977,365,778	974,639,910
976,751,062	975,366,583	Total paid in capital	(15)	978,101,062	975,366,583
-	-	Minority interests	(15)	(6,343,009)	(4,639,215)
(1,235,421,157)	(825,941,088)	Accumulated P&L	(15)	(1,024,221,006)	(780,566,112)
(258,670,095)	149,425,494	**Total equity**	(15)	(52,462,953)	190,161,255
		Liabilities			
-	-	Deferred tax		-	-
-	-	Total provisions for liabilities		-	-
130,521,792	115,796,500	Other non-current liabilities	(11)	130,718,762	116,007,810
130,521,792	115,796,500	Total non-current liabilities	(11)	130,718,762	116,007,810
172,698,345	142,889,110	Accounts payable	(10),(11)	10,713,559	30,572,033
-	-	Current tax payable	(11)	2,331,259	8,006,650
11,469,887	22,201,648	Other current liabilities	(11)	84,912,638	168,690,666
184,168,232	165,090,758	Total current liabilities	(11)	97,957,456	207,269,350
314,690,024	280,887,258	**Total liabilities**	(11)	228,676,218	323,277,160
56,019,929	430,312,752	**Total equity and liabilities**		176,213,266	513,438,415

Oslo, 25 May 2016

The board of directors of Agrinos

Jean Baptiste
Chairman of the Board

Morten Bergesen
Board member

Nick Adamchak
Board member

Matthieu Baumgartner
Board member

Douglas Ry Wagner
Chief Executive Officer

Svetoslav Valkov
Board member

Cash flow statement

Agrinos AS			Agrinos Group	
2015	**2014**	**NOK**	**2015**	**2014**
		Cash flow from operating activities		
(415,482,686)	(249,711,163)	Profit/Loss (-) before tax	(240,945,536)	(173,597,185)
787,035	787,036	Depreciation and amortization	18,321,191	16,489,978
299,038,058	97,077,107	Changes in inventories,receivables and payables	48,180,698	(11,566,822)
6,002,617	13,099,803	Changes in other accruals/currency effects	(4,413,150)	43,175,432
(109,654,975)	(138,747,217)	**Net cash flow from operating activities**	(178,856,798)	(125,498,597)
		Cash flow from investment activities		
		Investment in Subsidiaries		-
(19,981,803)	(10,577,625)	Investments/disposals of tangible fixed assets	24,729,498	(4,665,646)
-	-	Changes in other investments	-	-
(19,981,803)	(10,577,625)	**Net cash flow from investments activities**	24,729,498	(4,665,646)
		Cash flow from financing activities		
14,725,292	115,796,500	Proceeds from borrowings (current and non-current)	14,710,952	117,757,047
1,384,480	12,835,787	Net proceeds from issuance of shares	2,734,480	12,835,787
16,109,771	128,632,287	**Net cash flow from financing activities**	17,445,431	130,592,834
(113,527,006)	(20,692,555)	Net change in cash and cash equivalents	(136,681,869)	428,591
120,607,644	141,300,199	Cash and cash equivalents at beginning of period	152,833,936	152,405,345
7,080,637	120,607,644	Cash and cash equivalents at end of period	16,152,067	152,833,936

Notes to the Accounts

Note 1 Accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards. The Group's accounts are presented in Norwegian kroner which is the Group's reporting currency.

Shares in subsidiaries and associated companies: See note 9 for an overview of subsidiaries.

Subsidiaries are companies over which the parent company has a controlling influence on the entity's financial and operational strategy, ordinarily through agreements or ownership of more than 50 percent of the voting shares.

Consolidation policies

Companies over which the Group has a controlling influence are consolidated from the time when control is transferred to the Group (the date of acquisition). Partly owned subsidiaries are incorporated in the consolidated accounts in their entirety. The non-controlling share of the subsidiary's equity constitutes a part of the Group's equity. The share of the profit attributable to non-controlling interests is included in the consolidated profit for the year. The non-controlling share of the profit and equity are presented as separate items in the accounts.

Acquisition of Subsidiaries

Acquired subsidiaries are accounted for in the Group financial statements on the basis of the parent company's consideration transferred. The consideration transferred in a business combination is measured at fair value of the identifiable assets and liabilities in the subsidiary, and presented in the Group financial statements at fair value on the date of acquisition. Shares have been assessed at cost in the event that the equity is lower when the acquisition has been considered a long term Investment with unexploited potential, and future return on investment is expected.

A final allocation of these define amounts has been determined and is presented in note 17. Any excess values that cannot be attributed to identifiable assets and liabilities are recorded in the balance sheet under goodwill. Goodwill is treated as a residual value and is recorded on the balance sheet at the amount observed at the time the acquisition. Excess values in the Group financial statements are amortized over the purchased assets' expected useful economic life.

Changes in Group's ownership interests in subsidiaries that do not result in Group losing control over the subsidiaries are accounted for as equity transaction.

Consideration resulting from a contingent consideration arrangement (earn-out) in a business combination is recognized when incurred and registered as a correlated to the relevant transaction that form the basis for the earn-out. For 2010 accounts the company calculated a capitalized value of the earn-out obligations on the business plan for the company and included this theoretical value as an addition to the acquisition costs as well as a liabilities and tax liability. The current method incurs the costs of the earn-out in the reporting periods as the company develops. The earn-out obligations are described in note 11.

Elimination of internal items

In the Group financial statements the item "shares in subsidiaries" is replaced by "subsidiaries assets and liabilities". The Group financial statements are prepared as if the Group was a single economic unit. Transactions, unrealized internal gains and intra-group balances between companies in the Group are eliminated.

Translation of foreign subsidiaries

Foreign group companies and non-consolidated participation qualify as independent foreign entities.

For the translation of the financial statement of these foreign entities the balance sheet items are translated at the exchange rate as of the balance sheet date and the profit and loss account items as of the average exchange rate.

The translation difference that arise are directly deducted from or are added to the group equity.

General rules for classification of assets and liabilities

Current / non-current classification

An asset is classified as current when it is expected to be realised or is intended for sale or consumption within twelve months after the reporting date. Other assets are classified as non-current. A liability is classified as current when it is expected to be settled within twelve months after the reporting period. All other liabilities are classified as non-current.

Revenue recognition

Revenues from the sale of goods are recognised at the time of delivery (when the Group has transferred to the buyer the significant risks and rewards of owning the goods). At this time the company records all revenue and relevant costs related to the transaction. The Group retains neither continuing managerial involvement nor effective control over the goods sold to distributors.

Intangible assets

Separately acquired intangible assets or assets acquired as a result of contracts or legal rights are recognized at cos at the time of acquisition. Intangible assets are amortised on a straight line basis over its estimated useful life. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for the net assets acquired. After initial recognition, goodwill is measured at cost less any accumulated depreciation. Expenses relating to research and development are expensed on an ongoing basis.

Tangible fixed assets

Tangible fixed assets are measured at historic cost and depreciated on a straight-line basis over the expected useful economic life of the assets. Costs associated with direct maintenance of the assets are expensed on an ongoing basis under operating expenses. Additions or improvements that materially extend the life of the asset are capitalized and depreciated at the same rate as the underlying asset.

Fixtures and fittings in leased premises are carried on the balance sheet and depreciated over the period of the lease.

Leases

Leases are accounted for as operating lease. Payments are recognized as an expense over the lease term.

Inventory

Inventories are valued at the lower of cost using the first-in-first-out (FIFO) principle or net realizable value. Net realizable value is the estimated sales price reduced by costs of completion and sales costs.

Receivables

Accounts receivables and other receivables are stated at their nominal value. Provisions for losses are determined on the basis of individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and monetary items which are due in less than three months. Cash items in foreign currency are translated at the exchange rate on the balance sheet date.

Pensions

Group companies have only defined contribution pension plans. For defined contribution plans, the Group pays contributions to publicly or privately administrated pension insurance plans on a mandatory, (or) contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in future payments is available.

Share option program

The company's share option program uses the intrinsic value method of accounting. The Intrinsic value of options and related social taxes are expensed in the income statement. Liabilities related to social taxes are classified as other current liabilities while the intrinsic value of options are classified as equity for options settled in shares.

Tax

Tax in the income statement comprises both current tax payable and changes in deferred tax. The tax currently payable is based on taxable profit for the year. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities and the corresponding tax base used in the computation of taxable profit and on the basis of any accumulated tax loss at the end of the financial year. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are offset when there is legally enforceable right to offset tax assets against tax liabilities and the Group is able and intends to settle the next tax assets and liabilities. Deferred tax asset in 2015 within

Mexico entities refers to the future taxable deduction related to the creation of the obsolete reserve in inventories.

Cash flow statement

The Cash flow statement has been prepared using indirect method. The company has held all liquidity in the form of cash in bank accounts.

Note 2 Estimates and impairments

Revenue

The company recognizes revenue when it is realized or realizable and earned. It is considered realizable when a persuasive evidence of a delivery of goods has occurred, the sales price is fixed or determinable and collectability is reasonably assured. Delivery is considered taken place when products have been shipped to the customer, and risk of loss has been transferred to the customer, or the company has objective evidence that the criteria are met with regards to customer acceptance.

These assessments are based on management’s best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results may be different from these assessment.

Other income

Agrinos Mexico has given loans to their Mexican external distributors for a total of MXN 344 643 726 (NOK 174 045 081). In 2015 Agrinos Mexico invoiced MXN 20 714 200(NOK10 585 211) of Interest on the loans. The related loans are written down and the collection of interest is not likely within the next year. Total Interest income related to distributors has been fully reserved as bad debt in 2015.

Impairments

Long-lived assets, other than goodwill, are tested for impairment based on future cash flows and according to IAS36 and NGAAP. Goodwill is tested annually, in the first quarter for impairment, or sooner when circumstances indicate that impairment may exist, using a qualitative analysis at the reporting unit level. Agrinos Group is considered as one cash generating reporting unit for impairment testing. All Agrinos subsidiaries are aggregated as a single cash generating reporting unit since they sell the same products and have similar economic characteristics.

Investment in Subsidiaries	Entity	2015	2014
Investment in Agrinos China AS	Book value before Impairment	125,000	125,000
	Book value after Impairment	125,000	125,000
Investment in India	Book value before Impairment	1,076,744	1,076,744
	Book value after Impairment	1,076,744	1,076,744
Investment in Colombia	Book value before Impairment	-	14,550,438
	Impairment Allowance	-	-14,550,438
	Book value after Impairment	-	-
Investment in Agrinos Inc.	Book value before Impairment	288	288
	Book value after Impairment	288	288
Investment in Indonesia	Book value before Impairment	1,871,903	1,871,903
	Impairment Allowance	-1,871,903	-
	Book value after Impairment	-	1,871,903
Investment in Malaysia	Book value before Impairment	1,572,789	1,572,789
	Book value after Impairment	1,572,789	1,572,789
Investment in Agrinos BioTech Beijing	Book value before Impairment	2,874,631	2,874,631
	Impairment Allowance	-2,874,631	-2,800,000
	Book value after Impairment	-	74,631
Investment in Bioderpac	Book value before Impairment	215,465,144	101,587,357
	Impairment Allowance	-215,465,144	-101,587,357
	Book value after Impairment	-	-0
Investment in Agrinos Mexico	Book value before Impairment	70,114,580	15,036,762
	Impairment Allowance	-70,114,580	-15,036,762
	Book value after Impairment	-	-0
Investment in Agrinos Corporate Services	Book value before Impairment	168,329,125	94,443,246
	Impairment Allowance	-168,329,125	-94,443,246
	Book value after Impairment	-	0
Investment in Agrinos Brasil	Book value before Impairment	32,292,022	26,481,555
	Impairment Allowance	-7,982,131	-24,100,000
	Book value after Impairment	24,309,891	2,381,555
Investment in Agrinos UK	Book value before Impairment	9	9
	Book value after Impairment	9	9
Investment in Agrinos Spain	Book value before Impairment	23,288	23,288
	Book value after Impairment	23,288	23,288
Book Value before impairment		493,745,523	259,644,010
Impairment of Investment in Subsidiaries		-466,637,513	-252,517,803
Investment in sub. net value		**27,108,010**	**7,126,207**

NOK		2015	2014
Receivable Agrinos Mexico	Book value before Impairment		50,923,371
	Currency Adjustment		4,154,448
	Impairment Allowance	-	-55,077,819
	Book value after Impairment	-	-
Receivable Agrinos Corporate Services	Book value before Impairment		65,354,583
	Currency Adjustment		8,531,293
	Impairment Allowance	-	-73,885,876
	Book value after Impairment	-	-
Receivable Bioderpac	Book value before Impairment		94,363,042
	Currency Adjustment		22,261,353
	Impairment Allowance	-	-113,877,788
	Book value after Impairment	-	2,746,607
Receivable Malaysia	Book value before Impairment	5,847,333	
	Currency Adjustment	3,173,791	-
	Impairment Allowance	-9,021,123	-
	Book value after Impairment	-	-
Receivable Agrinos Inc.	Book value before Impairment	78,571,940	
	Currency Adjustment	32,529,323	-
	Impairment Allowance	-111,101,263	-
	Book value after Impairment	-	-
Receivable Agrinorway Iberica	Book value before Impairment	1,205,428	
	Currency Adjustment	237,768	-
	Impairment Allowance	-1,443,196	-
	Book value after Impairment	-	-
Allowance for impairments for intercompany loans		**-121,565,583**	**-242,841,483**

Note 3 Revenue and Other Income

Geographical distribution:

	Agrinos AS		Agrinos Group	
NOK	2015	2014	2015	2014
Sales Revenues:				
North America	9,188,960	14,916,887	17,227,849	14,447,693
Latin America	1,278,517	-	6,123,109	1,521,125
Europe and Central Asia	2,094,981	2,014,274	4,192,682	11,318,165
Asia and India	11,207,000	12,614,501	25,322,045	12,128,929
Total revenue:	**23,769,458**	**29,545,662**	**52,865,685**	**39,415,911**

Other operating revenue:	2015	2014	2015	2014
Mexico	-	-	268,383	4,319,401
Rest of the world	1,611,800	1,147,100	1,611,800	1,176,338
Total	**1,611,800**	**1,147,100**	**1,880,183**	**5,495,739**

Agrinos AS other income of NOK 1,611,800 is related to public grant SkatteFUNN received in 2015 based on 2014 research and development expenses. The SkatteFUNN project period is 2012 - 2014. The group is involved in Research and Development on new and existing products. The research and development in 2015 are expensed mainly in USA, UK, Brazil, India and Norway.

Note 4 Salary and personnel costs, number of employees, loans to employees and auditor's fee

Salary and personnel costs

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Salaries	9,758,539	16,214,569	73,694,795	57,898,678
Payroll tax	1,417,740	2,322,358	7,806,444	7,557,547
Payroll tax - stock rights	-	(317,250)	-	(317,250)
Pension costs	79,500	207,940	1,438,514	1,028,854
Other benefits	(1,846,036)	2,084,520	6,187,997	6,961,852
Total	**9,409,744**	**20,512,136**	**89,127,751**	**73,129,680**
Annual average full-time equivalent employees	3	7	132	137

The parent company has defined contribution plans in accordance with local legislation. The defined contribution plans cover full-time employees and contributions comprise 2% of salaries.

Chief Executive Officer

Chief Executive Officer :	**2015**	**2014**
Salary	4,537,906	942,000
Pension costs	129,328	42,390
Other benefits	-	-
Total	**4,667,234**	**984,390**

Options

	Opening balance Granted Options	Granted options	Returned options	Ending balance Granted Options	Total vested options	Exercised options	Average exercise price (A)
Board Member	60,000	-	-	60,000	60,000	-	7
Employees and previous employees	3,081,667	2,805,000	-1,061,667	4,375,000	3,377,000	-450,000	3.5
Total	**3,141,667**	**2,805,000**	**-1,061,667**	**4,435,000**	**3,437,000**	**-450,000**	

450,000 options were exercised during the year 2015. Exercise value of vested options calculated at NOK 4.7 million at December 31, 2015 vs NOK 0.00million at December 31, 2014, booked as salary cost and equity. Exercise of options will result in social security tax payable for the company. Gross value of these liabilities has been calculated to be NOK 633K December 31st 2015 using the intrinsic value versus NOK 0.0 at December 31st 2014. The option holders are eligible to get the exercised options settled in shares. The CEO and other key employees participated in a new warrant program established in 2015.

Specification of auditor's fee

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Statutory audit fees	533,861	413,233	1,259,218	995,411
Other assurance services	-	22,625	-	22,625
Tax advisory fees	-	3,200	-	3,200
Other services	-	14,976	-	171,976
Total fee to auditor	**533,861**	**454,034**	**1,259,218**	**1,193,212**

Note 5 Finance income and expenses

Finance income

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Interest income from group companies	2,069,634	14,103,843	0.00	0.00
Other interest income	450,722	1,917,014	11,175,823	1,933,332
Foreign Exchange rate Gain/Loss	37,039,332	69,395,051	24,447,544	51,381,530
Total financial income	**39,559,688**	**85,415,908**	**35,623,367**	**53,314,862**

Finance expenses

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Interest expenses from group companies	-	-	(1)	(0)
Other interest expenses	(361)	(746,969)	(5,747)	(847,099)
Other financial expenses	(14,887,419)	(4,634,796)	(14,964,968)	(4,807,021)
Total financial expense	**(14,887,780)**	**(5,381,765)**	**(14,970,716)**	**(5,654,120)**

Agrinos Mexico has given loans to their Mexican distributors for a total of MXN 344 643 726 (NOK 174 045 081). In 2015 Agrinos Mexico invoiced MXN 20 714 200 (NOK10 585 211) of Interest on these loans. The related loans are written down and the collection of Interest is not likely within the next year.

The Group has significant net currency exchange gain in the year 2015. The main effect of this gain relates to the weakening of the reporting currency NOK against the currencies USD, BRL, and MXN. Since most Agrinos AS receivables are held in USD or MXN these assets have an unrealized value increase against the reporting currency NOK.

Note 6 Income Taxes

Income tax expense

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Tax payable	-	-	3,293,447	8,006,650
Changes in deferred tax	-	-	1,598,533	5,043,238
Total income tax expense	-	-	4,891,980	13,049,888
Tax base calculation				
Profit before income tax	-415,482,686	-	-240,945,536	-173,597,184
Permanent differences	364,981,598	-	6,859,651	11,490,001
Temporary differences	-9,365,220	-	178,429,646	59,492,322
Tax base	-59,866,308	-	-55,656,239	-102,614,861
Temporary differences:				
Receivables	-397,066,151	-174,745,514	-737,771,828	-9,591,518
Inventories	-	-	-19,289,314	-
Profit sharing	-	-	-1,127,315	-
Fixed assets	-17,344	6,134	9,994,143	6,135
Non current assets	-	-252,517,802	200,399	-174,045,082
Provisions	-633,043	-2,229,000	-1,090,399	-91,547,015
Foreign exchange rate gains (losses)	36,204,727	-193,908,653	36,061,179	-51,381,530
Losses carried forward	-304,793,168	-244,926,860	-316,979,860	-331,638,794
Total	-666,304,979	-868,321,695	-1,030,002,995	-658,197,804
Deferred tax liability (asset)	-166,576,245	-234,446,858	-185,291,592	-99,491,638
Deferred tax asset not recognized	166,576,245	234,446,858	181,740,697	97,416,864
Deferred tax liability (asset)	-	-	-3,550,895	-2,074,774
Effective tax rate				
Expected income taxes at statutory tax rate	-112,180,325	-	-67,557,748	-30,784,458
Permanent differences	98,545,031	-	2,038,253	3,447,000
Change in allowance for taxes carried forward not recognized	13,635,294	-	70,411,475	40,387,346
Income tax expense	-	-	4,891,980.00	13,049,888

Differences of taxable income and net inocme before tax as reported in the income statment are due to items of inocme or expense that are taxable or deductible in future years (temporary differences). The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is more likely than not that future taxadvantages will not be available to allow all of the asset to be recovered. The value of the losses carried forward has been calculated but has not been included.

Agrinos group 2015 numbers are estimates as tax return in all Mexican subsidiaries are not filed. Agrinos AS 2014 numbers are restated to actual filed taxes.

Note 7 Intagible assets

Agrinos AS

NOK	Acquired rights/Patents
Acquisition cost 01.01.	8,456,100
Additions	-
Disposals	-
Acquisition cost 31.12.	8,456,100
Accumulated amortisation thru 31.12.14	(2,833,465)
Accumulated impairment loss 31.12.14	-
Reversed impairments 31.12.14	-
Net carrying value as of 31.12.14	**5,622,635**
Amortisation for the current year	(662,124)
Impairment loss for the current year	0
Reversed impairments current year	0
Net carrying value as of 31.12.15	**4,960,511**

Agrinos Group

NOK	Goodwill	Research and development	Other intangibles	Aquired Rights/Patents	Total
Acquisition cost	76,253,142	869,638	4,638,489	10,085,131	91,846,400
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Acquisition cost	76,253,142	869,638	4,638,489	10,085,131	91,846,400
Accumulated amortisation at 01.01	-31,232,403	-604,518	-1,190,335	(3,019,800)	-36,047,056
Accumulated impairment loss	-	-	-	-	-
Reversed impairments	-	-	-	-	-
Net carrying value at 12/31/2014	45,020,739	265,120	3,448,154	7,065,331	55,799,344
Acquisitions	-	-	-	-	-
Disposals	-	-	569,120	-	569,120
Amortisation for the year	(7,625,317)	(265,120)	(649,346)	(662,122)	(9,201,901)
Accumulated impairment loss 31.12	(37,395,422)	-	-	-	(37,395,422)
Disposals	-	-	-	-	-
Amortization and impairments	-45,020,739	-265,120	-80,226	-662,122	-46,028,203
Net carrying value at 12/31/2015	0.00	-	3,367,928	6,403,209	9,771,141

Both the parent company and the group use 10 years straight line amortization for acquired rights and other intangibles. Patents were purchased by Agrinos AS in 2012 and had a remaining life of 17 years: Amortization of patents were set to 17 years. Recorded patents relate to a set of registered patents relating to HYT products. Good will was acquired with the purchase of operations in Malaysia in 2009 and Mexico (Bioderpac) in 2010. The purchase of Mexico included a factory planned to be in use for 10 years or more. Other intangibles include deferred tax assets relating to Mexico legal entity.

Note 8 Tangible assets

Agrinos Group

NOK	Vehicles	Property and plant	Machinery and equipment	Total
Acquisition cost as of 12/31/2014	5,527,711	23,982,434	51,042,584	80,552,729
Additions	-	16,148,329	-	16,148,329
Disposals	-850,937	-	-5,032,814	-5,883,751
Acquisition cost as of 12/31/2015	4,676,774	40,130,763	46,009,770	90,817,307
Accumulated depreciation 12/31/2015	-4,253,427	-8,082,118	-19,106,632	-31,442,177
Accumulated impairment loss 31.12.	-	-	-	-
Reversed impairment loss 31.12.	-	-	-	-
Net carrying value as of 12/31/2015	423,347	32,048,645	26,903,138	59,375,130
Depreciation for the year 2015	625,867	4,087,584	4,405,834	9,119,285
Impairment loss for the year 2015	-	-	-	-

Both the parent company and the group use linear depreciation for all tangible assets.

The useful economic life is estimated to be:	Years
*Buildings and other real estate	20-50
*Machinery and equipment	3-15
*Land	No depreciation

Note 9 Investment in Subsidiaries and Associates

NOK	Subsidiaries' share capital in local currency	Number of shares owned directly by Agrinos	Nominal value pr. share	Share ownership and voting rights in %	Subsidiaries' equity in local currency	Subsidiaries' current year earnings in local currency	Booked value investment in subsidiaries in NOK*
Agrinos China AS, (Norge)	-100,000	100,000	NOK 1	100.0%	20,621	24,293	125,000
Agrinos Corporate Services SA de CV, (Mexico) * **	-346,350,000	346,349,999	MXN 1	100.0%	183,808,187	207,815,303	168,329,125
Bioderpac SA de CV, (Mexico) * ***	-300,200,000	300,199	MXN 1000	100.0%	-272,312,637	25,028,607	215,465,144
Agrinos Mexico SA de CV.*	-369,850,000	145,449,999	MXN 1	100.0%	463,547,404	342,101,542	70,114,580
Agrinos Colombia SAS (Discontinued March 31st 2015)	NA	NA	COP 2	0.0%	NA	NA	-
Agrinos do Brasil Ltda*	-11,446,771	3,577,115	BRL 3.20	100.0%	1,925,475	3,458,431	32,292,022
Agrinos Inc, (USA)	-50	5,000	USD 0.01	100.0%	13,226,962	2,367,240	288
Agrinos Sdn Bhd, (Malaysia)	-551,500	295,000	MYR 1	84.7%	4,538,463	1,276,539	1,572,789
Agrinos Indonesia*	-5,500,000,000	55,000	100 000 IDR	55.0%	2,336,132,898	1,187,757,067	1,871,903
Agrinos Beijing BioTech (China) *	-5,262,270	N/A	RMB	60.0%	7,845,433	3,060,573	2,874,631
Agrinorway Iberica S.L., (Spain)	-3,000	300	EUR 10	100.0%	429,468	352,702	23,288
Agrinos Uk (United Kingdom)	-1	1	1 GBP	100.0%	-11,952	-4,598	9
Agrinos India	-461,950	46,194	1 INR	100.0%	-4,261,985	10,769,972	1,076,744
Total before impairment							**493,745,523**
Impairment (See also note 2)							-466,637,513
Net book value after impairment							**27,108,010**

*Booked value is before impairments. For net investment value per company after 2015 impairments refer to note 2.

**Agrinos Corporate Services has a subsidiary Agricultura Especializada del Pacifico (AEP) of which Agrinos Corporate Services owns 23,676 out of 23,677 shares and Agrinos Mexico 1 out of 23,677 shares.

***Bioderpac has two classes of shares. One class of which Agrinos AS owns 300,199 out of 300,200 shares, and one class of which Agrinos China AS owns 1 out of 300,200 shares.

Note 10 Intercompany balances with group companies and associates

Agrinos AS

Receivables:

NOK	2015	2014
Loans to group companies	122,249,169	345,536,671
Allowance of loans to group companies	-121,565,583	-242,841,482
Net value of loans to group companies	683,586	102,695,189
Accounts receivable group companies	410,451,005	368,264,702
Allowance for accounts receivable group companies	-397,061,152	-174,740,513
Net value of accounts receivable	13,389,854	193,524,189
Total	14,073,440	296,219,378

Agrinos AS

Payables:

NOK	2015	2014
Accounts payable group companies	169,547,248	131,618,023

Agrinos has an Order manufacturing agreement with Mexican subsidiaires. This agreement ensures that the production entity maintains a profit comparable to market. To maintain a profit in 2015 Bioderpac invoiced Agrinos AS NOK 29,612,021 (MXN 57,690,000) This amount is included in intercompany accounts payable.

Note 11 liabilites and receivables

	Agrinos AS		Agrinos Group	
NOK	2015	2014	2015	2014
Liabilities to financial institutions	-	-	-	12,848
Convertible Bond	130,521,792	115,796,500	130,521,792	115,796,500
Other long-term liabilities	-	-	196,970	198,463
Long term liabilities	130,521,792	115,796,500	130,718,762	116,007,811

Agrinos AS other non-current receivables are loans given to subidiaries. Group other non-current receivables are loans Agrinos Mexico has given to distributors in Mexico and refinanced as of December 15th 2013.

Receivables	Agrinos AS		Agrinos Group	
NOK	2015	2014	2015	2014
Loans to group companies	122,249,169	345,536,671	188,151,196	174,045,081
Allowance of loans to group companies	(121,565,583)	(242,841,482)	(188,151,196)	(174,045,081)
Allowance of receivables to group companies	-	-	-	-
Net non current receivables	683,586	102,695,189	-	-
Net group of companies accounts receivable	13,389,854	193,524,189	-	-
External Trade Receivables	1,335,852	(476,416)	180,880,799	112,324,760
Allowance External Receivables	(5,000)	(5,000)	(166,267,732)	(9,591,518)
Net accounts receivable	1,330,852	(481,416)	14,613,067	102,733,242
Other receivables	167,054	229,007	2,431,368	1,568,612
Prepaid expenses	146,406	252,720	5,919,908	4,452,478
Taxes and fees receivable/VAT	910,122	365,596	58,644,217	59,813,881
Other receivables	1,223,582	847,323	66,995,493	65,834,970
Total Receivables:	**16,627,875**	**296,585,285**	**81,608,560**	**168,568,212**

Payables	Agrinos AS		Agrinos Group	
NOK	2015	2014	2015	2014
External trade payables	3,151,097	1,971,087	10,713,559	30,572,034
Other current liabilities	4,664,322	15,166,279	13,725,388	22,307,958
Acrued commissions	-	-	3,878,463	2,009,641
Taxes payable	-	-	2,964,302	8,006,650
Taxes and fees payable/VAT	887,565	1,117,369	56,436,980	48,917,695
Accrued Earn Out	5,918,000	5,918,000	5,918,000	5,918,000
Deferred revenue	-	-	1,668,525	89,537,374
Deferred Tax Liability			2,652,238	-
Intercompany liabilities	169,547,248	140,918,023	-	-
Current liabilities	184,168,232	165,090,757	97,957,456	207,269,351
Total Liabilities	**314,690,024**	**280,887,257**	**228,676,218**	**323,277,162**

In addition to the purchase price of Bioderpac, Agrinos has agreed to pay as an additional compensation and earn-out related to sales of the products HYT B and HYT C in certain markets for the years 2011, 2012, and 2013. The cumulative value of the earn-out shall not be less than USD 2,000,000 for these three years. The sellers have a right to convert the additional compensation into shares in Agrinos AS at at price of 3.5 multiplied by NOK 25=87.5 NOK per share. At the expiration of the earn-out period 2013 the liability was recorded at NOK 11.1 million. Due to delayed payouts the year-end balance in 2015 is NOK 5.9 million. Earn-Out reserve was created Agrinos AS in December 2014. The 2015 income statement impact was purely related to foreign currency adjustment, given that the payment was done in U.S. dollars, and 2014 reserve was created in NOK.

Unearned revenue:

Agrinos Group

NOK	2015	2014
Products sold 2012 and earlier	-	21,547,000
Products sold in 2013	-	42,873,990
Net of products sold in 2014 and credit notes issued in 2014 related to previous years	-	-1,905,565
Interest in long term receivables to Mexican distributors 2014	-	11,517,536
Sales of services to mexican distributors in 2014	-	11,151,824
Total deferred revenues related to Agrinos Mexico	**-**	**85,184,785**

The Unearned revenue as well as the bad debt reserve related to mexican distributors sales in prior years, was reversed in its totallity in 2015, generating a favorable impact in the consolidated income statement in the amount of NOK 154 M, offset by the impairment of full receivable balance as of December 31,2015 from mexican distributors in the amount of NOK 157.4 M.

Note 12 Inventories

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Raw Material	-	-	1,729,098	1,847,085
Packing material	-	-	3,242,439	43,169,357
Work in process	-	-	38,609,995	29,414,223
Finished goods	-	3,174	27,123,859	1,857,748
Inventory obsolete reserve	-	-	(64,949,917)	-
Total:	**-**	**3,174**	**5,755,474**	**76,288,413**

Inventory reserve was booked in 2015 to account for obsolete inventories. This had an unfavorable consolidated impact in the amount of NOK 65.0 M.

Note 13 Bank deposits – restricted funds

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Restricted funds				
Employees salary taxes, deposited in a separate bank account	161,532	657,483	559,280	1,157,494
Security deposit rent / other designated funds	165,783	809,344	165,783	809,344
Total	**327,315**	**1,466,827**	**725,062**	**1,966,838**

Note 14 Share capital and shareholder information

Agrinos AS

	No of Shares	Face Value	Book value in NOK
Share Capital	73,978,382	0.01	739,784

At 31.12.2015 AgrinosAS had 272 shareholders. Issued capital consists of one class of shares and all issued shares have the same voting rights. Shares are prior to the capital raise announced in December and do not include shares registered in January 2016.

The 20 largest shareholders as of 31 December 2015 were:

Name	Related party	No of shares	Ownership
DEUTSCHE BANK AG	Board Member	23,220,760	31.39%
UBS SWITZERLAND AG		6,344,485	8.58%
HAVFONN AS	Board Member	6,293,577	8.51%
STATE STREET BANK & TRUST COMPANY		4,006,055	5.42%
KB MANAGEMENT AS		3,030,360	4.10%
THOENG AS		2,174,094	2.94%
KORRIGAN INVESTMENT AS		2,019,465	2.73%
SYNGENTA VENTURES PTE LTD		1,878,237	2.54%
EPSILON AS		1,810,193	2.45%
ANFAR INVEST AS		1,640,548	2.22%
TRAPESA AS		1,406,059	1.90%
OP-EUROPE EQUITY FUND		1,405,000	1.90%
SNEFONN AS		1,282,415	1.73%
ESQUER AGUIRRE		1,203,480	1.63%
INVESCO PERP EUR SMALL COMP FD		1,052,545	1.42%
GOLDMAN SACHS & CO EQUITY SEGREGAT		962,423	1.30%
CITIBANK, N.A.		859,180	1.16%
JOMANI AS		857,500	1.16%
LILLEBERG		775,000	1.05%
PENSIONDANMARK PENSIONSFORSIKRINGS		745,390	1.01%
Other		11,011,616	14.88%
Total number of shares issued and outstanding		73,978,382	100.00%

Subscrubtion rights - expiration date: Jul 7th 2016 Refer to note 4	350,000
Exercised rights with expiration date: Jul 7th 2016	-
Convertible Bond - Conversion date: Jun 6th 2017 Refer to note 23	11,579,650,000
Subscrubtion rights - expiration date: Jun 29th 201 Refer to note 4	1,500,000
Exercised rights with expiration date: Jun 29th 2017	-
Subscrubtion rights - expiration date: Jun 29th 2020	2,805,000
Total number of shares authorized, but not issued	11,584,305,000
Total number of shares issued and authorized	11,658,283,382

Manor which is repersented by Deutsche Bank AG has two represetatives serving as board members.

Note 15 Equity

Agrinos AS

NOK	Issued capital	Share premium	Retained earnings	Total
Equity 01.01.2013	446,396	781,262,790	-103,224,232	678,484,954
Capital increase item 3, Dec. 20. 2013	112,500	89,887,500	-	90,000,000
Capital increase item 4, Dec. 20. 2013	57,704	46,105,760	-	46,163,464
Capital increase item 6, Dec. 20. 2013	32,313	25,817,688	-	25,850,001
Transactions costs	-	-5,860,635	-	-5,860,635
Net loss in 2009 and 2010 reclassified to earned equity	-	23,364,126	-23,364,126	-
Net profit for the year	-	-	-496,336,070	-496,336,070
Adjustment change in employee stock rights	-	-	44,445,000	44,445,000
Equity 31.12.2013	648,913	960,577,229	-578,479,428	382,746,714
Equity 01.01.2014	648,913	960,577,229	-578,479,428	382,746,714
Capital increase, 01.12.2014	75,505	12,760,282	-	12,835,787
Capital increase, 31.12.2014	2,255	1,351,080	-	1,353,335
Transactions costs	-	-48,681	-497	-49,178
Net profit for the year	-	-	-249,711,163	-249,711,163
Adjustment change in employee stock rights	-	-	2,250,000	2,250,000
Equity 31.12.2014	726,673	974,639,910	-825,941,088	149,425,495
Equity 01.01.2015	**726,673**	**974,639,910**	**-825,941,088**	**149,425,495**
Capital increase	8,611	1,375,869	-	1,384,480
Capital increase not registered	-	1,350,000	-	1,350,000
Transactions costs	-	-	-	-
Net profit for the year	-	-	-415,482,686	-415,482,686
Adjustment change in employee stock rights	-	-	4,652,617	4,652,617
Equity 31.12.2015	**735,284**	**977,365,779**	**-1,236,771,157**	**-258,670,094**

Agrinos Group							
NOK	**Issued capital**	**Share premium**	**Retained earnings**	**Currency translation differences**	**Total shareholders' equity**	**Minority interests**	**Total equity**
Equity 01.01.2013	446,396	781,262,790	-201,292,875	-1,183,342	579,232,970	-603,216	578,629,754
Capital increase item 3, Dec. 20. 2013	112,500	89,887,500	-	-	90,000,000	-	90,000,000
Capital increase item 4, Dec. 20. 2013	57,704	46,105,760	-	-	46,163,464	-	46,163,464
Capital increase item 6, Dec. 20. 2013	32,313	25,817,688	-	-	25,850,001		25,850,001
Transactions costs	-	-5,860,635	-	-	-5,860,635		-5,860,635
Net loss in 2009 and 2010 recl. to earned equity	-	23,364,126	-23,364,126	-	-	-	-
Net loss for the year	-	-	-402,106,949	-	-402,106,949	-2,615,086	-404,722,035
Currency translation differences	-	-	2,449,042	-386,602	2,062,440	96,206	2,158,646
Adjustment change in employee stock rights	-	-	44,445,000	-	44,445,000	-	44,445,000
Equity 31.12.2013	648,913	960,577,229	-579,869,908	-1,569,944	379,786,291	-3,122,096	376,664,194
Equity 01.01.2014	648,913	960,577,229	-579,869,908	-1,569,944	379,786,291	-3,122,096	376,664,194
Capital increase, 01.12.2014	75,505	12,760,282	-	-	12,835,787	-	12,835,787
Capital increase, 31.12.2014	2,255	1,351,080	-	-	1,353,335	-	1,353,335
Transactions costs	-	-48,681	-497	-	-49,178		-49,178
Net loss for the year	-	-	-186,647,074	-9,505,679	-196,152,753	-1,299,926	-197,452,679
Currency translation differences	-	-	-4,534,292	-688,721	-5,223,013	-217,193	-5,440,206
Adjustment change in employee stock rights	-	-	2,250,000	-	2,250,000	-	2,250,000
Equity 31.12.2014	726,673	974,639,910	-768,801,771	-11,764,344	194,800,469	-4,639,215	190,161,253
Equity 01.01.2015	**726,673**	**974,639,910**	**-768,801,771**	**-11,764,344**	**194,800,469**	**-4,639,215**	**190,161,253**
Currency translation differences	-		-16,548,296	11,764,344	-4,783,952	-	-4,783,952
Capital increase	8,611	1,375,869	-	-	1,384,480	-	1,384,480
Capital increase not registered	-	1,350,000	-	-	1,350,000	-	1,350,000
Net loss for the year	-	-	-243,523,558	-	-243,523,558	-1,703,794	-245,227,351
Adjustment change in employee stock rights	-	-	4,652,617	-	4,652,617	-	4,652,617
Equity 31.12.2015	**735,284**	**977,365,779**	**-1,024,221,008**	**-**	**-46,119,945**	**-6,343,009**	**-52,462,954**

Note 16 Transactions with related parties

The transaction with former board member, interim CEO, and shareholder Kjetil Bohn relates tohis company KB Management. KB management received a total renumeration of NOK 2,305,954 for its services in 2015.

All transactions have been carried out as part of the ordinary operations and at arms-length

Note 17 Amortization of goodwill

Business combinations

The Goodwill write-off was driven by the impairment of the investment in Bioderpac and Indonesia subsidiaries. Goodwill was originated by the purchase of Bioderpac and Indonesia subsidiaries and must be tested annually to confirm if its value is still acurate.If the value of the Investment in subsidiary declines, as has happened in said subsidiaries, then the impairment is required.

NOK	Bioderpac SA acquired Dec. 22, 2010	Agrinos Sdn acquired July 31, 2009	Total
Net identified assets and liabilities	3,890,812	-578,808	3,312,004
Goodwill from acquisition	**74,101,545**	**2,151,597**	**76,253,142**
Purchase price	77,992,357	1,572,789	79,565,146
Capital increase	47,946,430		47,946,430
Cash	29,966,500	1,572,789	31,539,289
Direct expense	79,427		79,427
Purchase price	77,992,357	1,572,789	79,565,146
Goodwill Amortisation 2009	-	-89,650	-89,650
Goodwill Amortisation 2010	-426,338	-215,160	-641,497
Goodwill Amortisation 2011	-7,410,154	-215,160	-7,625,314
Goodwill Amortisation 2012	-7,410,154	-215,160	-7,625,314
Goodwill Amortisation 2013	-7,410,154	-215,160	-7,625,314
Goodwill Amortisation 2014	-7,410,154	-215,160	-7,625,314
Cummulative amortization as of 12/31/2014	-30,066,955	-1,165,449	-31,232,403
Value net of accumulated amortisation as of 12/31/2014	**44,034,590**	**986,149**	**45,020,739**
Goodwill Amortisation 2015	-7,410,154	-215,160	-7,625,314
Accumulated amortisation at year end	-37,477,109	-1,380,608	-38,857,717
Goodwill Write-off	-36,624,436	-770,989	-37,395,425
Value net of accumulated amortisation as of 12/31/2015	**-**	**-**	**-**

Note 18 Financial risk

The company has included a description of risks related to the business in the Board of Directors report.

The company operates business untis in several countires with currency risk mainly related to cash flows in local currency and capital funded in NOK. No currency hedges have been executed that may mitigate exposure.

Liquidity is deposited in bank accounts in NOK and USD with the exception of an amount dediated to fun investments in MXN.

Note 19 Commitments under operationg leases

The group rents seveal sales offices under operationg leases, the leases are for an average period of three years, with fixed rentals over the same period.

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Offices rental	2,113,716	1,199,851	2,113,716	4,253,537
Warehouse lease	-	530,177	-	8,313,163
Vehicle cost (leasing)	-	-	-	692,819
Total annual lease cost	**2,113,716**	**1,730,028**	**2,113,716**	**13,259,519**

At year end, the group has outstanding commitments under non-cancellable operationg leases that fall due as follows:

	Agrinos AS		Agrinos Group	
NOK	**2015**	**2014**	**2015**	**2014**
Within one year	612,000	1,400,000	612,000	2,346,179
Later than one year but within five years	-	2,800,000	-	4,291,636
Later than five years	-	-	-	-
Total annual commitment	**612,000**	**4,200,000**	**612,000**	**6,637,815**

Agrinos Mexico leases cars for salespersons, technical ssupport, and managment. At year end 2015 the company leased 110 cars with monthly costs averaging NOK 4,500 per car. Leases for the cars are covered by a parent company guarantee.

Note 20 Convertible Bond

In December 2014, Agrinos AS issued a convertible bond - PIK FRN Agrinos AS Convertible Bond Issue 2014/2017 - with a principal amount of NOK 115,796,500. The bonds have a floating interest rate of 3 months NIBOR + 10%, which on a quarterly basis is added to the principal by way of issuance of new bonds. In the absense of a prior conversion, the loan will mature on 12 December 2017. There are no installments.

The bonds are convertible into common shares of the Company at NOK 6 per share between 1 April 2016 and 31 March 2017, NOK 8 per share between 1 April 2017 and maturity, within 30 business days following completion of a qualified issueance of equity by issuer at 25% below the relevant issuance price, or at NOK 1 per share within 30 business days afte the occurrence of an event of default or at NOK 1 per share within 60 business days after the occurance of a Change of Control event.

On 9 February 2016 an amendment agreement to the bond was executed. The amendment was created in concurrance with the investment agreement with EuroChem. If all contingencies listed in the Investment agreement are met the bonds are convertible into common shares at NOK 4 per share and must be completed by 15 August 2016. If the contingencies are not met the bond agreement will be reinstated as it existed prior to the date of the Amendment Agreement.

The bonds are subject to a loan agrement with Nordic Trustee as a bond trustee. The conversion price is subject to standard adjustment mechanisms for convertible bonds.

NOK	Amount
Convertible Bond - Face Value	115,796,500
Accrued bond interest at end of year	14,725,292

Conversion price scenarios per 9 February 2016 amendment

a. By notice from the Bondholder prior to 15 August 2016, NOK 4.00. Such a scenaorio would give 28 949 125 new shares issued.

Other Conversion price scenarios:

b. By notice from the Bondholder from 1 April 2017, NOK 6.00. Such a scenario would give 21 633 779 new shares issued
c. By notice from the Bondholder prior to 1 April 2017 or at any time threreafter, NOK 8.00. Such a scenario will give 16 225 334 new shares issued.

Accrued interest shall be payable and will be converted into new bonds quarterly in arrears.

Note 21 Going Concern

All financial statements in this report are presented on the basis of a “going concern” assumption in accordance with the Norwegian Accounting Act section 3-3a. The equity for both the parent company and the group is negative. To ensure that Agrinos has the financial platform necessary to implement its strategy and to achieve both short and long-term goals the board issued shares generating NOK 178.0 million in Q1 2016. Please refer to the Board of Directors report for additional information.

Profit and loss statement

USD	2015	2014
Sales revenue	6,430,748	6,276,419
Other operating revenue	228,534	875,118
Operating revenue	6,659,282	7,151,537
Cost of goods sold	(1,352,274)	(2,202,626)
Salaries and personnel costs	(11,038,803)	(11,644,854)
Depreciation and amortization	(2,188,005)	(2,625,793)
Other operating expenses	(20,262,754)	(25,730,731)
Earn-out	-	(179,687)
Total operating expenses	(34,841,837)	(42,383,691)
Operating income	(28,182,555)	(35,232,154)
Net financial income / expense (-)	2,295,857	7,589,290
Net income / loss (-) before taxes	(25,886,698)	(27,642,864)
Tax expense	(563,500)	(2,078,008)
Minority Interest.	275,485	206,995
Net income / loss (-)	(26,174,713)	(29,513,877)

Balance sheet assets at 31 December 2015

USD	2015	2014
Assets		
Goodwill	(0.00)	6,059,319
Other intangible assets	1,103,570	1,450,687
Deferred Tax Asset	401,045	279,243
Total intangible assets	1,504,616	7,789,249
Property, plant and equipment	6,705,937	7,789,197
Investments in other shares and interests	-	-
Other non-current receivables	-	-
Total financial non-current assets	-	-
Total non-current assets	8,210,552	15,578,446
Inventories	775,764	10,267,619
Total goods	775,764	10,267,619
Accounts receivable	1,650,066	13,826,816
Other receivables	7,566,953	8,860,696
Total receivables	9,217,019	22,687,512
Bank deposits, cash etc.	1,824,305	20,569,843
Total current assets	11,817,089	53,524,974
Total assets	20,027,641	69,103,421

Balance sheet equity and liabilities at 31 December 2015

USD	2015	2014
Equity		
Share capital	97,803	97,803
Premium reserve	131,176,300	131,176,300
Total paid in capital	131,274,103	131,274,103
Minority interests	(716,391)	(624,390)
Accumulated P&L	(136,357,459)	(105,056,003)
Total equity	(5,799,747)	25,593,710
Liabilities		
Deferred tax	-	-
Total provisions for liabilities	-	-
Other non-current liabilities	14,763,614	15,617,479
Total non-current liabilities	14,763,614	15,617,479
Accounts payable	1,210,010	4,114,675
Current tax payable	263,297	1,077,611
Other current liabilities	9,590,468	22,699,946
Total current liabilities	11,063,775	27,892,232
Total liabilities	25,827,388	43,509,711
Total equity and liabilities	20,027,641	69,103,421

Cash Flow Statement

USD	2015	2014
Cash flow from operating activities		
Profit/Loss (-) before tax	(25,886,698)	(27,642,864)
Depreciation and amortization	2,188,005	2,625,793
Changes in inventories,receivables and payables	6,133,902	16,015,467
Changes in other accruals/currency effects	(5,506,758)	(11,340,567)
Net cash flow from operating activities	(23,071,549)	(20,342,171)
Cash flow from investment activities		
Investment in Subsidiaries		-
Investments/disposals of tangible fixed assets	5,179,876	858,099
Changes in other investments	-	-
Net cash flow from investments activities	5,179,876	858,099
Cash flow from financing activities		
Proceeds from borrowings (current and non-current)	(853,866)	14,987,246
Net proceeds from issuance of shares	0	-
Net cash flow from financing activities	(853,866)	14,987,246
Net change in cash and cash equivalents	(18,745,539)	(4,496,826)
Cash and cash equivalents at beginning of period	20,569,843	25,066,669
Cash and cash equivalents at end of period	1,824,305	20,569,843

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To the shareholders' meeting of
Agrinos AS

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Agrinos AS, which comprise the financial statements for the parent company, showing a loss of NOK 415 482 686, and the financial statements for the group, showing a loss of NOK 243 523 558. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as of December 31, 2015, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent company and the Agrinos Group as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25th of May 2016
RSM Norge AS

Lars Løyning
State Authorised Public Accountant (Norway)