

June, 2019

AGRO 
Generation

AgroGeneration
Company Overview

AgroGeneration SA – 3 de la Pompe Str., 75116 Paris, FRANCE – Tel.: +33 1 56 43 68 60

Current Footprint

Overview

PUBLIC COMPANY

Listing on NYSE Euronext in Paris
with **39.2% free float** (as of April 2019)



FARMLANDS

≈70k ha
in 2 regions of Ukraine



TEAM

≈950 employees run by strong
management team



PRODUCTION

≈244k tons

Grains
75%



Oilseeds
25%

STORAGE

Over 160k tons



MACHINERY FLEET

Fleet of modern ag machinery, incl. 57 combines,
198 tractors, 34 sprayers, 163 seeders and headers



AgroGeneration

Current Shareholders and Investors

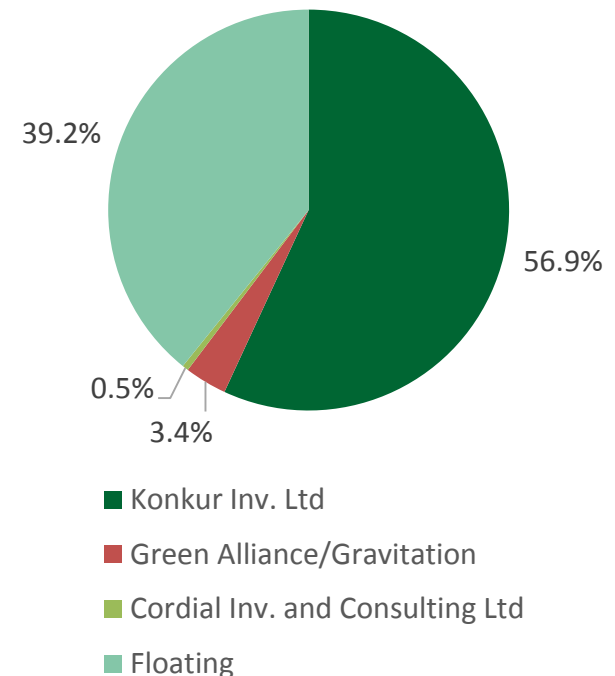
Konkur:

- Majority **shareholder** of AgroGeneration
- **Investment holding company**
- **Controlled by SBF IV** (run by **SigmaBleyzer**)

SigmaBleyzer:

- **Over 25 years SigmaBleyzer (SB)** and SB's managed funds have **invested over \$1 billion** in Ukrainian economy in many sectors, including: agriculture, telecom, high-tech, media, food, retail, consumer products, infrastructure
- SB has been a **successful private equity investor in Ukraine** in spite of the challenges
 - Strong record of **creating value**, investments in over **100 companies**, active **hands-on management style**, value creation at the operational level, not through financial engineering

AgroGeneration
Shareholders Structure as of April, 2019



AgroGeneration

Asset Base Overview

AGG. Map of Operations



AGG. List of Main Ag Machinery

Type of Machinery	Number of Items
Tractors	198
Combines	57
Sprayers	34
Seeders	91
Headers	72
Autos & Trucks	260

- Land assets of new perimeter of AGG are located in **Lviv** (1 farm – 12k ha) and **Kharkiv** (6 farms – 58k ha)
- Storage capacities account for **163k tons** in total, incl. 68k tons of vertical facilities (three elevators)
 - 3rd party elevators are also used to store crops at peak harvest
- The Group covers its operational needs with **own machinery fleet** except for needed **combines** and **trucks**, which are **leased** during harvesting season

AGG. Storage Capacities Profile

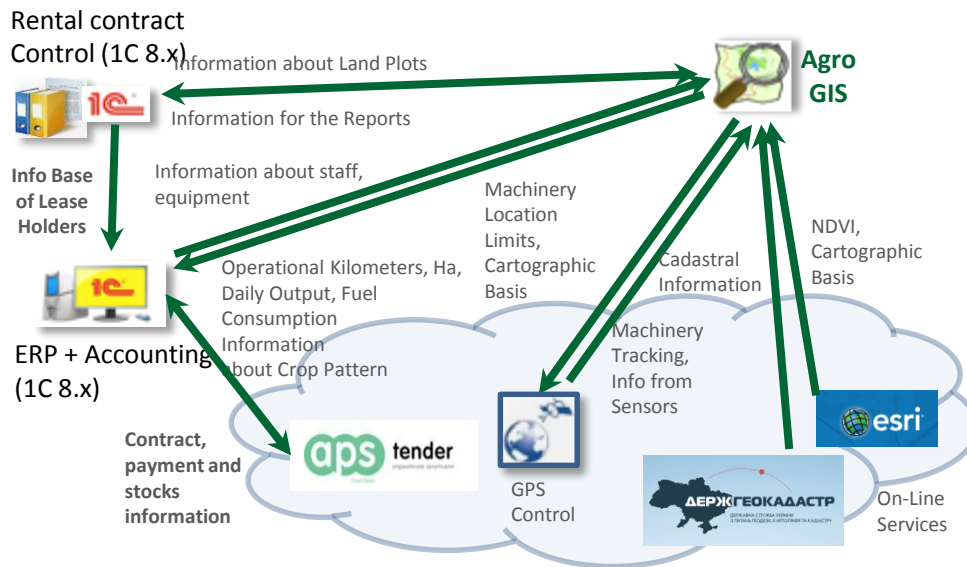
Cleaning capacity per 1 day	k tons	8.6
Number of cleaning machines	quantity	24
Drying capacity per 1 day	k tons	1.4
Number of drying machines	quantity	4
Total storage capacities	k tons	163.2
Horizontal facilities	k tons	95.6
Vertical facilities	k tons	67.6
Fuel storage capacity	m³	716
Access to railway connection	km	2
Access to the railway connection	wagons/day	25

AgroGeneration

Operational Management

- 🌿 **“Clustering”** concept in running the business
- 🌿 **State-of-the-art soil treatment and testing technologies** are applied to obtain optimal soil fertility
- 🌿 **Centralized accounting and monitoring system** was implemented within Group’s farms:
 - 🌿 Field activities **day-to-day management**
 - 🌿 **GPS mapping** of all cultivated lands (**GIS system**)

AgroGeneration. Information System Interworking



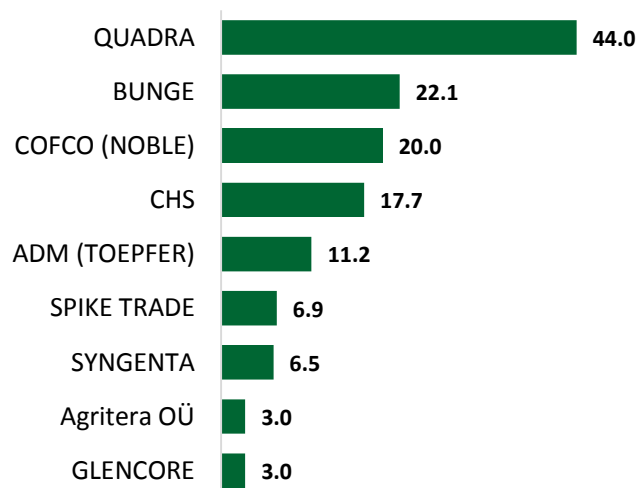
- 🌿 **Lean 6 Sigma cost optimization system already implemented** to provide more transparency to the Group and help to strictly manage costs and improve efficiencies
- 🌿 **Purchasing of inputs and sale activities** are partially conducted using **electronic tender platform**
- 🌿 **KPI’s** introduced to all middle and upper management in alignment with expected individual objectives
- 🌿 **Merit system** in place

AgroGeneration

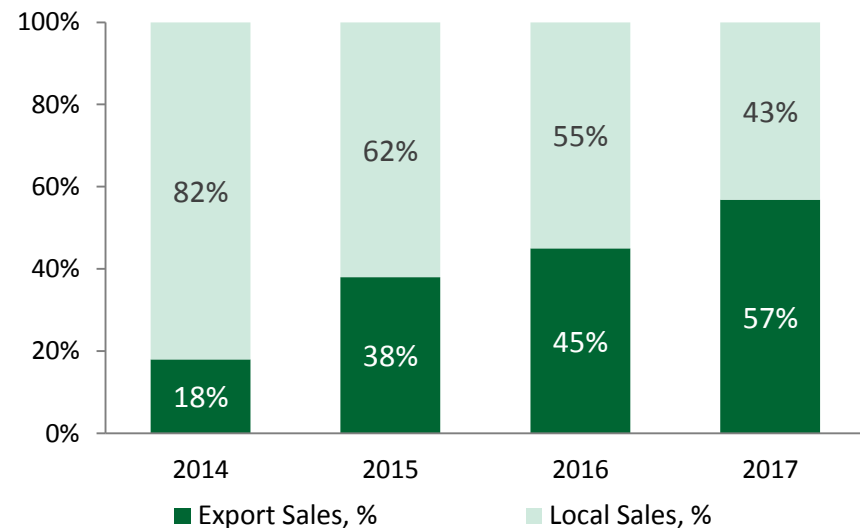
Trade

- 🌿 **Direct sales** to exporters and processors
- 🌿 **Top-tier purchasers:** Bunge, Cargill, COFCO, Louis Dreyfus, Glencore, Kernel, ADM
- 🌿 **Risk hedging** through forward contracts (account for around 40% of yearly sales)
- 🌿 Constantly **increasing export share** in total sales

AgroGeneration. The List of the Largest Export Purchasers in 2017/18MY, k tons



AgroGeneration. Export Share in Total Sales 2014-2017MY, %



Financials

Financial Performance of Old Scope

A successful turnaround in financial results was reached during the first year after the merger with Harmelia (in 2014), followed by sustained financial performance in 2015-2016

Completed restructuring (in 2015) allowing the Company to significantly reduce its long-term debt and re-establish a solid level of net equity, resulting in a significant decline in net financial debt

2017 was unfavorable for the agricultural sector in Ukraine as AgroGeneration also suffered from unusually adverse weather conditions throughout the year

AgroGeneration. Audited Annual Financial Results, k EUR

	2014	2015	2016	2017
Revenue	64,620	58,861	60,263	54,195
Gross Profit	21,673	23,968	23,208	16,029
EBITDA	20,749	19,941	19,382	9,095
EBITDA Margin, %	32%	34%	31%	17%

AgroGeneration. Audited Balance Sheet, k EUR

	31.12.14	31.12.15	31.12.16	31.12.17
Non-Current Assets	63,560	81,428	74,379	71,454
Current Assets	35,323	52,498	47,684	47,210
Total Assets	98,883	133,926	122,063	118,664
Equity	6,569	69,462	65,434	56,083
Non-Current Liabilities	58,362	14,460	5,514	4,686
Current Liabilities	33,952	50,004	51,115	57,895
Total Equity and Liabilities	98,883	133,926	122,063	118,664

Financials

2018 IFRS P&L

2018 AGG's Income statement and EBITDA refer to **continued operations only**

- According to IFRS 5, in 2018 Consolidated Financial statements farming operations in the **Ternopil and Zhytomyr** regions were recognized as **assets held for sale** and **presented as separate lines**

AgroGeneration is an **adopter of the IFRS 16** standard **starting January 1, 2018** considering the strategic importance of land lease rights as an asset to any business model

- IFRS 16 effect is included in **2018 EBITDA**

2018 EBITDA came to **≈EUR 10.2M**

2018 Published Income Statement*, k EUR (VAT Net)

	2018
Revenue	41,007
Change in Fair Value of BA & FG	9,819
Cost of Sales	39,561
Gross Profit	11,265
Gross Margin, %	27.5%
Selling, general and administrative expenses	9,602
Other Income (Expenses) Net	180
Profit Before Interest and Tax	1,483
Depreciation	6,554
Provision, net gain/loss on FA divest. & imp. of non-current assets	408
Additional non contractual portion of land lease	1,722
EBITDA	10,167
EBITDA Margin, %	24.8%
Avg. UAH/EUR Exchange Rate	32.13

* - for Continued operations including effect from IFRS 16

Operations

2018/19 Season – Field Activities are in Full Swing

🌱 **Total sown area (excl. fallow) in 2019 comes to c.a. 67k ha**

🌱 **Spring sowing campaign started** in the 2nd decade of March and was fully completed in late May

🌱 **The Kharkiv farms** successfully completed sowing campaign

🌱 Heavy rains in late May in the Western Ukraine affected the soy sowing completion in **the Lviv farm**

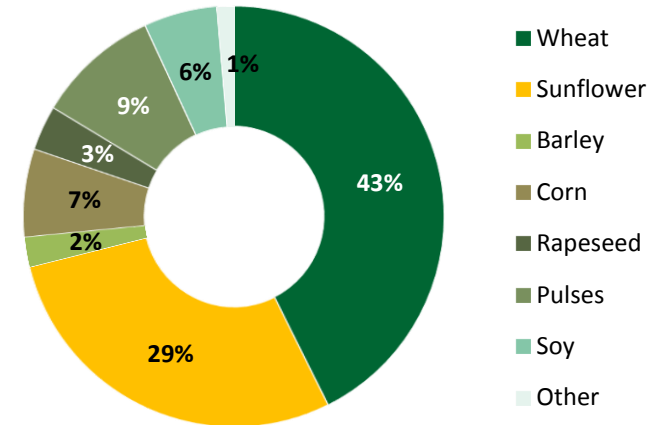
🌱 As of the end of May, winter sowings were in good shape with **few observed failures**

🌱 Since late February 2019, **other field activities** (apart of sowing) started and are **in full swing**

🌱 **Fertilization** of crops

🌱 **Chemical treatment** of crops

AGG. 2018/19 Expected Crop Mix, %



2018/19 Production Season. AgroGeneration Winter Sowings Condition, ha (as of late May 2019)

Crop	Sown Area in 2018 (Autumn)	Sprouted Area in 2019 (Current)
W Rapeseed	2,302	2,302
W Wheat	28,412	28,408
W Barley	515	515
Total	31,229	31,225