



Information on the situation in Ukraine

Paris, February 10th, 2023

AgroGeneration, a Ukraine based grain and oilseed producer, provides an update on the current company's performance and informs the market on expected dates of 2022 full-year results publication.

The Group's Operations and Current Business Environment

As of late January 2023, AgroGeneration completed harvesting of the 2022 crop, more exactly corn collecting was finished. Such a delay in harvesting was caused by weather issues (hard rains) in autumn 2022, as was already noted in earlier publication as of November 30th, 2022. Corn net yield came to 8.2 tons/ha while crop total net production reached 8.4k tons. As of late December 2022, the Group completed sunflower and soy harvesting with around 480 tons of soy produced with an average net yield of 2.5 tons/ha. Sunflower net yield came to 2.0 tons/ha while crop net production reached around 24k tons.

AgroGeneration. 2022 crop production estimates (as of January 26th, 2023):

Crop	2021A			2022E		
	Hectares harvested	Net Production, tons	Net Yield, tons/ha	Hectares harvested	Net Production,	Net Yield, tons/ha
Wheat	27,913	108,282	3.9	15,858	46,830	3.0
Soy	661	979	1.5	196	482	2.5
Sunflower	25,971	51,262	2.0	11,736	24,047	2.0
Corn	1,010	4,035	4.0	1,029	8,403	8.2
Peas	496	1,398	2.8	-	-	-
TOTAL	56,051	165,956	3.0	28,818	79,762	2.8

Overall, according to the latest estimates, the Group managed to harvest 79.8k tons of crops for the 2022 harvest. The over two times lower production volume, compared with 2021 results, is mostly attributed to lost operated farmlands of around 27k ha on the back of war in Ukraine that started in February 2022. The quality of collected crops was affected both by the war related issues and by the weather constraints during the production season.

With the partial opening of the Ukrainian Black Sea ports under the Black Sea Grain Initiative in August 2022, the Group managed to recover some export activities. It should be noted that while providing a relief for export of





agricultural commodities from Ukraine, the initiative significantly suffers from inspection delays and congestion. There is also a risk that the grain deal will not be extended in March 2023 due to the high degree of uncertainty that is currently in place regarding war developments. Sales through alternative to the Black Sea export routes are sharply limited due to infrastructural bottlenecks of railway, auto and river export facilities in Ukraine. Local sales within Ukraine are dramatically limited by logistics issues, low demand from local producers on the back of grain oversupply and/or war related inability to continue operations. All in all, to date, the Group managed to sell up to 60% of the 2022 crop, including over 75% of wheat, and over 40% of sunflower.

To date, the condition of the winter wheat crop, sown in autumn of 2023, is good supported by warm winter and thus comfortable weather conditions for sowing developments. As a reminder, the Group managed to sow around 6.0k hectares with winter wheat, almost two times lower area than expected on the back of hard rains in September-October 2022.

Currently, the business environment for AgroGeneration remains challenging, volatile, and uncertain. Since early October 2022 and as of the date of this publication, due to the constant massive Russian missile attacks on Ukrainian critical energy infrastructure followed by lengthy blackouts accompanied by absence of mobile and Internet connection, as well as heating and water, it has been impossible to renew normal operations at the Group's offices in Kyiv and Kharkiv. Thus, the personnel of the Company continue to work remotely to avoid any life-safety risks. Since the beginning of the war, 16 of the Group's employees were mobilized to the Armed Forces of Ukraine or joined the Territorial Defense. As of today, the Group continues to provide support to its employees and their families, as well as to the defenders of Ukraine.

Reporting

It is unlikely that AgroGeneration will be able to meet the required deadline for the Group's 2022 financial accounts publication (30 April 2023). The convening of the shareholders general meeting to review and approve such financial statements will also be postponed. The group will keep the market informed on the date of publication once there is more information.

In addition, in the context of the military invasion of Ukraine by Russia that started in February 2022 and is still ongoing, the auditors of the Ukrainian subsidiaries will not be able to perform the audit procedures necessary to issue an opinion on the accounts of these companies. Access to sites and supporting documents is still either physically impossible (as noted earlier regarding the Kharkiv and Kiev offices) or too risky as the Group's activities are located in the frontline zone (the Kharkiv region), where the share of mined areas is among the highest in Ukraine, and regular missile and artillery strikes continue on a regular basis. As a result, the Group's auditors will





most probably be unable to obtain an opinion on the accounts of the Ukrainian operating companies. In this context, as almost all of the Group's business and assets are based in Ukraine, particularly in the frontline zone, and as long as the active hostilities are ongoing, the auditors will be unable to certify the consolidated and annual accounts as at 31 December 2022.

About AGROGENERATION

Founded in 2007, AgroGeneration is a large-scale producer of grain and oilseed. The company's core business is grains and oil commodity crop farming, operating near 30,000 hectares of high quality agricultural lands in the East of Ukraine.

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