



November, 2020

AGRO 
Generation

AgroGeneration *Corporate Presentation*

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Current Footprint

At a Glance

PUBLIC COMPANY

Listing on **NYSE Euronext** in Paris
with **39.8% free float** (as of Nov 2020)



FARMLANDS

≈**58k ha**
in the **Kharkiv region of Ukraine**



TEAM

≈**600 employees** run by **strong management team**



PRODUCTION

≈**170k tons (2020)**

Grains
69%



Oilseeds
31%

STORAGE

Over **140k tons**



MACHINERY FLEET

Fleet of modern ag machinery, incl. 49 combines, 166 tractors, 38 sprayers, 194 seeders and headers



AgroGeneration

Current Shareholders and Investors

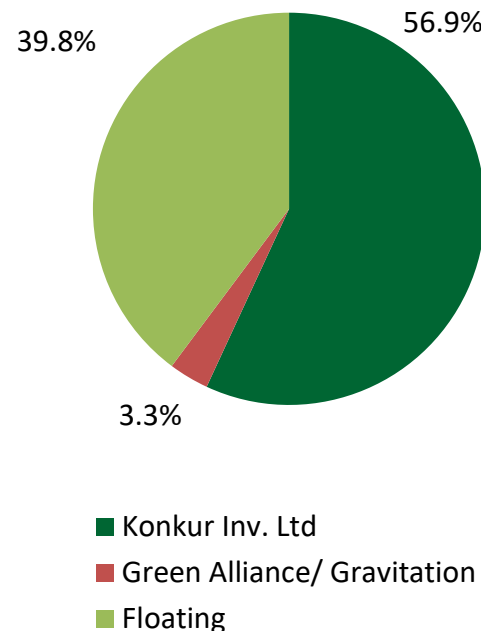
Konkur:

- 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 Nov 1st, 2020



Assets & Infrastructure

Land Assets

AgroGeneration currently operates c.a. 58k 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**
- 2019 was a transition year for the Group**, as the Company significantly optimized its scope of operations by divesting from a number of production farms located in central and Western Ukraine with total cultivated area of over 50k ha

Storage capacities account for **142k 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

Production & Crop Mix

If compared with historical crop pattern, **two-field crop mix**, wheat and sunflower, **was applied for 2020**

- Production strategy is **to reach the best margins at lower level of financing prioritizing drought resistant crops**
- In 2021, the Company plans **to follow adopted production strategy with main focus on wheat and sunflower** and minor areas engaged under other crops in view of additional diversification and agronomical feasibility

To date, the Company **completed 2020 harvesting campaign** and produced c.a. 168k tons of crops (in line with 2019)

Wheat harvest in AgroGeneration **reached 114k tons** in net weight, with an average yield by 10% exceeding 2019 result as well as outperforming Ukrainian average yield

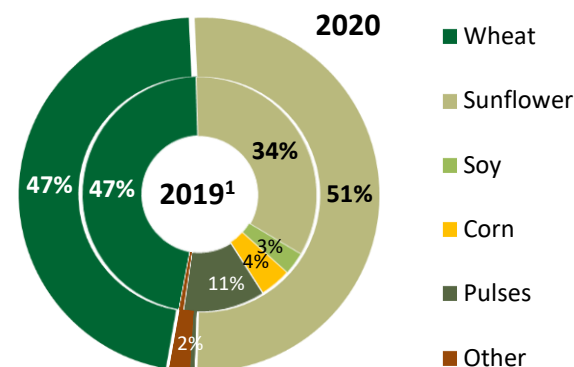
- Quality of produced wheat is high** with milling wheat exceeding 50% in total volumes

Sunflower harvest was hit by the persistent drought in Ukraine in 2020 and came to **51k tons** with an average yield of 1.8 tons/ha – below 2019 result but still 1% above Ukrainian average

- An **upward trend in market prices** coupled with good wheat sales forecasts is expected to offset reduction in sunflower production

For the 2021 season, the Group **completed sowing of c.a. 28k ha under winter wheat** (50% of total area)

AGG. 2020 vs 2019 Crop Mix, %



(1) Comparable scope (Kharkiv farms)

AgroGeneration. 2020 Production Performance (Net Weight)

Crop	Area, ha	Yield, tons/ha	Yield vs 2019 ¹ , %	Net Production, tons
Wheat	26,051	4.4	+10%	114,297
Sunflower	28,701	1.8	-5%	51,455
Other	1,288	-	-	2,038
Total²	56,040	-	-	167,790

(1) Comparable scope (Kharkiv farms)

(2) Excl. fodder

Operational Improvements

2020 - 2021 Cost Saving Initiatives

On the back of the substantial scope optimization the management of AgroGeneration is focused on **measures to recover operational and financial performance of the Company**


- 🌿 The Group undertook a number of initiatives to **reduce overheads and administrative costs**
 - 🌿 Office cost reduction and headcount cost optimization
 - 🌿 Audit and audit related cost reduction
 - 🌿 3rd party service costs reduction
- 🌿 **Direct expenses were revised and decreased** in line with new production program
- 🌿 **General production expenses are also revised** and are to be optimized through 2021
- 🌿 **Capital expenditures decreased** in view of redeployment of machinery from disposed farms
- 🌿 With all optimization measures applied, **AgroGeneration expects overall operational and financial performance indicators to upturn and be fully visible in 2021** with some improvement achieved already in 2020






Financial Performance

H1 2020 Results (Not Audited)

Published H1 2020 results demonstrated **first signs of improvements** from conducted in 2020 **changes in production strategy** and implemented **cost savings initiatives**

 **Positive EBITDA in H1 2020: €2.8M** vs loss of €6.3M in H1 2019 pro-forma, on the back of:

-  **€6.8M increase in Gross profit to €2.5M** supported by decreased cost of production, change in the crop mix and growth in crop prices
-  **€2.0M decline in SG&A costs**, attributed to already implemented cost savings:
 - **Lower selling costs** on the back of export volumes decline and corresponding savings on logistics
 - **Salaries and related tax reductions** due to head office optimization conducted in early 2020
 - Optimization of management, listing, audit, and legal fees

 The Group is constantly working on **optimization of its debt portfolio** and on **ways to decrease cost of debt financing** due to lower financing requirements on optimized scope of operations

AgroGeneration. Interim Financial Results (incl. IFRS 16)

k EUR	H1 2019 ¹	H1 2020
Revenue	9,328	9,474
Change in FV of BA and FG	(4,695)	1,634
Cost of Sales	(8,928)	(8,632)
Gross Profit	(4,295)	2,476
SG&A	(4,851)	(2,818)
EBITDA ²	(6,347)	2,834
Gross Margin, %	-	26%
EBITDA Margin, %	-	30%

(1) Pro-forma, comparable scope

(2) Incl. +EUR 0.7M in H1 2020 and +EUR 0.8M in 2019 IFRS 16 effect

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

k EUR	31.12.19	30.06.20
Non-Current Assets	41,239	34,723
Current Assets	28,678	29,272
Total Assets	69,917	63,995
Equity	27,898	19,792
Non-Current Liabilities ¹	11,715	10,319
Current Liabilities ¹	30,304	33,884
Total Equity and Liabilities	69,917	63,995
Net Debt (Reported) ¹	35,628	37,181
Net Debt excl. IFRS 16	16,697	18,036

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