



June 2017

AGRO 
Generation

AgroGeneration
General Meeting – 29 June 2017

AgroGeneration SA – 3 de la Pompe Str., 75116 Paris, FRANCE – Tel.: +33 1 56 43 68 60



**120,000
HECTARES
IN 5 REGIONS
OF UKRAINE**

**UP TO 400, 000 TONS OF A
PORTFOLIO OF HIGH VALUE
CROPS PER ANNUM, WITH
YIELDS OUTPERFORMING
UKRAINIAN AVERAGES**

**GRAIN STORAGE
CAPACITIES
OF ≈ 240,000
TONS**

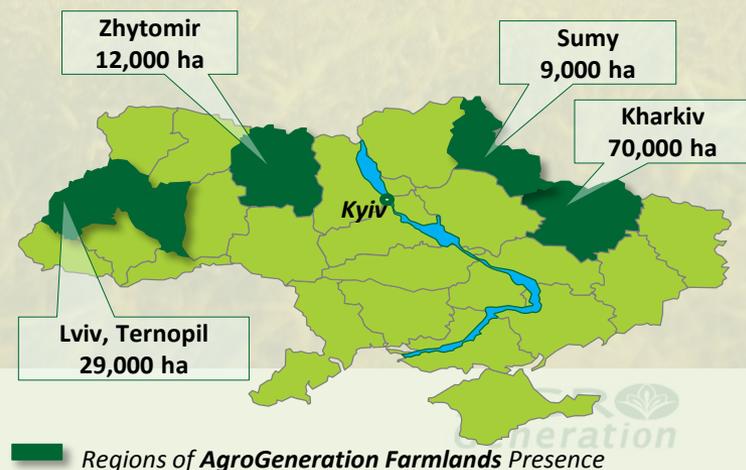
 **Among TOP 5 leading crop producing companies, of which one of the TOP 3 most effective companies**

 **Among TOP 10 largest players on the ag market of Ukraine in terms of controlled land bank**

 **French public company, listed on NYSE Alternext in Paris, with 31% free-float**

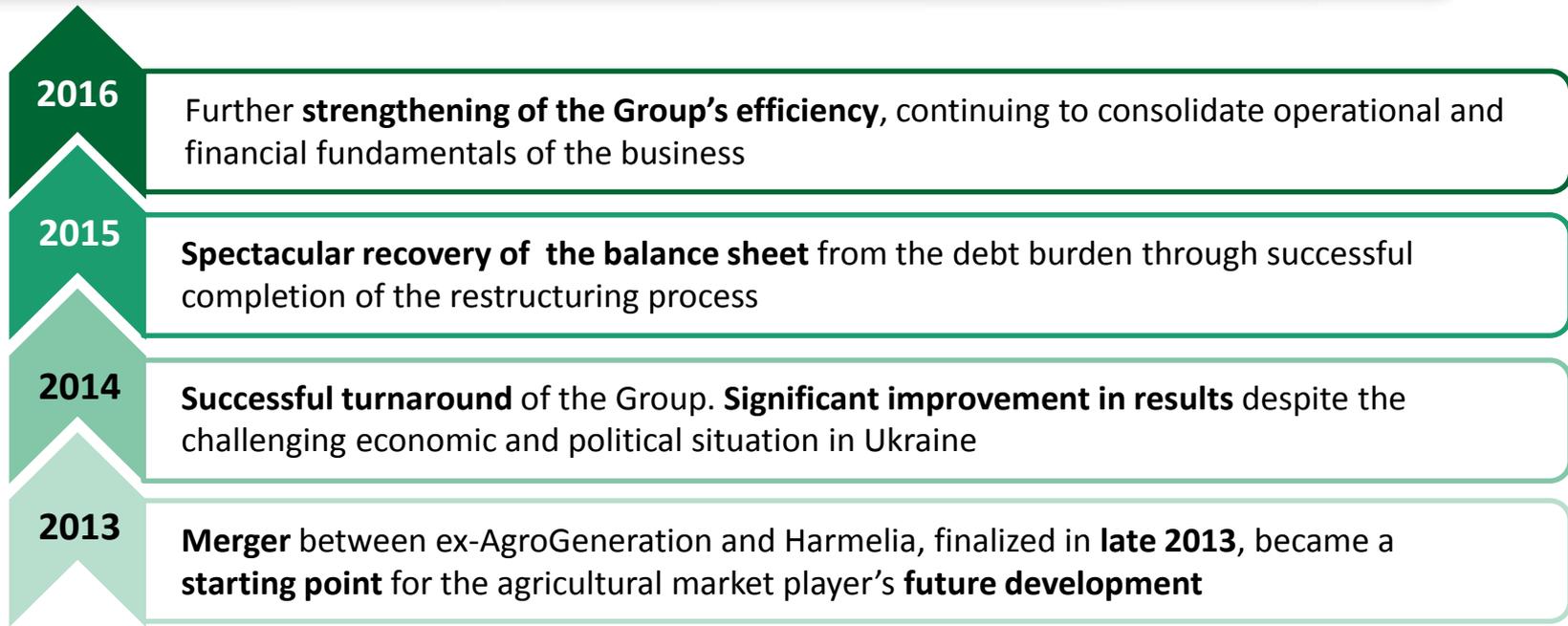
 **Strong management team with a proven track record and best Western corporate governance and managing practices**

AgroGeneration. Map of Land Assets



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Milestones of 10-year Development – Historical Background



Harmelia (c. 70,000 ha)

2010 Founded by SigmaBleyzer Fund IV (SBF IV) under management of SigmaBleyzer, an American private equity fund¹



Ex-AgroGeneration (c. 50,000 ha)

2010 Listed on NYSE Euronext in Paris

2007 Founded by a pool of French investors

(1) *SigmaBleyzer* – one of the largest and most experienced private equity investors in Eastern Europe, founded in 1994; the majority owner of new AgroGeneration after the merger



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2016 Production & Results

2016 Production

Production Performance



Wheat, sunflower, and barley are the main cash producing crops

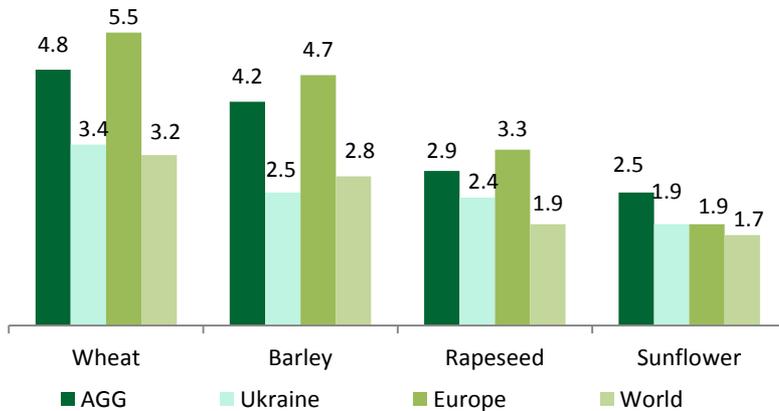


Rapeseed (along with wheat and sunflower) is one of the most profitable crops

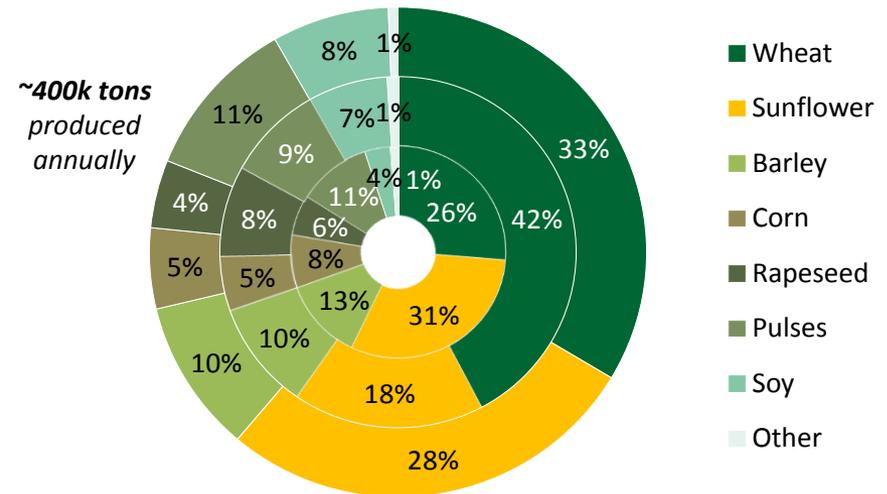


Peas is a profitable fallow-grown crop which balances the rotation

3-Year Avg. Historical Gross Yields Comparison, tons/ha



AgroGeneration. 2014-2016 Crop Mix Dynamics(*)



(*) inner circle reflects crop pattern breakdown in 2014; outer circle reflects crop mix breakdown in 2016



Yield improvements represent one of the **main production growth drivers** and will remain the focal point for agronomic improvements for the future:

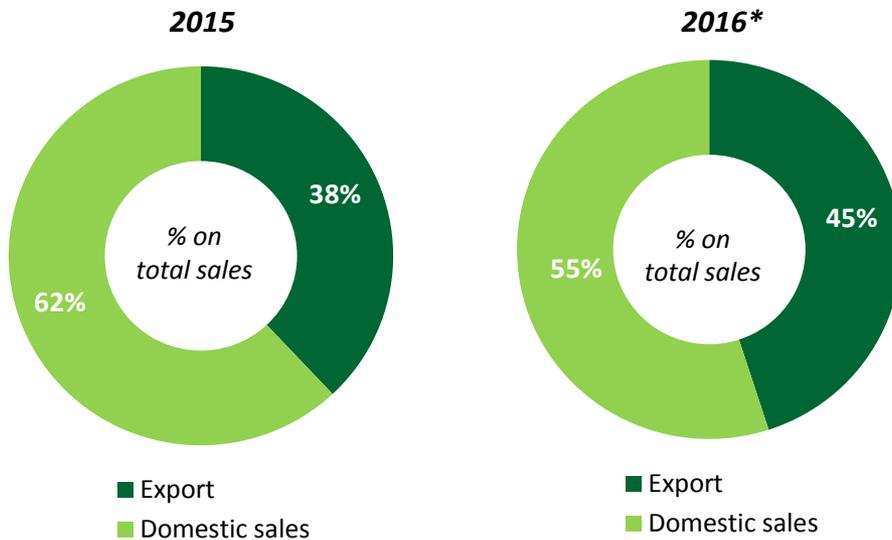
- Introducing Western agronomic techniques will target consistently **higher yields at a lower cost**, adding significant value to acquired farmland
- All AgroGeneration farms show **yield improvements under Group's management** and new agronomic approaches

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A Solid Commercial Strategy

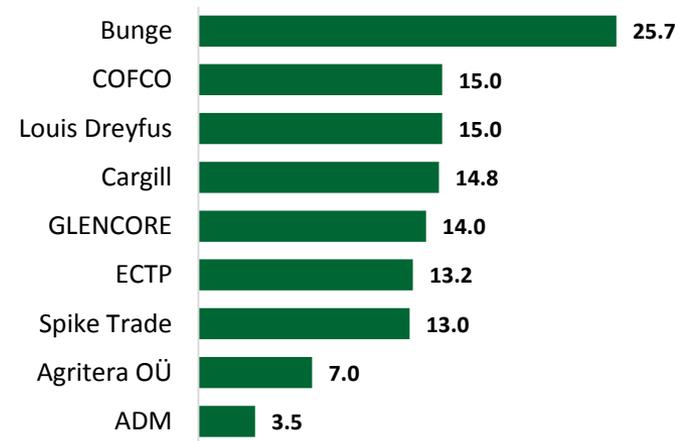
- Direct sales to exporters and processors
- Top-tier purchasers: Bunge, Cargill, COFCO, Louis Dreyfus, Glencore, Kernel, ADM
- Risk hedging through forward contracts (from 20% to 40% in 2016)
- Priority given to **Export sales**

AgroGeneration. Export on production



* Including inventories

AgroGeneration. The List of the Largest Export Purchasers in 2016, k tons



- A large capacity of **storage** including both elevators and horizontal storage capacities that gives **flexibility for more inventories and securing better prices**

2016 Full-Year Results

Profit and Loss Statement - Key Financial Highlights

- On 2016 crop year, AGG posted an **excellent agronomic performance**
- AGG's pro-active crop management strategy, together with strict cost management, enabled the group to post an EBITDA of €19.4 million and to demonstrate for the third consecutive year that it has a **sound business model and can be profitable even during a down cycle**

AgroGeneration. Audited Annual Financial Results, k EUR

	2014	2015	2016
Revenue	64,620	58,861	60,263
Gross Profit/ (loss)	21,673	23,968	23,208
SG&A	(14,647)	(13,417)	(11,834)
Earnings Before Interest and Tax (EBIT)	13,111	11,406	11,777
EBITDA *	20,749	19,941	19,382
<i>EBITDA Margin, %</i>	<i>32%</i>	<i>34%</i>	<i>31%</i>
Net profit	(21,665)	(7,928)	(888)

¹ Pro forma data (ex-Harmelia + ex-AGG: consolidation scopes)

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

2016 Full-Year Results

Strong Decrease in Financial Expenses

 Financial expenses declined significantly to €12.4 million versus €19.6 million in 2015

	2015	2016
Financial interests	7,852	7,405
Realized forex loss	2,491	1,752
Unrealised forex loss	10,859	2,982
Other loss (gain)	(1,646)	362
Net financial costs	19,556	12,503

 Net loss totaled €(0.9) million vs. €(7.9) million in 2015 and €(21.7) million in 2014

2016 Full-Year Results

Balance Sheet - Key Financial Highlights

 **Decrease of Property, Plant and Equipment** mainly driven by depreciation and forex variation

 An inventory of 78 000 tons, much higher than last year reflecting the fact that AgroGeneration has **leveraged its increase storage capacities to take advantage of higher selling prices** in early 2017

 **Decrease of structural debt** from €19.1 million at year-end 2015 to €15.0 million at year-end 2016 representing 23% of equity

 **Cash available amounted to €3.1 million** vs. €3.9 million in 2015

Simplified Balance Sheet as of 31st december 2016

(in € thousands)	2015	2016
Property, Plant and Equipment	43,070	34,176
Inventories	14,251	25,243
Financial assets	16,173	1,933
Cash available	3,931	3,130
Total assets	133,926	122,063
Shareholders' equity	69,462	65,434
Structural Debt *	19,099	15,026
Other financial debt	35,448	29,861
Other liabilities	9,917	11,742
Total equity and liabilities	133,926	122,063

() Principal amount of loan granted by the EBRD plus the amount of capitalized future interest on the OSRANes*



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Outlook

Food Security Challenges

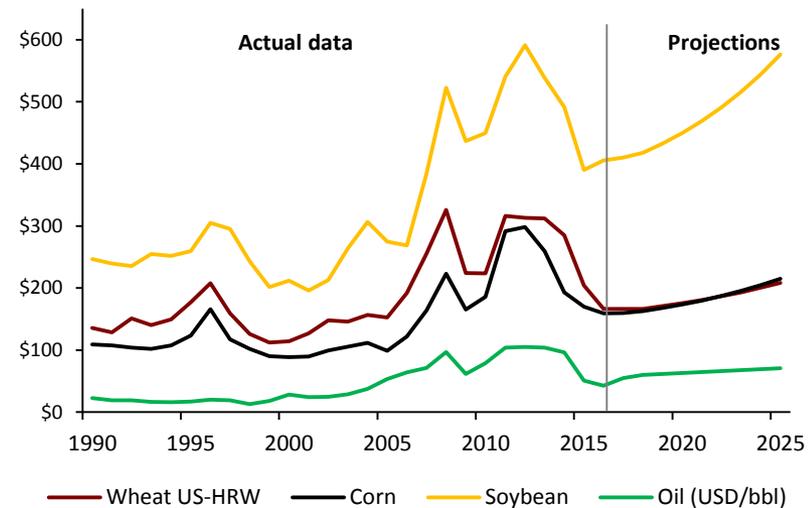
Upward Trend in Prices



Although **food prices bottomed out in late 2016** and have been increasing since then, **the current high level of inventories will suppress food prices** during 2017 and part of 2018

However, **food prices are expected to grow after 2018**

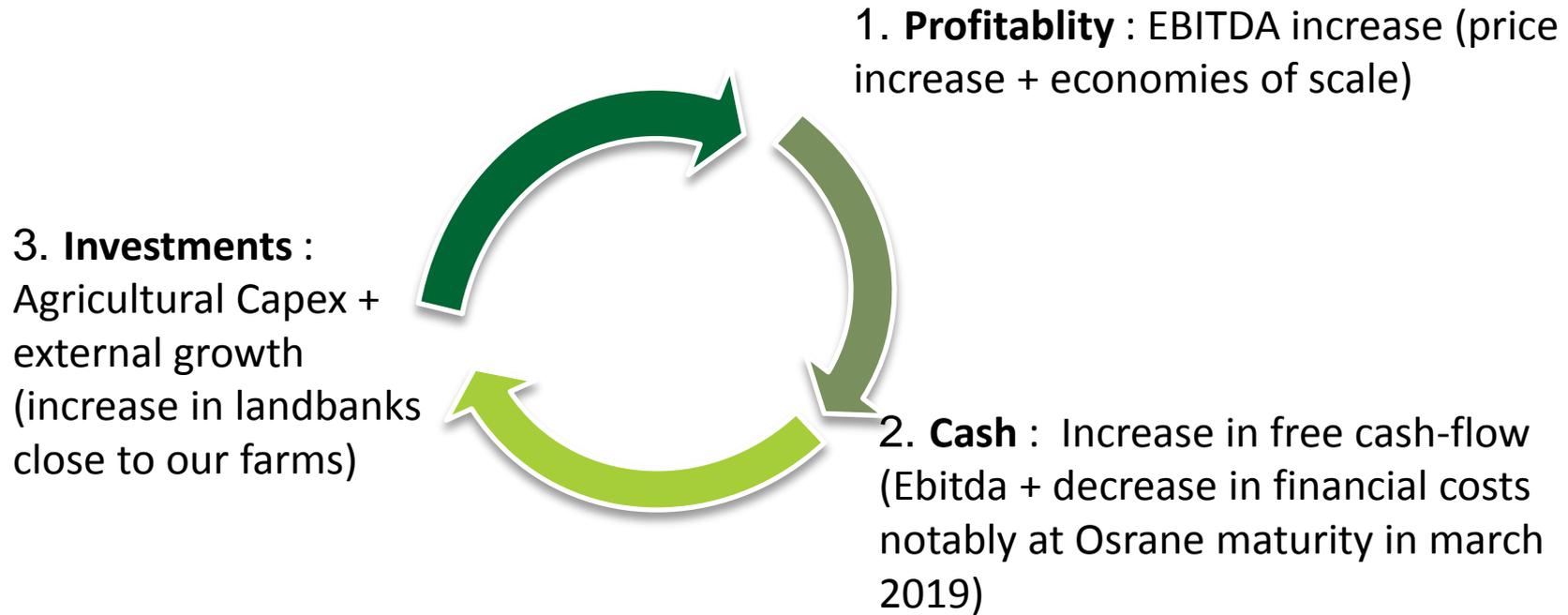
World Agricultural Prices Dynamics, USD/ton



Source: FAO

Mid-term Perspectives

Develop a virtuous circle



Arbitrage : the Group sold on attractive terms one of its farms in the Kharkhiv district representing 3,800 sown hectares (3.4% of the total hectares). The money received will be re-invested in new farmlands on which the company is currently working



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Appendices – Group Background Information

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Infrastructure & Storage Capacities

AgroGeneration. Infrastructure Map



The Company owns **storage facilities of up to 240,000 tons**, including both elevators and horizontal storage capacities

Today AgroGeneration's farms are **quite self-sufficient** in terms of **securing its crop** annually, though storage capacities are strained in the West

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Assets Overview

- 🌿 **Around 120,000 ha** of farmlands are leased by the Group
 - 🌿 **94% of lands** operated by AGG have **completed registration status** (the other 6% are in process)
 - 🌿 The average **duration** of lease agreements is **10.5 years**
 - 🌿 The Company has a **dedicated lease management team** with state-of-the-art GIS (Geographic Information System) continuously taking steps to attract new individual land owners in locations where the company operates
- 🌿 The business is **well equipped with agricultural machinery**
 - 🌿 Key machinery is **chiefly foreign-made**, produced by leading manufacturers (CNH, John Deere)
 - 🌿 **Locally produced equipment** are used to **support operations**

List of Main Agricultural Machinery

Type of Machinery	Brand	Number of Items
Tractors	Case, Fendt, MTZ, KhtZ, MF, others	289
Combines	John Deere, New Holland, Case	80
Sprayers	Case, John Deere, Berthoud, Tecnomat	19
Loaders	Manitou	8
Trucks	MAN, KAMAZ, GAZ, SAZ, ZIL	208
Seeders	Horsch, Kinze, Great Plains, others	118
Headers	John Deere, New Holland, Fantini, Case, others	114

AgroGeneration

Chaired by an Experienced Operations and Management Team



Michael Bleyzer
Chairman of the Board of Directors

Chairman & CEO of SigmaBleyzer, one of the largest and most experienced private equity investor in Eastern Europe
Worked for over 15 years for Exxon and Ernst & Young before creating SigmaBleyzer in 1994



Pierre Danon
Vice-Chairman of the Board of Directors

Chairman of several companies in Europe
Vice-Chairman of TDC (Denmark)
Non-executive Director of Standard Life (Edinburgh, UK)
Former Chairman and CEO for Numericable-Completel



John Shmorhun
CEO, member Board of Directors

Former Director for DuPont Eastern Europe
20 years' experience in the agricultural business in Ukraine and Russia
Served as a navy pilot for 10 years prior to joining DuPont



Sergey Bulavin
Senior Vice President

Chief Operations Officer
Joined SigmaBleyzer in 1994, and held managerial positions since 1995. Has been in charge of agricultural businesses since 2011



Olena Levchenko
CFO

Twice-named one of the TOP 10 Chief Financial Officers in Ukraine. Joined SigmaBleyzer in 1995. Started her work for AgroGeneration in 2014



Kateryna Konashchuk
Vice-President of Commerce

10-year experience in agribusiness and international commodity trade. Before joining SigmaBleyzer in 2011, held managerial positions at grain trading companies in Ukraine



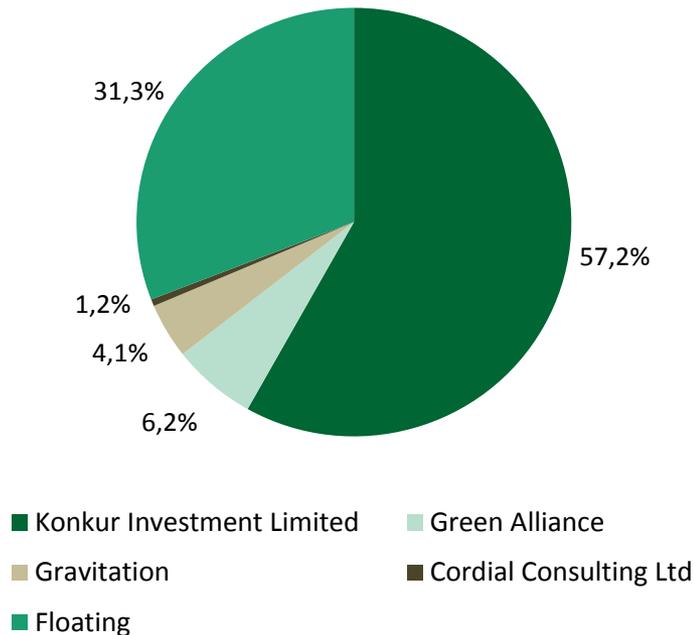
Anatoliy Perepelitsa
Chief Economist

Almost 30 years' experience in agricultural enterprise economics in Ukraine. Joined the agricultural business of SigmaBleyzer in 2011

AgroGeneration

Current Shareholders and Investors

AgroGeneration Shareholding Structure as of December 31, 2016



Konkur:

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

SigmaBleyzer Investment Group, LLC

- A US private equity firm with significant infrastructure, experience and a successful track record of investing in Ukraine and Eastern Europe
- Approx. \$1 billion of investments under management
- Extensive experience in a large number of sectors, including: cable TV, food and beverage, financial services, pharmaceuticals, energy, consumer goods, retail, agriculture, chemicals, metallurgy, shipyards, and commodities
- Strong record of creating value, having invested in over 100 portfolio companies
- Takes an active, hands-on management role with each portfolio company and creates value at the operational level, not through financial engineering or leveraging