

April, 2021



# **AgroGeneration**

## ***Corporate Presentation***

AgroGeneration SA – 19 boulevard Malesherbes, REGUS, Paris 75008, FRANCE – Tel.: +33 1 55 27 38 40



# Current Footprint

## At a Glance

### PUBLIC COMPANY

Listing on **NYSE Euronext** in Paris  
with **39.9% free float** (as of Dec 31<sup>st</sup>, 2020)



### FARMLANDS

≈60k ha  
in the **Kharkiv region of Ukraine**



### TEAM

≈600 full time employees run by strong  
management team



### PRODUCTION

≈167k tons (2020)

Grains  
69%



Oilseeds  
31%

### STORAGE

Over 140k tons



### MACHINERY FLEET

Fleet of modern ag machinery  
incl. 49 combines, 155 tractors, 29 sprayers



# AgroGeneration

## Current Shareholders and Investors

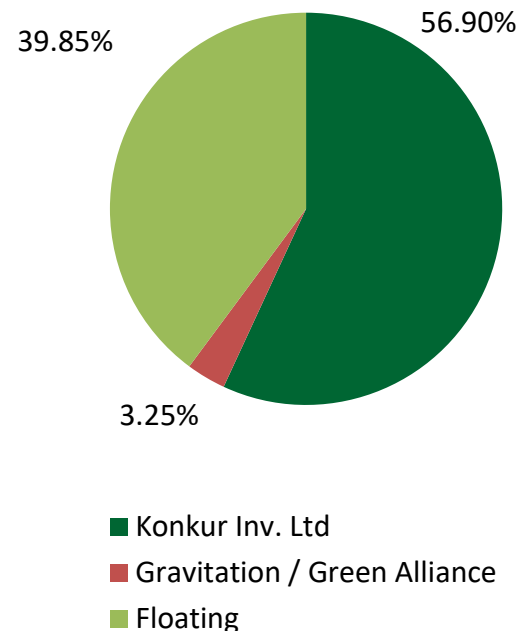
### Konkur:

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

### SigmaBleyzer:

- Over 25 years SigmaBleyzer (SB)** and SB's managed funds have **invested over \$1 billion** in the 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 Dec 31<sup>st</sup>, 2020**



# Assets & Infrastructure

## Operational Base

AgroGeneration currently operates c.a. 60k ha of farmlands, all concentrated in the Kharkiv region of Ukraine

- High-quality black soil for reaching high yields
- Lands are concentrated in **6 production clusters**, advantageous for usage of **wide-cut machinery**
- The lands inside of each farm are **closely located**, fields are large and even

Storage capacities account for over **140k tons** in total and are presented by both elevators and horizontal facilities

- 67k tons of vertical silos** capacity and over **74k tons of horizontal storage** sites are located at the farms today

The business is **well equipped with agricultural machinery** supplied with GPS and fuel sensors to record and follow-up working parameters in real time

AgroGeneration. Map of Operations



# Operational Performance

## Field Operations & Crop Mix

For **2021**, AgroGeneration plans to follow the adopted in 2020 production strategy mainly **focusing on wheat and sunflower**

Only some small areas are planned to be engaged under other crops considering additional diversification and agronomical feasibility

**Winter wheat occupies 50% of total planned area under sowings**

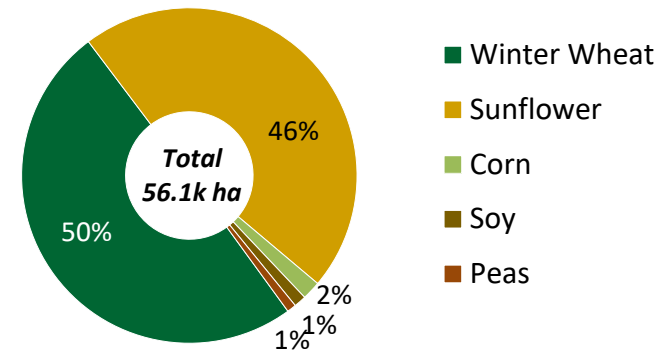
As of mid-April, the **overall condition of winter wheat sprouts** across AgroGeneration's fields **was good**

**Low temperatures and abundant rainfalls** in the Kharkiv region in April 2021 **favor the development of wheat sprouts**

**Spring sowing campaign of 2021 started in mid-April**

**Fertilization of winter wheat** as well as all **field preparation activities** for the spring sowing campaign were conducted in full-scale and within required agronomic time limits

**2021 AgroGeneration Planned Crop Mix**









# Financial Performance


## 2020 Results

The Group's financial indicators improved sharply in 2020 demonstrating successful turnaround fueled by conducted in 2020 **changes in production strategy** and implemented **cost savings initiatives**

 **Positive EBITDA of €19.6M: +€20.7M vs 2019** on the back of:

-  **Revenue increased by 28%** mainly fueled by **good production outcomes** (achieved yield and good quality of wheat), as well as **increased crop prices**
-  **Substantially improved Gross profit (+€18.5M)** associated with the decreased production costs (resulting from optimized production process) in addition to the improved crop prices
-  **48% decline in SG&A costs**, attributed to implemented **cost saving initiatives**, as well as reduction in selling expenses driven by a **decline in export volumes** and **decrease in transport tariffs**

 **Balanced and sound financial structure achieved with strengthened equity to €34.7M and significantly reduced net debt to €11.0M (-34%)**

-  Management plans to continue to gradually reduce company's debt to further reduce the cost of financing

### AgroGeneration. Annual Financial Results (incl. IFRS 16)

| k EUR                     | 2019    | 2020   |
|---------------------------|---------|--------|
| Revenue                   | 30,591  | 39,146 |
| Change in FV of BA and FG | (1,986) | 10,044 |
| Cost of Sales             | 30,567  | 32,722 |
| Gross Profit              | (1,962) | 16,468 |
| SG&A                      | 8,962   | 4,876  |
| EBITDA                    | (1,184) | 19,558 |
| Gross Margin, %           | -       | 42%    |
| EBITDA Margin, %          | -       | 50%    |

### AgroGeneration. Balance Sheet & Debt (incl. IFRS 16)

| k EUR                                | 31.12.19      | 31.12.20      |
|--------------------------------------|---------------|---------------|
| Non-Current Assets                   | 41,239        | 39,247        |
| Current Assets                       | 28,678        | 27,360        |
| <b>Total Assets</b>                  | <b>69,917</b> | <b>66,607</b> |
| Equity                               | 27,898        | 34,711        |
| Non-Current Liabilities <sup>1</sup> | 11,715        | 9,586         |
| Current Liabilities <sup>1</sup>     | 30,304        | 22,310        |
| <b>Total Equity and Liabilities</b>  | <b>69,917</b> | <b>66,607</b> |
| Net Debt (Reported) <sup>1</sup>     | 35,628        | 25,053        |
| <b>Net Debt excl. IFRS 16</b>        | <b>16,697</b> | <b>10,969</b> |

(1) Incl. non-cash liabilities according to IFRS 16

# Operational Improvements

## 2021 Outlook

To sustain operating results in **2021**, the Group plans to **continue cost structure improvement** via:

🌱 **Completion of cost cutting measures announced in late 2019-early 2020:**

- 🌱 Entire effect from implemented **cost savings in the head office** of the Group is to be reflected in the 2021 year-end result
- 🌱 The Company will continue **cost optimization on farms level** (incl. optimization of the use of machinery and farms' infrastructure, revision of 3<sup>rd</sup> party services fees, etc.)

🌱 **Optimizing expenditure:**

- 🌱 **Lower financing requirements** on the back of optimized costs lead to decreased cost of financing
- 🌱 **2021 season financing is secured** with the Group's usual bank partner and without arranging pre-payment agreements

🌱 **The positive start to the 2021 season coupled with continued cost savings are expected to result in the continued turnaround of the company**

