



2017 BOARD'S REPORT

AGROGENERATION GROUP AND AGROGENERATION S.A.



Paris, 25 April 2018

Dear Shareholders,

We have called you to the Annual General Meeting in accordance with the provisions of the law and Articles of Association of our Company, in particular to report to you on the activity and results of the AgroGeneration Group and of AgroGeneration S.A. during the financial year ended December 31, 2017 and to submit the financial statements for said financial year and the consolidated financial statements of the Group for your approval.

Your Statutory Auditors, Ernst & Young et Autres and Finexsi-Audit, will provide you in their reports with all information regarding the regularity of the financial statements presented to you.

All the corporate documents, accounts, reports and other related documents have been communicated or made available to you under the conditions and within the time limits provided by legal and regulatory provisions

The Board of Directors



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PART 1 – MANAGEMENT REPORT

1. ACTIVITY AND RESULTS OF THE GROUP DURING 2017 FISCAL YEAR AND OUTLOOKS

1.1. Activity

Established in 2007, AgroGeneration is an international producer of grains and oilseeds. Following the merger with Harmelia in late 2013, the Group has become one of the top five agricultural producers in Ukraine with over 110 000 hectares controlled and aims, by leasing agricultural land with high potential, to meet the food challenge of tomorrow, linked to the doubling of global consumption by 2050.

Listed on the Euronext Growth Paris market since March 2010, the Company is controlled by SBF IV: the investment fund, managed by SigmaBleyzer Investment Company, which has more than 20 years of experience in the private equity sector in Eastern Europe.

AgroGeneration employs approximately 1,500 employees (out of which approximately 200 seasonal workers) who manage around 110,000 hectares of land currently. The Group has a capacity of 400 000 tons of production per annum on average and up to 210 000 tons of storage.

Around the long-term lease of land, the Group has developed a semi-intensive agricultural practice model, with controlled use of inputs, the search for first choice fertilisers and seeds and high-performing machinery. AgroGeneration markets the production directly on the Ukrainian market and exports to top-tier buyers.

The Group operates in 5 regions in Ukraine (Lviv, Ternopil, Zhytomir, Sumy, Kharkiv) with 11 farms, two operational centres in Kharkiv and Lviv and a central office in Kyiv. The company's registered office is in Paris.

1.2. Key Events

1.2.1. *Geo-political and economic situation in Ukraine*

In 2017, the Ukrainian Government carried on with its comprehensive structural reform agenda aiming at the removal of the existing imbalances in the economy, public finance and governance, and the improvement of the investment climate. Stabilisation of the Ukrainian economy in the near future and continued support of international financial



institutions depend on the success of the actions undertaken by authorities to move forward the reformed agenda.

After an economic downturn in 2014 and 2015, the Ukrainian economy continued its recovery posting a growth of 2.2% in 2017 for the second year in a row. Hryvnia which lost 2/3 of its value in 2014-2015, remained relatively stable in 2017 (average exchange rate UAH/€ of 30.1 in 2017). Nonetheless, the inflation remained high and reached 13.7% in 2017.

The farmlands operated by AgroGeneration are outside the zone of conflict. The process of harvesting, storage and sales was not impacted in the Kharkiv oblast, where the risk in the escalation of military conflict is very limited. As of December 31, 2017, the carrying value of the Group's assets located in the Kharkiv oblast was €39.7 million. Sowings of the Group in 2017 in Kharkiv oblast represented 57 930 hectares.

1.2.2. Disposal of subsidiaries Zachepylivske LLC et Vybor LLC

In December 2016, the Board of Directors authorized the disposal of farm assets of Zachepylivske LLC and Vybor LLC covering an area of 3,800 hectares in the Kharkiv oblast. The disposal was completed in May 2017. While it was carried out on attractive financial terms, the net result is a loss of €1.4 million due to non-cash impact of currency translation adjustments and goodwill allocation.

1.2.3. Weather conditions over 2016-17 agricultural season

2017 was a difficult year for agricultural sector in Ukraine on the back of weather hardships. Production results were overall negatively impacted by unfavourable weather throughout crop season: delayed sowing campaign, dry and hot summer (especially in central and eastern Ukraine), and heavy rains with early snow during the autumn period followed by delay in harvesting campaign of late crops and thus worsening of the quality of latter.

1.3. Group's results and consolidated financial statements

1.3.1. Presentation and valuation methods

The consolidated financial statements were prepared in compliance with IFRS standards as currently adopted in the European Union.



1.3.2. Presentation of key results

The key items of the consolidated financial statements were as follows :

- production of 359k tons of grain and oilseed in 2017;
- revenue of €54.2 million;
- net loss of €-13.2 million given an operating profit of €0.8 million and a financial loss of €-14.1 million;
- shareholders' equity of €56.1 million;
- net debt, given available cash of €1.8 million, of €45.4 million.

1.4. Exposure to risks

The main risks and uncertainties facing the Group are:

- climatic and phytopathogenic risk that can affect the level of harvests and the quality of products;
- risk on the fluctuation of the price of agricultural commodities which directly impacts the level of turnover;
- political and economic risks that continues to be high;
- legal and tax risks related to Ukrainian system that is still being developed;
- foreign exchange risk with a significant potential impact in case of depreciation of the hryvnia against the dollar and the Euro on the financial results;
- liquidity risk associated with the recent turmoil in Ukraine which led to significant tension and weakened sources of foreign investment and the ability of the local banking system to offer attractive interest rates;
- counterparty risk related to the absence of a secured prior guarantee group policy;
- risk of repatriation of capital invested in Ukrainian and Cypriot subsidiaries related to changes in the political environment.

1.5. Financial situation and results analysis

1.5.1. Summary of consolidated financial statements

(in € thousands)	2016	2017
Revenue	60 263	54 195
Change in FV of bio assets and finished goods	22 182	14 767
Cost of sales	(59 237)	(52 933)
Gross profit	23 208	16 029
Selling, general and administrative expenses	(11 834)	(12 663)
Other income and expenses	403	(2 522)
Operating profit	11 777	844
Net financial income (expense) *	(12 503)	(14 089)
Tax	(162)	68
Net profit (loss)	(888)	(13 177)
EBITDA **	19 382	9 095
Equity	65 434	56 083
Net debt ***	39 835	45 436
Structural debt ****	15 026	9 784

* includes unrealized currency losses of € 3.0 M in 2016 and € 5.6 M in 2017

** EBITDA = earnings before interest, tax, depreciation, amortization, provision, net gain or loss on fixed asset divestiture and impairment of non-current assets

*** total borrowings minus available cash and term deposits pledged as security for repayment of bank debt

**** principal amount of loan granted by EBRD plus amount of capitalized future interest on OSRANE

1.5.2. Production and revenue

In 2017, AgroGeneration produced 359,200 tons of grain and oilseed (vs. 387,200 in 2016) over a sown area of 105,400 ha (versus 109,000 ha in 2016). The decrease in area is driven by the sale of a farm in 2017 in the Kharkiv oblast. The decline in production is mainly driven by the drought during summer 2017 that significantly affected sunflower and corn crops while the Group performed well above its peers.

Comparison of gross yields (source : State Statistics Committee of Ukraine as of January 31st 2018)

Crop	AGG vs. Ukraine
Wheat	+30%
Barley	+31%
Corn	+38%

The Group's revenue totaled €54.2 million, decreasing by €6.1 million due to production decline and some shift of sales to first half 2018 with an amount of inventory higher than last year.

Revenue broke down as follows:

- €41.8 million in revenue from the sale of 2017 production representing 241,000 tons sold. The difference between the tonnage produced and sold corresponded to production retained by the company for its own needs and to an inventory of 105,000 tons, higher than last year by 26,000 tons while AgroGeneration leverages its storage capacities to take advantage of higher selling prices in early 2018;
- €11.4 million from the sale of the previous year's inventory;
- €1.0 million from other products or services (storage, drying).

This production year, the proportion of export sales (including inventoried production) is roughly 57%, versus 45% in 2016. Excluding crops that are not eligible for exports (e.g. sunflower), the proportion would be 69%.

1.5.3. Earnings

Gross profit totaled €16 million (vs. €23.2 million in 2016) with a decrease of €-7.2 million which is broken down as follows:



- €-9.3 million in loss in revenue driven by the impact of the summer drought mainly on sunflower and as announced in December 2017;
- €-2.5 million from higher production costs mainly related to new crop mix (especially corn);
- €+3.9 million from the increase in fair value of winter crops mainly driven by change in area, crop mix and yield;
- €+0.3 million from increase in price;
- €+0.4 million from the positive impact on costs of Hryvnia depreciation.

In addition, selling, general and administrative costs increased by €0.8 million to €12.6 million in 2017. This increase is split as follows:

- €+1.1 million related to higher selling expenses driven by higher exports share;
- €-0.3 million related to an overall decrease in general & administrative costs.

Net other income and expenses decreased by €-2.9 million attributable to:

- €-0.8 million related to the end of the VAT privileged regime for agricultural companies in 2017. The gradual removal of this regime over the last 3 years totaled for the Group a cumulative decrease of €6 million.
- €-1.4 million which corresponds to the sale of farm assets. The loss is related to non-cash impacts (currency translation adjustments and goodwill allocation) while from a cash perspective, the sale was performed with attractive financial terms;
- €-0.7 million mainly related to non-cash negative impact of fixed asset revaluation that was balanced by a positive impact on equity of €3.8 million.

As a result, operating profit stood at €0.8 million, versus €11.8 million in 2016. **EBITDA totaled €9.1 million, vs. €19.4 million in 2016.**

Financial expenses increased in 2017 to €14.1 million, vs. €12.5 million, and broke down as follows:

- €6.6 million in debt service costs, decreasing by €-0.8 million, versus last year, thanks to the decrease in interest rate on working capital loans;



- €5.8 million in currency losses on dollar-denominated loans (out of which €5.6 million of unrealized losses mainly on intercompany loans), vs. €4.7 million in 2016, driven by the depreciation of the Hryvnia;
- €1.7 million of other financial costs, vs. €0.4 million in 2016, related to customers and suppliers' financing expenses.

Net loss thus totaled €-13.2 million vs. €-0.9 million in 2016.

1.5.4. Financial structure

Net operating cash flow totaled €3.7 million, vs. €8.8 million in 2016. The significant decrease in the cash flow from operating activities was partially offset by working capital optimization and negotiated extension of payments to suppliers.

After three years of pause, the company resumed in 2017 the modernization of its machinery fleet, financed by leasing and banking loans. Those investments will enable the use of more intensive cultivation technology and stronger yields. As a result, capital expenditures totaled €7.1 million in 2017, vs. €2.1 million in 2016.

The Group's structural debt declined from €15 million at year-end 2016 to €9.8 million at year-end 2017 representing 17% of equity. The structural debt included the outstanding interest on OSRANEs (€6.3 million), which continue to decline as they are redeemed (with a full redemption in March 2019 implying an interest cash savings of €4.7 million per year), and EBRD borrowings of €3.5 million.

The Group net debt increased by €5.6 million mainly driven by a change of timing in working capital receipt and totaled €45.4 million at year-end 2017. At year-end 2017, the Group's cash and cash equivalents amounted to €1.8 million vs. €3.1 million in 2016.



1.6. Progress and challenges

AgroGeneration's performance was significantly impacted by adverse weather conditions throughout crop season. Though Group's farms managed to demonstrate very good performance for early crops (especially wheat) and performed well above its peers, late crops delivered deteriorated results (especially sunflower).

With regard to the progress made, in 2017, after a three-year pause, AgroGeneration implemented a modernization plan of its farming machinery, increasing its capital expenditures by €5 million. Renewal of machinery was triggered not only by the necessity to contain current maintenance costs, but also by technological requirements in order to apply a more intensive cultivation technology. The company has implemented an important project that selected a set of machinery for every individual farm taking into account its soil composition, acidity, density, and local climate specifics.

In addition, Lean Six Sigma (LSS) methodology was introduced in AgroGeneration. More than 120 employees were trained. 50 LSS projects are being implemented currently covering all business functions (production, finance, commerce, HR, Information System, R&D). Expected results in the medium term include increase in efficiency and productivity of all the processes.



1.7. Research and development

To meet the high performance demands of the market and keep up pace with technological evolutions, AgroGeneration set up a Research and Development department.

The R&D department is responsible for the definition, implementation and coordination of field trials related to the use of inputs and new agricultural techniques and machinery.

As part of the implementation of Lean Six Sigma (LSS) methodology, the Department is also in charge of the coordination of the current projects and the deployment of the training program within the Group.

In addition, AgroGeneration is participating in a FAO research project in order to implement over the next three years relevant new techniques to ensure preservation of soil, water resources and forest boundaries.

1.8. Foreseeable developments and outlook

The Ukrainian economy was able to start its recovery posting a growth of 2.2% in 2017 for the second year in a row whilst the Ukrainian government continues to implement its structural reform agenda. After significant depreciation since 2014, the Hryvnia showed a relative stability in 2017. Nonetheless, the inflation remained high and reached 13.7% in 2017.

Agricultural commodity trends remain favorable, given rising world food demand in the medium-term. After prices fell sharply in 2013, they finally started increasing in 2017, with a noticeable acceleration of that trend so far in 2018, fueled by favorable market conditions and weather issues around the world.

AgroGeneration's 2018 sowing season is off to a good start. The Group plans to sow 106,000 hectares (approximately +1,000 ha vs. 2017 thanks to the placement into operations of additional hectares secured in 2017) out of which 48,000 have already been sown with winter crops. Under favorable weather conditions, the Group started the fertilization for its spring crops with a reduction (versus last year) in corn and peas in favor of winter crops.



The 2018 crop season was secured thanks to the renewal of its season's financing with Alfa-Bank Ukraine for \$35 million and a \$10 million prepayment contract with Quadra Commodities.

AgroGeneration is furthermore implementing its comprehensive plan of cost savings including a reduction of production costs and decrease in general and administrative costs for a total estimated amount of roughly €4.2 million. These should occur despite significant inflation pressures on some costs in Ukraine that could partially offset the impact on cost of production up to €1 million.

In this context and with this cost savings plan having its full effect in 2018, the Group aims to return to its recent years' EBITDA performance in 2018.

1.9. Significant events occurred since 31 December 2017

On 31 March 2018, following the request for the early redemption of 374 OSRANE in order to obtain 74,800 new shares, the capital of AgroGeneration SA was set at the sum of €5,064,330.20 divided into 101,286,604 ordinary shares with a nominal value of €0.05 each.

2. GROUP'S PERIMETER

2.1. Group's companies

The consolidated companies at December 31, 2017, as well as the direct or indirect interests held by AgroGeneration S.A. in these entities, are shown in a table in **Appendix 1**.

2.2. Acquisitions and disposals of investments

In 2017 AgroGeneration solds its subsidiaries Zachepylivske LLC and Vybor LLC (cf. **Section 1.2.2**).



3. STATUTORY ANNUAL ACCOUNTS AND RESULT ALLOCATION

3.1. Review of annual accounts of AgroGeneration S.A.

3.1.1. Presentation rules and evaluation methods

The presentation rules and valuation methods used to draw up the annual financial statements comply with the French regulations in force and no change has occurred compared to previous years.

Based on the new regulation ANC 2015-05, foreign exchange results can be accounted as operating income or financial result. Consequently in 2017 forex gains or losses on trade customers or suppliers are accounted in operating result.

3.1.2. Turnover and results

The turnover of AgroGeneration S.A. amounts to €28.1 million, compared to a turnover in 2016 of €19.5 million, mainly driven by an increase in Group export sales.

The operating result is a profit of €1.3 million vs. a loss of €-0.6 million in 2016. The increase is mainly explained by the increase in receipts of royalties.

The net financial result is a loss of €-16.9 million compared to a loss of €-20.7 million in 2016. This loss is mainly due to an impairment provision of €12.6 million for all of its equity investments (compared to €17.3 million at December 31, 2016). The amount of the impairment represents the difference between the value in use and the historical value of the financial assets in the subsidiaries. For more information, please refer to note 3.2 of the annual accounts of AgroGeneration S.A.

The net result is a loss of €-15.7 million compared to a loss of €-21.5 million in 2016.

3.1.3. Shareholders' equity

Equity amounted to €63.1 million compared to €78.4 million in 2016, i.e. a decrease of €15.3 million.

3.1.4. Payment deadlines

In accordance with the article L.441-6-1 of the French Commercial Code, please find below information on the payment terms of suppliers and customers. All amounts come from the balance sheet and therefore include VAT, except for abroad where there is no VAT.

- **Supplier payment terms**

At December 31, 2017, the balance of accounts payable and related accounts amounted to €6,826,966, broken down as follows:

- French Third-Party Suppliers: €52,669
- Foreign Third-Party Suppliers: €111,769
- Group Supplier: €6,278,170
- Supplier - Invoices not received: €384,358

The payment dates of accounts payable presented concern French and foreign third-party suppliers, as well as intra-group suppliers.

	Not yet due	<30 days	<60 days	<90 days	>90 days	Total**	%*
(a) payments by due date							
31/12/2017	53 566	1 800 888	1 417 345	2 372 581	798 229	6 442 608	24
Number of invoices	14	22	24	18	59	137	
(b) Invoices excluded from (a) and related to disputed or unbilled payables or receivables							
31/12/2017					7 680	7 680	
Number of invoices					1	1	

* Compared to the total amount of purchases for the year.

** Does not include balance of "Supplier - Invoices not received"

As a reminder :



	Not yet due	<30 days	<60 days	<90 days	>90 days	Total	%*
31/12/2016	12 613	2 580 762	615 362	215 536	322 165	3 746 437	20
31/12/2015	371 708	3 740 915	342 813	172 076	59 802	4 687 314	23

- **Customers payment terms**

At 31 December 2017, the balance of accounts receivable amounted to €2,642,404, broken as follows:

- French third-party customers : €0
- Foreign third-party customers : €316,646
- Group customers : €2,222,123
- Group customers – not yet been invoiced : €103,635

The payment dates of accounts receivables concern French and foreign third-party customers, as well as intra-group customers.

	Not yet due	<30 days	<60 days	<90 days	>90 days	Total**	%*
31/12/2017	1 054 057	0	0	0	1 484 712	2 538 769	9
Number of invoices	2	0	0	0	7	9	

* Compared to the total amount of sales for the year

** Does not include balance of “Group customers – not yet been invoiced”

3.1.5. Loans of less than 2-years concluded by AgroGeneration S.A.

No loans of less than two years have been concluded by AgroGeneration S.A. in accordance with Article L. 511-6 of the Monetary and Financial Code.



3.2. Proposed allocation of the result

The result of the financial year ended at 31 December 2017 was a net loss of €15 654 480 million which we propose to allocate to the retained earnings account.

3.3. Non-deductible expenses

No reinstatement in the calculation basis of corporation tax has been made under Article 39-4 of the French Tax Code (excess or non-deductible depreciation).

3.4. Amount of dividends distributed over the past three fiscal years eligible to the 40% rebate and non-eligible to this rebate

AgroGeneration S.A. did not distribute any dividends or income eligible for the 40% rebate for the previous three financial years.

3.5. Five-year financial summary

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, a table is attached to this report (**Appendix 2**) showing our company's results for each of the last five financial years.

4. FREE SHARES, STOCK-OPTIONS, STOCK SUBSCRIPTION WARRANTS, BSPCE (STOCK OPTIONS) AND OSRANE

During financial year 2017, AgroGeneration S.A. did not grant any stock options to corporate officers.

In accordance with the delegation granted to it by the Combined General Meeting of June 20, 2016, the Board of Directors granted, free of charge, to a category of the Company's employees, on July 5, 2016, 295 000 ordinary shares of AgroGeneration S.A., i.e. 0.3% of the capital of AgroGeneration S.A. The vesting period for the bonus shares was set at 1 year, i.e. July 5, 2017, provided that the Company's employees have not left the Company or a company in its group prior to the acquisition date. On July 3, 2017, the Board of Directors recorded the Company's capital increase of €14,750 by the issue of 295 000 shares with a par value of €0.05. The holding period of the shares was also set at 1 year from the date of the definitive allocation of the bonus shares, i.e. until July 5, 2018.

Furthermore, within the framework of the OSRANE issue, and in accordance with the terms and conditions of the OSRANE issue agreement, at the end of the fifth interest period, requests for early redemption of 3 609 OSRANE were registered with a view to obtaining 743 356 new shares. On March 31, 2017 and October 5, 2017, the Board of Directors recorded the Company's capital increase of €37 167.80 by the issue of 743 356 shares with a par value of 0.05 € in respect of the redemption of part of the OSRANE issued.

As a result, as at December 31, 2017, the number of outstanding instruments and the number of shares potentially issuable following the exercise of these instruments are presented below:

Instruments	Number of instruments	Number of potential additional shares
BSPCE	5 327	106 540
Stock Options	1 317 833	1 317 833
EBRD Warrants	850 000	850 000
KONKUR Warrants	1 379 487	2 519 544
OSRANE*	586 422	117 284 400
Total		122 078 317

* The total number of additional shares is calculated on the basis of a redemption ratio of 200 shares per OSRANE

5. DISCLOSURE OF INFORMATION REGARDING TRADING IN SECURITIES BY EXECUTIVES OR BOARD MEMBERS OR ASSIMILATED

In accordance with Article 223-26 of the General Regulations of the Financial Markets Authority (AMF), it is specified that the following operation, referred to in Article L. 621-18-2 of the Monetary and Financial Code, was declared to the AMF:

Date of the operation	Nature of the operation	Financial Instrument	Unit price (in €)	Number of securities
5 July 2017	Definitive allotment of free shares to an employee	SHARES	0.0	295,000

6. INFORMATION ON THE SHARE CAPITAL OF AGROGENERATION S.A.

At December 31, 2017, the share capital amounts to €5 060 590.20. It is divided into 101 211 804 ordinary shares with a par value of €0.05.

Due to OSRANE redemption requests in March 2018, the share capital was increased during financial year 2018 to €5 064 330.20. It is divided into 101 286 604 shares with a par value of €0.05.

6.1. Shareholding structure

In accordance with Article L. 233-13 of the Commercial Code, we hereby inform you of the identity of the shareholders directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33,33%, 50%, 66,66%, 90% or 95% of the share capital or voting rights at General Meetings, as well the identity of other shareholders:

Shareholders	At 12/31/2017	
	Number of shares	%VR and capital
Konkur Investments Ltd	57 264 394	56.58%
GreenAlliance	6 214 215	6.14%
Gravitation	992 194	0.98%
Cordial Investment and Consulting Ltd	1 193 148	1.18%
Float *	35 547 853	35.12%
Total	101 211 804	100.00%

* Public ownership corresponds to the free float and the portion held by certain former employees and owned by AgroGeneration S.A. (See Section 6.2.1).

The key shareholders of AgroGeneration S.A. are as follows :

- **Konkur Investments Limited** is owned at 80% by a wholly owned subsidiary of the investment fund SigmaBleyzer Southeast European Fund IV, CV. The fund is managed by SigmaBleyzer Investment Group LLC, the general partner, which is controlled at 100% by Michael Bleyzer, Lev Bleyzer and Valery Dema.
- Charles Beigbeder holds 90% of the capital of the company **Gravitation** which holds 100% of the capital of the company **GreenAlliance**. It is specified that during the financial year 2017, following a reorganization of GreenAlliance group, Gravitation transferred 3,107,108 shares to Enerfinance (3.07% of the share capital of AgroGeneration), a company fully owned by a previous joint shareholder of



GreenAlliance.

- **Cordial Investment and Consulting Limited** : the shares of Cordial are held at 80% by Pierre Danon, the remaining shares being held by his children.

6.2. Information regarding the transactions made by the Company on its share capital

6.2.1. Liquidity contract and self controlled shares

Since July 23, 2015, AgroGeneration S.A. has set up, through a specialised financial intermediary, a liquidity agreement covering transactions on the AgroGeneration S.A. share on the Euronext Growth market. This contract complies with the AFEI Code of Ethics approved by the AMF by decision of March 21, 2011.

AgroGeneration S.A. has allocated the total sum of €124,724.07 and 488,515 shares to this liquidity account.

During the year, 1 550 000 shares were purchased at an average price of 0.41 € and 1 580 000 shares were sold at an average price of €0.41.

At December 31, 2017, the position of the liquidity contract was as follows:

- 582 590 shares (i.e. 0.6% of the capital) valued at €221k (€0.38 per share) were held in treasury by AgroGeneration S.A.;
- the cash available under this contract amounted to €152k.

6.2.2. Employee participation in the capital

In accordance with the provisions of Article L. 225-102 of the Commercial Code, we inform you that as of December 31, 2017, following the definitive allotment of free shares to one AgroGeneration S.A. employee, the number of shares held by employees is 295 000 shares representing 0.3% of the capital (see **Section 4**).

6.3. Stock price

At the end of the financial year, the AgroGeneration S.A. share price was €0.37 (Source: Boursorama).



6.4. Branches

At the date hereof, AgroGeneration S.A has no branch.

7. INFORMATIONS ON ENVIRONMENTAL IMPACTS AND SOCIAL PROGRAMS

7.1. Protection of the environment

The farmland operated by AgroGeneration is part of Ukraine's natural heritage and must be managed in a respectful and reasoned manner. In this respect, the sustainable environment is a concept taken into account at the highest level of the Company's management. In defining its environmental management policy, the Company relies on the provisions of Ukrainian environmental legislation and other regulations and strictly complies with all government regulations relating to environmental protection.

At the same time, implementing its philosophy of promoting innovation and technology, AgroGeneration is committed to preserving the environment with state-of-the-art equipment, innovative technology and cutting-edge farming methods. In order to minimise erosion and to preserve soil moisture and nutrients, the Company directs its investments towards the choice of modern farm machinery within the framework of reduced tillage practices. All equipment has fuel consumption detectors and GPS navigation systems, which not only reduces energy consumption, tracks vehicle movements and achieves high precision planting, but also controls emissions of dangerous gases.

7.2. Social programs

In line with its commitment to social responsibility, AgroGeneration supports disadvantaged structures such as orphanages, hospitals, schools and retired populations. Thanks to its diversified activities, the Company distinguishes itself by improving the living conditions of the villages in the regions where it is present, and in particular in the Kharkiv oblast, which faces population displacements from the Lugansk and Donetsk oblasts. The essential aspect is the creation of jobs for local residents. This aspect has all the more impact as posts are created in rural areas, where unemployment is a particularly difficult issue. In addition, the Company pays special attention to Ukrainian children, the future of the country. It thus supervises several schools in the areas where the group's subsidiaries are located. AgroGeneration invests in infrastructures such as schools and young football teams, finances



the purchase of new sports equipment and provides other types of assistance as needed. The Company also invests in the great tradition of summer camps for young people and sends gifts at the end of the year to children.

8. INJUNCTIONS OR FINES AS A RESULT OF ANTI-COMPETITIVE PRACTICES

We inform you that AgroGeneration S.A. has not been subject to any injunction or financial penalty for anti-competitive practices during financial year 2017.

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PART 2 – CORPORATE GOVERNANCE REPORT

1. Agreements referred to in article L. 225-37-4 paragraph 2 of the French Commercial code

This section will present:

- The regulated agreements referred to in article L. 225-38 of the French Commercial code have been entered into during the financial year ended 31 December 2017 and duly authorized by your Board of directors throughout the financial year **(1.1)**,
- The other regulated agreements which have been entered into in the past financial years, have been continued **(1.2)**,
- The other regulated agreements which have been authorized since the end of the financial year ended 31 December 2017 **(1.3)**,
- The agreements entered into between the subsidiaries of the Company and the shareholders and/or executives of the Company **(1.4)**.

These regulated agreements referred in subsection 1.1, 1.2 and 1.3 are discussed in the special report of the auditors.

1.1. Regulated agreements duly authorized throughout the financial year

The following agreements, referred to in article L. 225-38 of the French Commercial code have been entered into throughout the financial year ended 31 December 2017:

- ***Revolving loan entered into with Konkur Investments Limited and SigmaBleyzer Investment Group LLC for a maximum amount of € 2 900 000 and its Amendment n°1:*** the Board of directors authorized on March 31st 2017 the conclusion of a revolving loan, dated April 1st 2017, to the benefit of AgroGeneration S.A., for a maximum amount of € 2 900 000, which can be drawn down in several times for a maximum amount of € 1 450 000 for each drawing on the 1st of April and the 1st of October of each year. Every drawing will have a maximum maturity of one (1) year and an interest rate of 12%. This interest rate may be reviewed in the case there is a movement of the market, after an approval given by the Board of directors.

The Board of directors also authorized on July 3rd 2017 the modification of the terms and conditions of this loan, in particular to include SigmaBleyzer Investment Group



LLC as an additional lender.

The Board of directors considered that the conclusion of this agreement and its amendment were justified by the forthcoming financial deadlines of the Company.

This agreement, concluded for a period of one (1) year, has not been renewed but was amended in March 2018 (see **section 1.3**).

On the date hereof, the outstanding amount regarding this agreement is in principal of € 2 185 934.

1.2. Regulated agreements approved in the past financial years and pursued during the current financial year

Since the end of the 2016 financial year, the following agreements, authorized by the Board of directors of AgroGeneration S.A., have been pursued throughout the 2017 financial year:

- ***Service agreement entered into with SigmaBleyzer Investment Group LLC:*** the Board of directors authorized on December 16, 2016 the conclusion of a consulting contract with SigmaBleyzer Investment Group LLC, for 12 months, in exchange of a monthly remuneration of €22 500, plus the reimbursement of any reasonable travel expenses, on presentation of invoices and after an approval of the Managing Director of the Company. This agreement started from January 1, 2017 and will be renewed by tacit agreement. The invoiced amount, as for the 2017 financial year, rose up to €277 707 without taxes.

This agreement is still in effect for the 2018 financial year.

- ***Loan from Konkur Investments Limited for a maximum amount of USD 1 650 000:*** the Board of Directors authorized on March 28th 2018 the conclusion of a loan by Konkur Investments Limited to the benefit of AgroGeneration S.A. for a maximum amount of USD 1 650 000. This loan is granted for one year with an interest rate of 12%.

This agreement has been terminated on January 25th 2017.

1.3. Regulated agreements authorized since the end of the financial year ended 31 December 2017

Since the end of the 2017 financial year, the following agreements have been authorized by the Board of directors of AgroGeneration S.A.:

- **Amendment n°2 to the Revolving Loan from Konkur Limited and SigmaBleyzer Investment Group LLC for a maximum amount of € 2 900 000:** the Board of Directors authorized on March 28, 2018 the conclusion of a new amendment to the revolving loan entered into between Konkur Investments Limited, SigmaBleyzer Investment Group LLC and AgroGeneration S.A., for a maximum amount of € 2 900 000.

The aim of this amendment is to extend the maturity date of the two drawings realized under the aforementioned one (1) year revolving loan. The first drawing, with a principal amount of €752 190, shall now be repaid on April 1st 2019 and the second drawing, with a principal amount of €1 433 744, shall now be repaid on October 2nd 2019 (from previously April 1, 2018 for the first one and October 2, 2018 for the second one).

The Board of directors considered the conclusion of the amendment to be justified by the forthcoming financial deadlines of the Company.

- **Loan from Konkur Investments Limited for a maximum amount of € 1 433 744:** the Board of directors authorized on March 28, 2018 the conclusion of a loan by Konkur Investments Limited to the benefit of AgroGeneration S.A., for a maximum amount of €1 433 744 and for a period of one year, with an interest rate of 12%.

On 3 April 2018, Agrogeneration drew down €1,433,744.

The Board of directors considered the conclusion of this agreement to be justified by the forthcoming financial deadlines of the Company.

1.4. Agreements entered into between the subsidiaries of the Company and the shareholders and/or executives of the Company

The following agreements, referred to in article L. 225-37-4 paragraph 2 of the French Commercial code, have been entered into during the 2017 financial year:

- **Loan between SBT Investments VI LLC and Harmelia Investments Limited:** pursuant



to a loan agreement, dated April 2, 2015, SBT Investments VI LLC has granted a 1 million dollars loan to Harmelia Investments Limited, with a lower interest rate than the interest rate generally granted by the banks. Mr Michael Bleyzer, Mr Lev Bleyzer and Valery Dema, board members of the Company, hold each more than 10% of one of the entity holding SBT Investments VI LLC. The loan was fully reimbursed on March 31, 2017.

- ***Security agreement with Safari Arms Holdings Limited and Harmelia Investments Limited:*** pursuant to an agreement dated February 1, 2013, amended on January 4, 2016, Safari-Arms Holdings Limited provides security services to several subsidiaries of AgroGeneration S.A. Safari-Arms Holdings Limited is controlled by Mr Valery Dema, one of the Company's Board member. The invoiced amount, as for the 2017 financial year, rises up to €1 007 265 without taxes.
- ***Consulting agreement between Cordial Investment & Consulting Limited and Harmelia Investments Limited:*** a consulting agreement, dated November 28, 2013, has been concluded between Cordial Investment & Consulting Limited and Harmelia Investments Limited. Mr Pierre Danon, vice-president of the Board of directors, is the majority shareholder of Cordial Investment & Consulting Limited. The invoiced amount, as for the 2017 financial year, rises up to €122 961 without taxes.

2. GOVERNANCE

We remind you that under the provisions of article L. 225-51-1 of the Commercial Code, the Board of Directors has opted to separate the functions of Chairman of the Board of Directors and Managing Director, Mr. Michael Bleyzer acting as Chairman of the Board of Directors and Mr. John Shmorhun acting as Managing Director. Mr. Pierre Danon is the Vice-Chairman of the Board of Directors.

2.1. Composition of the Board of Directors during the past financial year

Term of office	Surname and first name / company name	Date of first appointment	End of the term of office
Chairman of the Board of Directors – Member of the Board of Directors	Mr. Michael Bleyzer	Ordinary General Meeting of 11/10/2013	As Chairman until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018 As Director until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
Vice-Chairman of the Board of Directors – Member of the Board of Directors	Mr. Pierre Danon	Ordinary General Meeting of 11/10/2013	As Vice-Chairman until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018 As Director until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
Managing Director – Member of the Board of Directors	Mr. John Shmorhun	Ordinary General Meeting of 11/10/2013	As Managing Director until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018 As Director until the ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
Member of the Board of Directors during the past financial year	Mr. Lev Bleyzer	Ordinary General Meeting of 11/10/2013	Ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
	Mr. Valery Dema	Ordinary General Meeting of 11/10/2013	Ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
	Mr. Neal Warren Sigda	Ordinary General Meeting of 11/10/2013	Ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018
	Mr. Guillaume James	Ordinary General Meeting of 11/07/2014	Ordinary General Meeting to approve the accounts for the financial year ending 31/12/2018

2.2. Personnel information regarding members of the Board of Directors

Michael Bleyzer – Chairman of the Board of Directors



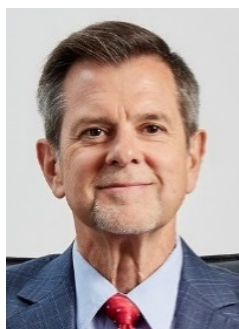
Michael Bleyzer is the founder of SigmaBleyzer (established in 1994), one of Eastern Europe's largest and most experienced private equity investors, and the developer of its business model, which blends the best of Western business practices with extensive regional experience in former Soviet bloc countries.

Born in Kharkiv, Ukraine, Mr. Bleyzer was raised and educated in the Soviet Union, graduating from the Kharkiv Institute of Radioelectronics with a Master of Science in digital electronics and quantum physics. His career took him to Russia, Ukraine, Uzbekistan and Turkmenistan, before he came to the U.S. in 1978 where he became an American citizen. Mr. Bleyzer then embarked on a career in finance and management, which lasted over 15 years at Exxon and Ernst & Young included a variety of operational, management and executive positions in Texas, Louisiana and Europe.

Mr. Bleyzer has appeared on CNBC as an expert on emerging markets investment and frequently speaks at investment conferences around the world. Mr. Bleyzer has served on the Board of Directors of the Houston Holocaust Museum, the Texas Emerging Technology Fund Advisory Committee, Thunderbird Private Equity Center Executive Advisory Board, the Thunderbird Global Council, and the Advisory Board of the Emerging Markets Private Equity Association (EMPEA).

Since October 2013, Mr. Bleyzer serves as Chairman of the Board of Directors of AgroGeneration.

John Shmorhun – Member of the Board of Directors, Chief Executive Officer



John Shmorhun is a former DuPont executive that has worked in Ukraine and Russia for more than 18 years managing DuPont's agricultural businesses in the region. As Director, he was in charge of operations in Russia, Ukraine, and the CIS countries for eight years.

Prior to that appointment, he started-up DuPont Ukraine, where he served as the General Director in charge of DuPont's agrochemical business from 2003 to 2008. He served as a Navy pilot for 10 years prior to joining DuPont. Mr. Shmorhun has served on many boards, including the American Chamber of Commerce in Russia, DuPont Khimprom CJSC, and DuPont Russian Coatings CJSC. He holds an MBA from the International Management Institute in Geneva and a BS in Mechanical Engineering from the US Naval Academy. Since 2010, John Shmorhun has been employed as the President of Harmelia, a portfolio company of SigmaBleyzer. Currently, Mr. Shmorhun is the CEO of AgroGeneration.

Pierre Danon – Vice-Chairman of the Board of Directors



Pierre Danon is a French entrepreneur. He sits on the board of directors of listed companies in Europe. He is Chairman of the Board of directors of Solocal Group, Chairman of TDC A/S, Chairman of ProContact, Executive Chairman of Volia, Executive Chairman of All Media Baltics and Non-executive Director of Ciel Investment Limited.

Pierre Danon graduated as civil engineer from the École nationale des Ponts et Chaussées, holds a Master's degree in law from Panthéon-Assas University, and an MBA from the Institut Supérieur des Affaires (HEC School of Management MBA, Paris).

Pierre Danon has held positions, in particular, as President of Xerox Europe in 1998, Chief Executive Director of British Telecom Retail in 2000 and Chief Executive Officer of Numericable-Completel in 2008. Since then, he has been appointed as Vice-Chairman then Chairman of TDC, Danemark in 2017. Pierre Danon is also the Executive Chairman of Volia, cable operator based in Ukraine since 2011 and he was elected in the same year non-executive director of Standard Life. In 2013, he became Chairman of ProContact, a call



center based in Mauritius and Madagascar. In 2015, he has been appointed vice-chairman of CIEL Finance, which operates in the fields of hospitality, financial and health services in Mauritius. In 2017, Pierre Danon was elected Chairman of the Board of Solocal Group and nominated Executive Chairman of All Media Baltics in Lithuania.

In April 2013, Pierre Danon engineered the merger between AgroGeneration and Harmelia on behalf of SBF. In October 2013, he was elected Vice-Chairman of the Board of AgroGeneration.

Lev Bleyzer – Member of the Board of Directors



Lev Bleyzer is a founding Partner of SigmaBleyzer and is responsible for everyday operations at the company. Mr. Bleyzer was born in the former Soviet Union and attended Kharkiv Engineering Economics Institute. He immigrated to the United States in 1981 and graduated from the University of Houston with a degree in management in 1987.

During college, he worked for a wine wholesale company, where he became one of the top salesmen in Houston. After graduation, Mr. Bleyzer was accepted into the management program of a national retail company where he worked for four years as sales manager until he joined Sigma Ventures Inc. in 1994.

Mr. Bleyzer is a member of the Board of Directors of numerous companies located throughout Eastern Europe. In his capacity as Board Member, he is responsible for the financial and operational aspects of each business.

Since October 2013, Lev Bleyzer sits at the Board of Directors of AgroGeneration. He is also Chairman of the Remuneration Committee and member of the Audit committee.



Valery Dema – Member of the Board of Directors

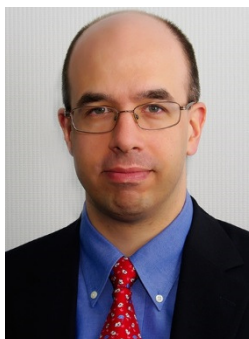


Valery Dema founded Sigma Financial Industrial Group in 1989 and served as its General Director. In 1994, Sigma Financial Industrial Group brought under the control of Sigma Venture Inc, date on which he became vice-chermain. He is currently responsible for New Business Development in SigmaBleyzer.

Mr. Dema graduated from the Kharkiv Aviation Institute in 1985. His post-graduate studies include three years of economics at the Kharkiv Engineering Economics Institute, one year of management at Cologne University in Germany and three years of law at the Kharkiv Institute of Jurisprudence.

Since October 2013, Valery Dema sits at the Board of Directors of AgroGeneration.

Neal Warren Sigda – Member of the Board of Directors



Neal Sigda is a Partner at SigmaBleyzer, serving as a member of the Investment Committee and the Chairman of the Internal Portfolio Review Board. From 1995 to 1997, Mr. Sigda spent most of his time in Kaliningrad, Russia as well as in St. Petersburg, where he was the Director of Finance for a joint venture.

Prior to that, he spent several years in the publishing industry. Mr. Sigda holds a bachelor's degree from Cornell University and a Master of International Management from Thunderbird, the American Graduate School of International Management (with a specialization in finance).

As Partner at SigmaBleyzer, Mr. Sigda has helped build or manage various areas of the business. This includes serving or having served on several Boards of Directors, heading up SigmaBleyzer Equities Research Group, monitoring investors' relation and leading the Deal Team.

Since October 2013, Mr. Sigda serves as a member of the Board of Directors of AgroGeneration. He is also a Chairman of the Audit Committee and member of the Remuneration Committee.

Guillaume James – Member of the Board of Directors



Guillaume James graduated from Panthéon Assas University in 1999. He holds a degree of Master in Law. Between 2000 and 2002 Mr. James served as a Jurist at Self Trade (online broker).

Between 2002 and 2010 he held a position of Director of Corporate Affairs at Poweo (First Independent French Electricity and Gas Supplier).

Since 2008, Mr. James serves as a Director at Gravitation. Since 2014, Guillaume James sits at the Board of Directors of AgroGeneration. He is also a member of the Remuneration Committee.

2.3. List of other directorships and positions held by the members of the board of directors

Nom et prénom ou dénomination sociale du membre	Mandats et fonctions exercés au sein du groupe au cours de l'exercice clos et au cours des cinq derniers exercices sociaux	Mandats et fonctions exercés en dehors du groupe au cours des cinq derniers exercices sociaux
Michael Bleyzer	<u>Mandates and functions during the past financial year:</u> - Chairman of the Board of Directors	<u>Mandates and functions during the year ended:</u> - CEO, member of the Investment Committee and founding partner of SigmaBleyzer <u>Mandates and functions held during the last five financial years:</u> - Texas Emerging Technology Fund: advisory committee - Thunderbird: World committee - Thunderbird Private Equity Center: Executive and Advisory Committee - Emerging Markets Private Equity Association (EMPEA): Executive Committee - Houston Museum of Holocaust: Board Member
John Shmorhun	<u>Mandates and functions during the past financial year:</u> - CEO - Member of the Board of Directors	<u>Mandates and functions during the year ended:</u> - CEO and Member of the Board of Directors of Harmelia <u>Mandates and functions held during the last five financial years:</u> Void

<p>Pierre Danon</p>	<p><u>Mandates and functions during the past financial year:</u></p> <ul style="list-style-type: none"> - Vice-Chairman of the Board of Directors - Member of the Board of Directors 	<p><u>Mandates and functions during the year ended:</u></p> <ul style="list-style-type: none"> - TDC : Président - CIEL Finance : Vice Président - ProContact: Président - Volia: Président exécutif - Solocal: Président - All Media Baltics: Président exécutif <p><u>Mandates and functions held during the last five financial years:</u></p> <ul style="list-style-type: none"> - Numéricable: President from 2006 to 2008
<p>Valery Dema</p>	<p><u>Mandates and functions during the past financial year:</u></p> <ul style="list-style-type: none"> - Member of the Board of Directors 	<p><u>Mandates and functions during the year ended:</u></p> <ul style="list-style-type: none"> - HASK-Flex (Ukraine): member of the Board of Directors
<p>Lev Bleyzer</p>	<p><u>Mandates and functions during the past financial year:</u></p> <ul style="list-style-type: none"> - Member of the Board of Directors 	<p><u>Mandates and functions during the year ended</u></p> <ul style="list-style-type: none"> - CEO, member of the Investment Committee and funding partner of SigmaBleyzer - Member of the Board of Directors of UKRN I New Capital Growth Co Limited (Cyprus) - Member of the Board of Directors of UKRN II New Capital Growth Co Limited (Cyprus) - Member of the Board of Directors of UKRN III New Capital Growth Co Limited (Cyprus) - Member of the Board of Directors of Volia Limited (Cyprus) - Member of the Board of Directors of Aquorn Holding Limited (Cyprus) - Member of the Board of Directors of OISIW Limited (Cyprus) - Member of the Board of Directors of Elandia Holding Limited (Cyprus) - Member of the Board of Directors of Giacintoco Holding Limited (Cyprus) - Member of the Board of Directors of Wellaxo Investments Limited (Cyprus) - Member of the Board of Directors of Braeside Limited (Cyprus) - Member of the Board of Directors of SBF IV Cyprus Limited (Cyprus) - Member of the Board of Directors of Ostrella Limited (Cyprus) - Member of the Board of Directors of Konkur Investments Limited (Cyprus) - Member of the Board of Directors of Iviza Investments Limited (Cyprus) - Member of the Board of Directors of Bonza Bay Investments Limited (Cyprus) - Member of the Board of Directors of Ungeni

		<ul style="list-style-type: none"> - Investments Limited (Cyprus) - Member of the Board of Directors of SigmaBleyzer Southeast European Fund IV CV (Holland) - Member of the Board of Directors of SBF Southeast European Holdings BV (Holland) - Member of the Board of Directors of SBV IV Dairy BV (Holland) - Member of the Board of Directors of SigmaBleyzer Investment Group LLC (United-State) - Member of the Board of Directors of SBT GP VI LLC (United-State) - Member of the Board of Directors of SBT Investment VI LLC (United-State) - Member of the Board of Directors of SIGMA UGF-IV LLC (United-State) - Vice-Chairman of Sigma Ventures Inc (United-State) - Vice-Chairman of Sigma Advisors Inc (United-State) - Member of the Board of Directors of Poltavaa Condited (Ukraine) - Member of the Board of Directors of Sumatra LTD (Ukraine) - Member of the Board of Directors of Covalact - Member of the Board of Directors of Sigma Cayman III LTD (Cayman)
Neal Sigda	<u>Mandates and functions during the past financial year:</u> <ul style="list-style-type: none"> - Member of the Board of Directors 	<u>Mandates and functions during the year ended:</u> <ul style="list-style-type: none"> - President of the Internal Portfolio Review Board of SigmaBleyzer - Member of the Investment Committee and partner of SigmaBleyzer
Guillaume James	<u>Mandates and functions during the year ended:</u> <ul style="list-style-type: none"> - Member of the Board of Directors 	<u>Mandates and functions during the year ended:</u> <ul style="list-style-type: none"> - CEO of DreamJet Participations SAS - Vice CEO of Gravitation SAS - Member of the monitoring Board of Audacia SAS - President of GCMI Corporate SAS

2.4. Remuneration of the Members of the Board of Directors and Executive Management

2.4.1. Remuneration of the Members of the Board of Directors

The General Meeting of the Shareholders' of AgroGeneration S.A. has not allocated attendance fees or any other remuneration to the members of the Board of Directors.

2.4.2. Remuneration of the Executive Management

The remuneration of the Managing Director is determined by the Board of Directors after consulting the Compensation Committee on the basis of financial criteria, and stands as follows:

- At 31 December 2017 :
 - Fixed annual remuneration of €298 000;
 - Variable remuneration of USD300 000 for financial year 2016 as approved by the Board of Directors;
 - Company apartment and travel fee expenses;
- At 31 December 2016 :
 - Fixed annual remuneration of €283 000;
 - Variable remuneration of USD 150 000 for financial year 2015 as approved by the Board of Directors;
 - Company apartment and travel fee expenses;

There are no commitment relating to a severance and/or non-compete payment between AgroGeneration and the Managing Director.

2.5. Authorization to increase the share capital

In accordance with Article L. 225-37-4, paragraph 3 of the Commercial Code, you will find attached in **Appendix 3** a summary table of the valid delegations granted by the general shareholders' meeting and the Board of Directors in the area of capital increases.

Done in Paris, 25 april 2018

Board of Directors

AgroGeneration S.A.

APPENDIX 1 – LIST OF CONSOLIDATED COMPANIES

At 31 December 2017, AgroGeneration held the following subsidiaries:

All companies are fully consolidated.

#	Name	Conso name	Registered office	Activity	December 31, 2017
					% of interest
1	AgroGeneration	AgroGeneration	Paris - France	Group Holding	Consolidating entity
2	Marrimore Holdings Ltd	Marrimore	Nicosia - Cyprus	Holding company	100%
3	Haberly Properties Ltd (1)	Haberly	Nicosia - Cyprus	Holding company	-
4	Harmelia Investments Limited	Harmelia	Nicosia - Cyprus	Holding company	100%
5	Zeanovi Limited	Zeanovi	Nicosia - Cyprus	Holding company	100%
6	Wellaxo Investments Limited	Wellaxo	Nicosia - Cyprus	Holding company	100%
7	Azent Limited Company	Azent	Nicosia - Cyprus	Holding company	100%
8	Zito Investments Limited (1)	Zito	Nicosia - Cyprus	Holding company	-
9	UCD Ukraine	UCD UA	Kiev - Ukraine	Service operating company	100%
10	AgroGeneration Ukraine LLC	AGG UA	Kiev - Ukraine	Service operating company	100%
11	Agrofuel Ukraine	Agrofuel	Kiev - Ukraine	Trading company	100%
12	AFT-Agro	AFT	Kiev - Ukraine	Service operating company	100%
13	Agroziom	AGZ	Sumy - Ukraine	Agricultural producer	100%
14	APK Agroziom LLC (2)	AGZ	Sumy - Ukraine	Service operating company	100%
15	Vinal Agro	VKD	Lviv - Ukraine	Agricultural producer	100%
16	Knyazhi Lany (VKL)	VZL	Lviv - Ukraine	Agricultural producer	100%
17	Zborivski Lany (VZB)	VZL	Ternopol - Ukraine	Agricultural producer	100%
18	Agrodruzstvo Jevisovice Ukraine	AJU	Ternopol - Ukraine	Agricultural producer	100%
19	Lishchynske	VLY	Zhitomir - Ukraine	Agricultural producer	100%
20	Agro Fund Terestchenko	AFT	Zhitomir - Ukraine	Agricultural producer	100%
21	APK Novy Stil LLC	NST	Kharkiv - Ukraine	Service operating company	100%
22	APK Donets LLC	DON	Kharkiv - Ukraine	Agricultural producer	100%
23	Burlukskoje PC	BUR	Kharkiv - Ukraine	Agricultural producer	100%
24	Zachepylivske LLC (3)	ZACH	Kharkiv - Ukraine	Agricultural producer	-
25	AF Barvenkovskaya LLC	BAR	Kharkiv - Ukraine	Agricultural producer	100%
26	APK Ukraina Nova LLC	APK	Kharkiv - Ukraine	Service operating company	100%
27	AF Podoljevskaja LLC	POD	Kharkiv - Ukraine	Agricultural producer	100%
28	FG Podoljevskaja	POD	Kharkiv - Ukraine	Service operating company	100%
29	AF Ukraina Nova LLC	UNA	Kharkiv - Ukraine	Agricultural producer	100%
30	Lan LLC	LAN	Kharkiv - Ukraine	Agricultural producer	100%
31	Vybor LLC (3)	VYB	Kharkiv - Ukraine	Agricultural producer	-
32	Harmelia Trading LLC	HAR	Kharkiv - Ukraine	Trading company	100%
33	Agro Dom Plus	AgroDom	Kharkiv - Ukraine	Service operating company	100%
34	Register LLC	Registr	Kharkiv - Ukraine	Service operating company	100%
35	Tornado Agro-holding PC	Tornado	Kharkiv - Ukraine	Service operating company	100%

(1) As a result of Group restructuring starting from January, 2017 Zito Investments Limited and Haberly Properties are merged with Harmelia Investments Limited and Marrimore Holdings Ltd (correspondingly) and ceased to exist as separate legal entities.

(2) On January 16, 2017 the Group established legal entity APK Agroziom.

(3) In May 15, 2017 the Group sold Vybor LLC and Zachepylivske LLC

APPENDIX 2 - TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL YEARS

(Article R. 225-102 of the Commercial Code)

	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Financial position at the end of the year					
Share capital	4,618,096.40	4,618,096.40	4,925,469.40	5,008. 972.40	5,060,590
Number of shares issued	92,361,928	92,361,928	98,509,388	100,173,448	101,211,804
Maximum number of shares to be created:					
- by conversion of bonds			129,126,960	122,726,448	117,284,400
- by subscription right	4,820,641	4,770,641	4,793,917	5,088,917	4,793,917
Overall result of actual operations					
Turnover (before tax)	17,171,583	12,517,095	19,678,059	19,532,000	28 133 635
Net result before tax, depreciation and provisions	(4,669,530)	(8,801,200)	(7,395,124)	(3,004,662)	(2 253 500)
Tax burden	-	-	-	-	
Net result after tax, depreciation and provisions	(8,917,668)	(7,890,306)	(43,766,977)	(21,482,000)	(15 654 480)
Amount of profits distributed					
Result of operations reduced to a single share					
Result after tax, but before depreciation and provisions	- 0	- 0	- 0	- 0	- 0
Result after tax, depreciation and provisions	- 0	- 0	- 0	- 0	- 0
Dividends paid to each share					
Staff					
Average workforce	6	2	2	2	2
Amount of the payroll	647,208	336,150	383,107	194,387	164 766
Amounts paid in social benefits (social security, works)	245,658	136,563	109,097	90,806	89 845

APPENDIX 3 – SUMMARY TABLE OF THE VALID AUTHORIZATIONS GRANTED BY THE GENERAL MEETING

(Article L. 225-37-4, 3° of the French Commercial Code)

Number	Concerned delegations	Date of the General Meeting granting the authorization	Duration of the authorization	Implementation
1	Authorization granted to the Board of Directors for the purpose of buying, holding or transferring Company's shares that the Company holds or might hold due to repurchases made in accordance with article L. 225-109 of the French Commercial Code, within the limit of 10% of the share capital.	29 June 2017 6 th resolution	18 months	Delegation not used in 2017
2	Authorization granted to the Board of Directors for the purpose of decreasing the share capital by cancelling treasury shares that the Company may holds in accordance with article L. 225-109 of the French Commercial Code, within the limit of 10% of the share capital ascertained at the moment of the cancellation decision.	29 June 2016 7 th resolution	18 months	Delegation not used in 2017

Number	Concerned delegations	Date of the General Meeting granting the authorization	Duration of the authorization	Implementation
3	<p>Authorization granted to the Board of Directors for the purpose of allocating, in one or several times, free shares of the Company, existing or to be issued, to the employees of the group and to the executive officers of the Company or of the group companies, with suppression of the preferential subscription rights to the benefit of the beneficiaries of the free shares, within the limit of 2% of the existing share capital ascertained on the day the Board of Directors is going to decide of the allotment of the free shares.</p>	<p>20 June 2016 16th resolution</p>	<p>38 months</p>	<p>Decision of the Board of directors dated 5 July 2016</p>