



Resumption of the ORNANE program with European High Growth Opportunities Securitization Fund

Execution of an amendment agreement to the financing agreement entered into on June 6, 2018

European High Growth Opportunities Securitization Fund committed to (i) purchase 100,000 M€ of AgroGeneration's shares on the stock market and (ii) hold these shares for the duration of the ORNANE financing program

Paris, October 15, 2018

AgroGeneration announces today the continuation of the financing with European High Growth Opportunities Securitization Fund ("the Investor") with the issuance of 1,700 issuance warrants ("Issuance Warrants") of bonds redeemable into cash and/or new and/or existing shares ("ORNANE"), with stock warrants ("BSA") attached (the ORNANE and BSA together referred to as the "ORNANE-BSA") (the "Optional Tranches").

In its press release dated June 6, 2018, AgroGeneration announced the signing of an issuance agreement with European High Growth Opportunities Securitization Fund in order to set up a financing line via the issuance of 2,000 Issuance Warrants, corresponding to 2,000 ORNANE with a nominal value of €10,000 each, accompanied by BSA with a total maximum bond issuance nominal value of €20 million (the "Issuance Agreement"), subject to the shareholders' approval.

It is reminded that the Group wished to conclude this ORNANE agreement in order to:

- get additional room of manoeuvre with regard to negotiating with suppliers, and thus reducing its input costs;
- reduce its bank seasonal loans, and thus the related financial costs





The extraordinary and ordinary general meeting of AgroGeneration shareholders, held on June 26, 2018 (the **“General Meeting”**), voted in favor of this financing.

As indicated in the press release dated July 4, 2018, AgroGeneration already issued 300 ORNANE, and suspended the program as of August 28, 2018.

Following this suspension and as agreed, the Company has begun to observe the first benefits of being able to pay earlier in the season the inputs and currently expects, on the first tranches, savings on production costs of around €0.3M for next year. In parallel, the Board of Directors assessed the limited impact on the share price notably by comparing it with peers' share prices. Under these circumstances, the resumption of the program was approved by the Board of Directors on October 8, 2018.

Using the delegation of authority that was granted to it under the tenth resolution of the General Meeting, the Board of Directors decided on October 8, 2018 the issuance of 1.700 Issuance Warrants to the European High Growth Opportunities Securitization Fund (the “Investor”). The Managing Director was given the task of recording the subscription of the Issuance Warrants.

These Issuance Warrants were fully subscribed by the Investor. The Investor will exercise 100 Issuance Warrants and subscribed to 100 ORNANE of a nominal value of €10,000 each, representing a first tranche of ORNANE with a nominal amount of €1 million on October 31, 2018.

The remaining 1.600 Issuance Warrants will be exercised by the Investor in accordance with a predetermined schedule as set out below, and will entitle to the issuance of 1.600 ORNANE of a total nominal amount of €16 million. The ORNANE will also be issued together with BSA (the number of which will be determined at the date of drawdown of the corresponding ORNANE), which will be immediately detached and will have a unit exercise price equal to 130% of the lowest average daily volume-weighted AgroGeneration share price over the 10 trading days immediately preceding the issuance date of the ORNANE tranche to which they are attached.

If the BSA attached to these 1.600 ORNANE are fully exercised, they will be likely to generate an additional equity injection of €4 million for the Company, corresponding to 25% of the nominal amount of the ORNANE.

On 12 October 2018, AgroGeneration and the Investor entered into an amendment agreement to the Issuance Agreement (the **“Amendment Agreement”**) amending the terms of payment of the commitment fee to be paid to the Investor upon the drawdown of the first and the second Optional Tranches.





The Issuance Warrants will be automatically exercised, subject to certain conditions being met, at 20 trading days' intervals according to the following schedule (for the 10 following tranches):

28 November 2018	Drawdown of the second Optional Tranche of €640,000
28 December 2018	Drawdown of the third Optional Tranche of €640,000
28 January 2019	Drawdown of the forth Optional Tranche of €640,000
25 February 2019	Drawdown of the fifth Optional Tranche of €640,000
25 March 2019	Drawdown of the sixth Optional Tranche of €640,000
24 April 2019	Drawdown of the seventh Optional Tranche of €640,000
23 May 2019	Drawdown of the eight Optional Tranche of €640,000
20 June 2019	Drawdown of the ninth Optional Tranche of €640,000
18 July 2019	Drawdown of the tenth Optional Tranche of €640,000
15 August 2019	Drawdown of the eleventh Optional Tranche of €640,000

If the program is suspended, AgroGeneration will immediately publish a press release.

On its website, AgroGeneration displays and updates a table recording the Issuance Warrants, ORNANE, BSA and the number of shares outstanding.

The terms of the ORNANE-BSA are described in detail in the AgroGeneration press release dated June 6, 2018, which may be found on the Company's website (www.agrogeneration.com).

The reader's attention is drawn to the fact that:

- In accordance with the Amendment Agreement, AgroGeneration will pay the Investor a commitment fee, equal to 3% of the total amount of financing, in ORNANE (without BSA attached) subscribed by the Investor by offsetting during the first and second Optional Tranche (i.e. 26 ORNANE and 25 ORNANE respectively);
- AgroGeneration and the Investor have agreed to contractually define a conversion floor price of €0.30 (the "**Floor Price**") under which the Investor would be required to convert its ORNANE (i) in the event of a conversion request at a date when the theoretical conversion price would be lower, or (ii) if no conversion request has taken place, on the maturity date of the ORNANEs. This Floor Price is well above the nominal value of the Company's share (€0.05). In addition, in the event that the drawdown of an





Optional Tranche is made at the request of AgroGeneration, on a date when AgroGeneration's share price is less than 0.33 euros, and subject to the Investor's agreement for such drawdown, AgroGeneration has undertaken to contractually compensate the Investor for the prejudice that could result from the conversion of the ORNANE in the said tranche at the Floor Price, whereas their theoretical conversion price calculated on the basis of the stock market price would be lower than the Floor Price (the "**Conversion Compensation**").

Payment of the Conversion Compensation will be made, at AgroGeneration's discretion, in cash or in new shares. If necessary, it is reminded that if the share price is less than 0.33 euros and the parties decide not to draw on an Optional Tranche already announced, a press release will inform the market of the suspension of automatic drawdowns.

- The originality of this financing is that, in addition to the subscription of the ORNANE, European High Growth Opportunities Securitization Fund has undertaken to purchase prior the issuance of the first Optional Tranche a certain number of shares on the market for an amount of €100,000 and to hold them until the end of the financing program enhancing the alignment of the interests of the parties involved in this transaction;
- Whether or not AgroGeneration obtains the €4.25 million corresponding to full exercise of the BSA attached to the Optional Tranches will mainly depend on the warrant holder's (European High Growth Opportunities Securitization Fund) intention to exercise all or part of the BSA, on the AgroGeneration share price and on the volumes traded on Euronext Growth Paris.

Theoretical impact (dilution)

For information purposes, the impact of ORNANE and BSA is as follows:

- Impact of the issuance on the portion of shareholders' equity per share (based on consolidated shareholders' equity as of 30 June 2018 and the number of shares comprising the AgroGeneration share capital as of October 15, 2018, i.e. 105,007,661 shares):

	Portion of shareholders' equity per share (€) ¹	
	Undiluted base	Diluted base ²
Before issuance of new shares resulting from (i) the redemption of ORNANE and (ii) the exercise of BSA	0.5644	0.2553





Following the issuance of 4,890,142 new ordinary shares of the company, resulting solely from the redemption of the 100 ORNANE comprising the first additional tranche and the 26 ORNANE relating to the payment of the commission fee	0.5484	0.2542
Following the issuance of 694,444 new ordinary shares of the company, resulting from the exercise of BSA attached to the 100 ORNANE comprising the first additional tranche	0.5472	0.2545
Following the issuance of 25,809,082 new ordinary shares of the company, resulting from the redemption of the 640 ORNANE resulting from the redemption resulting from the exercise of Issuance Warrants under the 10 subsequent tranches and the 25 ORNANE relating to the payment of the commission fee	0.4906	0.2539
Following the issuance of 4,444,444 new ordinary shares of the company, resulting from the exercise of BSA attached to the 640 ORNANE resulting from the exercise of Issuance Warrants under the 10 subsequent tranches	0.4865	0.2557
Following the issuance of 37,258,224 new ordinary shares of the company, resulting from the redemption of the 960 ORNANE resulting from the redemption resulting from the exercise of Issuance Warrants under the final tranches	0.4386	0.2559
Following the issuance of 6,666,666 new ordinary shares of the company, resulting from the exercise of BSA attached to the 960 ORNANE resulting from the exercise of Issuance Warrants under the final tranches	0.4358	0.2581

Note 1: Theoretical calculations based on the weighted average share price used to calculate dilution, namely the lowest volume-weighted share price over the 7 and 10 last trading sessions prior to October 15, 2018, i.e. 0,2777 €. This dilution does not predetermine the final number of shares to be issued or their issuance price, which shall be set depending on the share price in accordance with the terms described in the press release dated June 6, 2018.

Note 2: Following exercise of all existing compound securities, theoretical calculations of the diluted base made on the basis (i) of the redemption of all OSRANEs at a conversion rate applicable at March 31, 2019, i.e. 192 actions per OSRANE and (ii) of the redemption of all outstanding ORNANE of the Initial Tranches based on a maximum number of shares to be issued per ORNANE.

- Impact of the issuance on the interest of a shareholder currently holding 1% of the AgroGeneration share capital (based on consolidated shareholders' equity as of 30 June 2018 and the number of shares comprising the AgroGeneration share capital as of October 15, 2018, i.e. 105,007,661 shares):





	Shareholder's interest (in %) ¹	
	Undiluted base	Diluted base ²
Before issuance of new shares resulting from (i) the redemption of ORNANE and (ii) the exercise of BSA	1.0000%	0.4523%
Following the issuance of 4,890,142 new ordinary shares of the company, resulting solely from the redemption of the 100 ORNANE comprising the first additional tranche and the 26 ORNANE relating to the payment of the commission fee	0.9555%	0.4430%
Following the issuance of 694,444 new ordinary shares of the company, resulting from the exercise of BSA attached to the 100 ORNANE comprising the first additional tranche	0.9495%	0.4417%
Following the issuance of 25,809,082 new ordinary shares of the company, resulting from the redemption of the 640 ORNANE resulting from the redemption resulting from the exercise of Issuance Warrants under the 10 subsequent tranches and the 25 ORNANE relating to the payment of the commission fee	0.7698%	0.3984%
Following the issuance of 4,444,444 new ordinary shares of the company, resulting from the exercise of BSA attached to the 640 ORNANE resulting from the exercise of Issuance Warrants under the 10 subsequent tranches	0.7456%	0.3918%
Following the issuance of 37,258,224 new ordinary shares of the company, resulting from the redemption of the 960 ORNANE resulting from the redemption resulting from the exercise of Issuance Warrants under the final tranches	0.5896%	0.3440%
Following the issuance of 6,666,666 new ordinary shares of the company, resulting from the exercise of BSA attached to the 960 ORNANE resulting from the exercise of Issuance Warrants under the final tranches	0.5683%	0.3366%

Note 1: Theoretical calculations based on the weighted average share price used to calculate dilution, namely the lowest volume-weighted share price over the 7 and 10 last trading sessions prior to October 15, 2018, i.e. 0,2777 €. This dilution does not predetermine the final number of shares to be issued or their issuance price, which shall be set depending on the share price in accordance with the terms described in the press release dated June 6, 2018.

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About AGROGENERATION

Founded in 2007, AgroGeneration is a global producer of grain and oilseed. Following its merger with Harmelia, the new Group has become one of the top five producers of grain and oilseed in Ukraine, with close to 110,000 hectares of farmlands. Through the high-potential farmland it leases, the Group's ambition is to meet the food challenges of tomorrow as global consumption doubles in scale between now and 2050.

About the European High Growth Opportunities Securitization Fund

European High Growth Opportunities Securitization Fund is a Luxembourg institutional investment vehicle that focuses on financing highly innovative companies based all over Europe which it considers extremely undervalued. The European High Growth Opportunities Securitization Fund is financed by Blue Ocean shareholders and is exclusively advised by Blue Ocean Advisors Inc. Its purpose is to invest in highly innovative European companies by contributing to their growth capital, offering them a credible European financing alternative.

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