



# ASTARTA

2019 operating and financial results

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## Summary P&L

EURk	2018	2019
<b>Revenues, including</b>	<b>372 222</b>	<b>448 006</b>
Agriculture	126 765	205 712
Sugar	119 436	116 893
Soybean	74 290	82 718
Dairy	29 309	34 603
Cost of sales, including	(323 882)	(399 751)
Effect of AP remeasurement	(36 845)	(55 283)
Changes in FV of BA and AP*	46 909	43 208
<b>Gross profit</b>	<b>95 249</b>	<b>91 463</b>
<i>Gross profit margin</i>	26%	20%
<b>EBIT</b>	<b>18 355</b>	<b>14 796</b>
Depreciation & Amortisation	45 669	62 571
<b>EBITDA, including</b>	<b>68 024</b>	<b>77 923</b>
Agriculture	70 147	53 335
Sugar	(288)	2 314
Soybean	5 865	7 385
Dairy	(3 577)	15 610
<i>EBITDA margin</i>	18%	17%
Financial costs	(13 982)	(17 837)
Interest on lease liabilities	(19 832)	(22 635)
Forex gain/(loss)	(1 515)	24 899
<b>Net profit (loss)</b>	<b>(18 261)</b>	<b>1 691</b>
<i>Net profit (loss) margin</i>	(5%)	0.4%

\*FV – Fair Value, BA – Biological Assets, AP – Agricultural Produce

- In 2019 ASTARTA's revenues increased to EUR 448m, up by 20% y-o-y, on strong volume sales growth in the Agricultural segment which generated nearly half of total revenues
- The Sugar segment registered sales of EUR117m (down by 2% y-o-y) on slightly lower volumes of sugar sold compared to 2018, only partially offset by higher prices
- The Soybean processing and Dairy segments generated EUR83m and EUR35m of revenues, correspondingly, demonstrating 11% and 18% growth y-o-y
- Exports contributed EUR253m, or 56% of the Company's revenues of which sales to the EU markets totaled EUR152m
- The Gross profit went down by 4% y-o-y to EUR91m corresponding to Gross profit margin of 20% (vs 26% in 2018) due to cost of sales affected by the local currency appreciation and lower contribution of the remeasurement of agricultural produce on lower yields due to adverse weather
- EBITDA increased from EUR68m to EUR78m on higher contribution from cattle farming and soybean processing compared to 2018

EURk	2018	2019
<b>Gross Profit, ex BA &amp; AP remeasurement</b>	<b>85 185</b>	<b>103 538</b>
<i>Gross Margin, ex BA &amp; AP remeasurement</i>	23%	23%
<b>EBITDA, ex BA &amp; AP remeasurement</b>	<b>57 960</b>	<b>89 998</b>
<i>EBITDA margin, ex BA &amp; AP remeasurement</i>	16%	20%

# 2019 Highlights

## Summary Cash Flows



EURk	2018	2019
Pre-tax income	(15 599)	822
D&A	45 669	62 571
Financial interest expenses, net	13 086	16 940
Interest on lease liability	19 832	22 635
Changes in FV of BA and AP	(46 909)	(43 208)
Forex gain/loss	1 515	(24 899)
Income taxes paid	(2 236)	(1 491)
Working Capital changes	(8 517)	137 977
Other	9 053	1 242
<b>Operating Cash Flows</b>	<b>15 894</b>	<b>172 589</b>
Agricultural capex (incl. silo)	(33 723)	(21 284)
Other capex	(11 957)	(682)
<b>Investing Cash Flows</b>	<b>(45 680)</b>	<b>(21 966)</b>
Debt proceeds	190 070	81 169
Debt repayment	(114 651)	(180 905)
Finance interest paid	(11 143)	(17 101)
Land lease repayment	(33 937)	(36 278)
Other	(2 486)	(776)
<b>Financing Cash Flows</b>	<b>27 853</b>	<b>(153 891)</b>

- ASTARTA focused on maximizing Operating Cash Flows through release of working capital and sale of inventories from EUR16m in 2018 to EUR173m in 2019
- Capex was reduced to maintenance levels apart from finalizing the EUR61m 5-year investment project of completing 550kt silo storage facilities in 2019
- This allowed the Company to repay EUR100m of finance debt on a net basis as part of Financing Cash Flows resulting in EUR83m debt reduction on the Balance Sheet and leading to Net debt/EBITDA improvement from 4.8x to 3.5x at YE19
- As at YE19 the breach of covenants was still in place, but the management believes that the banks will not accelerate repayment of the loans

## Summary Balance Sheet

EURk	YE18	YE19
Right-of-use asset (mainly land)	110 396	142 035
Biological assets (non-current)	17 064	30 011
PP&E and other	276 701	300 193
Inventories, including RMI*	234 939	193 681
Biological assets (current)	16 004	16 109
AR and other	76 290	64 206
Cash and equivalents	13 492	13 033
<b>Total Assets</b>	<b>744 886</b>	<b>759 268</b>
<b>Equity</b>	<b>365 822</b>	<b>438 755</b>
Long-term loans	554	591
Lease liability (mainly land)	79 004	103 391
Other	13 795	10 930
<b>Non-current liabilities</b>	<b>93 353</b>	<b>114 912</b>
ST debt and similar	232 627	148 811
Current lease liability (mainly land)	25 245	36 073
Other	27 839	20 717
<b>Current liabilities</b>	<b>285 711</b>	<b>205 601</b>
<b>Total equity and liabilities</b>	<b>744 886</b>	<b>759 268</b>
EBITDA	68 024	77 923
Lease liability (mainly land)	104 249	139 464
Net financial debt	219 689	136 369
Readily Marketable Inventories - RMI*	182 333	142 500
<b>Net debt (incl. lease liability)</b>	<b>323 938</b>	<b>275 833</b>
<i>ND / EBITDA (x)</i>	4.8	3.5
<b>Adjusted net debt = (ND-RMI)</b>	<b>141 605</b>	<b>133 333</b>
<i>Adj ND / EBITDA (x)</i>	2.1	1.7

\*RMI = Finished Goods



## Production of key crops\*

kt	2017	2018	2019
Corn	339	622	581
Wheat	237	242	256
Sunseeds	73	117	90
Soybeans	63	69	81
Sugar beets	2 311	1 814	1 657

## Yields of key crops\*

t/ha	2017	2018	2019
Corn	6.4	9.8	8.7
Wheat	5.0	4.7	5.1
Sunseeds	2.3	2.9	2.9
Soybeans	2.2	2.9	2.5
Sugar beets	50	46	47

## Sales volumes of key crops

kt	2017	2018	2019
Corn	394	358	714
Wheat	383	270	266
Sunseeds	55	78	103

## Realized prices

EUR/t	2017	2018	2019
Corn	142	148	154
Wheat	141	163	151
Sunseeds	315	289	294

\* Gross basis

## Financial results

EURk	2017	2018	2019
Revenues	140 918	126 765	205 712
Cost of revenues	(125 324)	(111 772)	(188 847)
<i>incl lease costs (mainly land)</i>	(31 844)	n/a	n/a
<i>incl land lease depreciation</i>	n/a	(15 199)	(19 929)
Changes in FV of BA and AP	35 507	55 898	34 259
<b>Gross profit</b>	<b>51 101</b>	<b>70 891</b>	<b>51 124</b>
<i>Gross profit margin</i>	36%	56%	25%
G&A expenses	(12 492)	(11 740)	(13 965)
S&D expenses	(17 928)	(20 755)	(27 626)
Other operating income/expense	(1 569)	(3 740)	(1 016)
EBIT	19 112	34 656	8 517
<b>EBITDA</b>	<b>39 080</b>	<b>70 147</b>	<b>53 335</b>
<i>EBITDA margin</i>	28%	55%	26%
Interest on lease liability	n/a	(18 110)	(21 682)
CAPEX	(38 604)	(33 723)	(21 284)
CF land lease liability payment	(31 844)	(32 052)	(33 828)

- Revenues increased by 62% y-o-y to EUR 206m as ASTARTA accelerated sales of corn by 99% y-o-y to 714kt on strong 2018 and 2019 harvests. Exports accounted for 80% of the Agricultural segment revenues in 2019 vs 72% in 2018
- Gross profit margin halved from 56% to 25% on lower gain in fair value of biological assets and agricultural produce and higher costs due to local currency appreciation (including land leases). This translated into a similar trend at the EBITDA level
- The Company focused on reducing overhead costs amid worsening market environment: G&A expenses reduced to 7% of revenues in 2019 versus 9% in 2018, S&D – from 16% to 13% on change of delivery terms



## ASTARTA grain and oilseed crop yields vs average Ukrainian, t/ha

t/ha	2016		2017		2018		2019	
	ASTARTA	Ukraine	ASTARTA	Ukraine	ASTARTA	Ukraine	ASTARTA	Ukraine
Corn	8.7	6.6	6.4	5.4	9.8	7.8	8.7	7.1
Wheat	5.8	4.2	5.0	4.1	4.7	3.7	5.1	4.2
Sunseeds	2.6	2.2	2.3	2.0	2.9	2.3	2.9	2.5
Soybeans	2.2	2.3	2.2	2.0	2.9	2.6	2.5	2.4
Sugar beets	56	48	50	46	46	49	47	45

Source: Company data, Ukragroconsult, Ukrstat

### Achievements

- Among Top 5 agricultural land banks in Ukraine with over 230kha
- Harvest of grain and oilseed crops in excess of 1.0mt in 2018 and 2019
- The largest sugar beet grower with 1.7mt harvest in 2019
- Crops yields typically higher than the average Ukrainian ones
- In-house storage & handling facilities with capacity 550kt satisfying all internal needs for keeping the harvest as well as leaving ample room for third party services
- 200 grain hoppers to enhance logistics
- Technological improvements in fertilizer and plant protection application



### Outlook

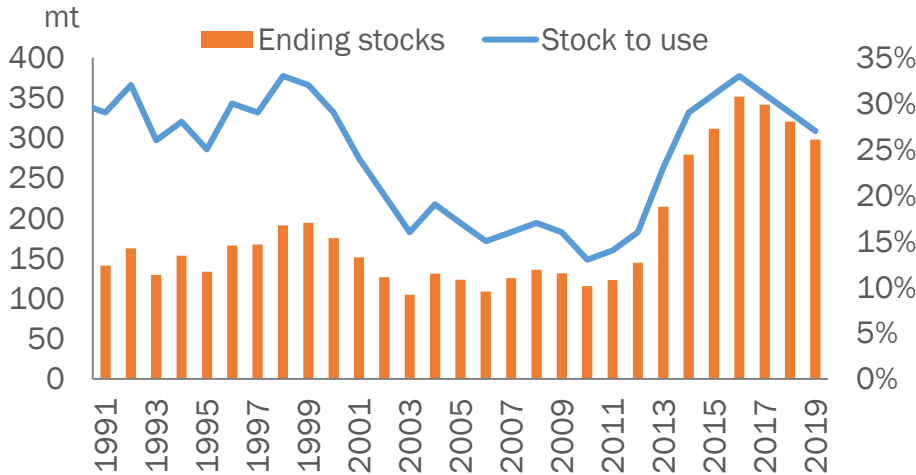
- Continued optimisation of land resources by rolling over or terminating lease contracts depending on quality of assets
- Further improvements in the crops growing technologies
- Launched an organic crop growing project
- Wide ranging cost cutting measures
- Enhancing management control through an integrated IT solution – AgriChain
- Actively developing partnerships with independent farmers



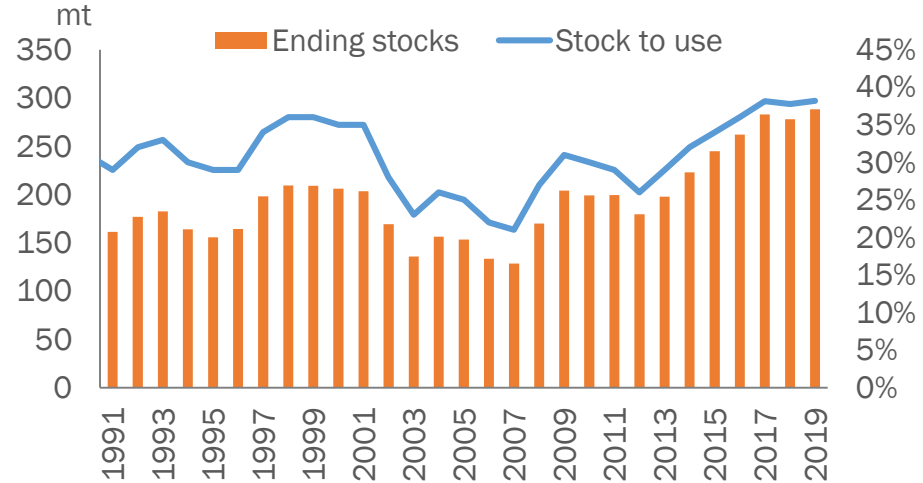
# Global agricultural market fundamentals



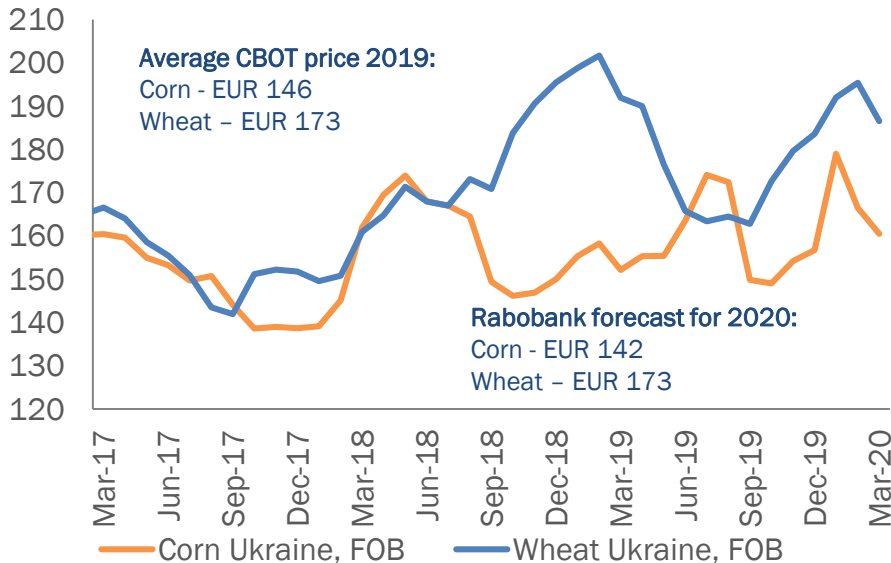
## Corn global ending stocks vs stock to use



## Wheat global ending stocks vs stock to use



## Crop prices, EUR/t



Source: APK-inform, Bloomberg, USDA, Rabobank

- Global corn prices experienced high volatility during 2019 on US supply tightness, record harvests and strong exports by the largest players - Brazil, Argentina and Ukraine (accounting for 2/3 of global exports) as well as slowing global demand growth
- According to USDA 2019/20 global corn demand is to decline by 1% y-o-y to 1.1bt - the first time in seven years, and global ending stocks to reduce to 298mt (down by 7% y-o-y), bringing stock-to-use ratio to the level of 26%, thus unlikely to support price growth
- Global wheat production increased by 5% y-o-y to 764mt in 2019/20 on strong demand. According to USDA global stocks are forecast to reach 288mt (up 4% y-o-y) with stock-to-use ratio at 38% implying potential pressure on prices. However, with many countries replenishing their strategic grain reserves the current momentum can provide a boost to the wheat market



## Production

	Unit	2017	2018	2019
Sugar production	kt	463	352	302
Sugar beet processed	kt	3 077	2 472	1 950
Own sugar beet	%	79%	60%	80%

## Sales volumes

kt	2017	2018	2019
Sugar	444	325	301
Sugar-by products	130	133	145

## Realized prices

EUR/t	2017	2018	2019
Sugar	425	328	345

## Financial results

EURm	2017	2018	2019
Revenues	200 565	119 436	116 893
Cost of revenues	(130 972)	(103 779)	(107 637)
<b>Gross profit</b>	<b>69 593</b>	<b>15 657</b>	<b>9 256</b>
<i>Gross profit margin</i>	35%	13%	8%
G&A expenses	(6 669)	(7 533)	(6 349)
S&D expenses	(12 739)	(15 225)	(11 707)
Other operating income/expense	(1 538)	(2 157)	(594)
EBIT	48 647	(9 258)	(9 394)
<b>EBITDA</b>	<b>63 417</b>	<b>(288)</b>	<b>2 314</b>
<i>EBITDA margin</i>	32%	(0.2%)	2%
CAPEX	(12 686)	(10 199)	(1 184)

- Revenues amounted to EUR 117m (down by 2% y-o-y) on decline in sugar sales volumes by 7% to 301kt in 2019 amid negative development of local and global sugar prices for the two consecutive years
- In 2019 ASTARTA exported 20kt of sugar (compared to 131kt in 2018) as global prices remained subdued
- Gross margin compressed from 13% in 2018 to 8% in 2019 on growth of cost of sales outstripping moderate sugar price increases
- EBITDA amounted to EUR2m in 2019 versus negative EURO.3m in 2018 as the Company focused on reducing SG&A costs from 19% of revenues in 2018 to 15% in 2019
- In response to continued unfavourable market environment investments were reduced to maintenance capex in 2019

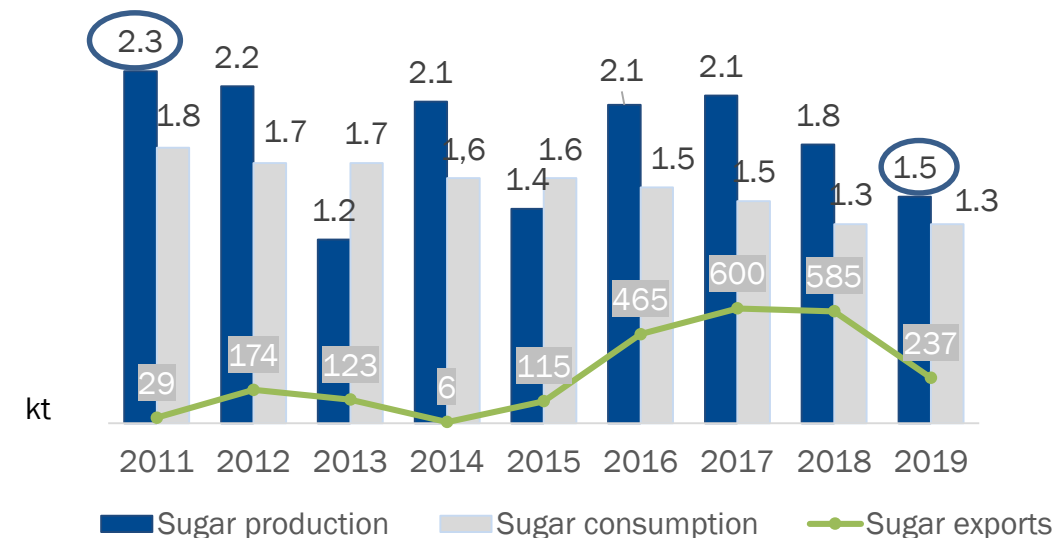


# Sugar

## Sugar production, consumption and exports - Ukraine



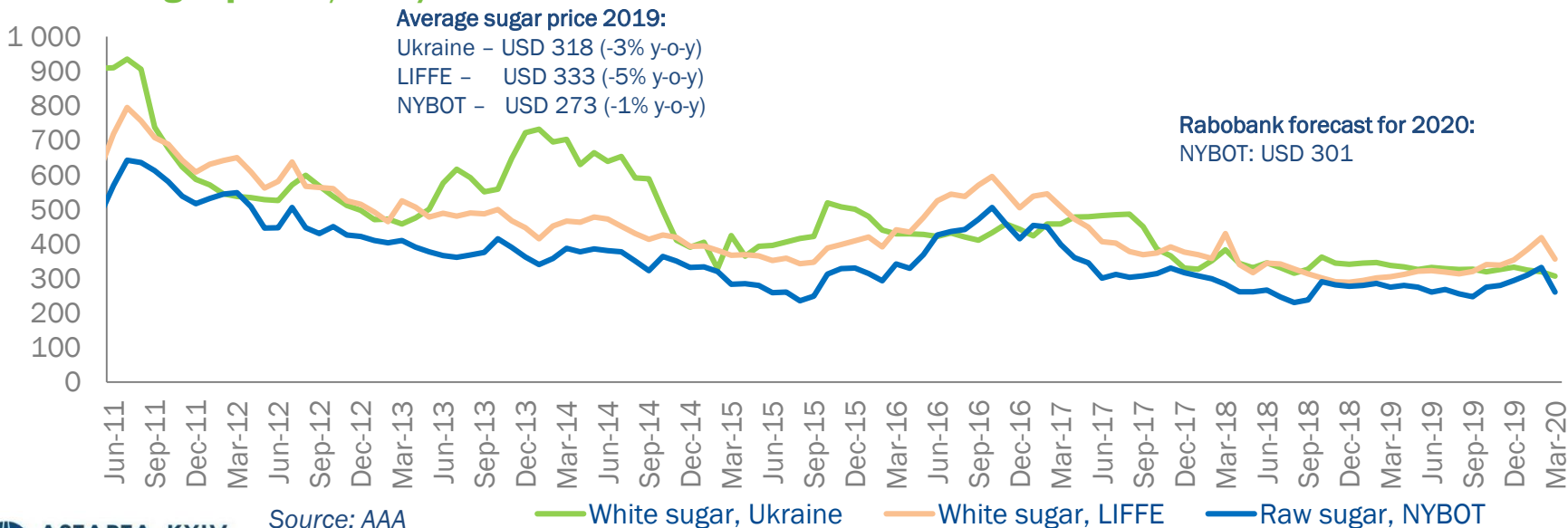
mt



- The domestic market has been slowly adjusting to lower consumption volume by reducing sugar beet planting area and sugar beet processing capacities
- Local sugar consumption dropped by 1/3 to 1.3-1.4mt since 2011, and by 2019 the local sugar output went down to 1.5mt
- Ukraine's sugar exports plummeted on unfavorable global market environment to 0.2mt during 2019 (60% less y-o-y)
- Despite a short-lived uptick, global prices remain at their historical lows for several years, putting additional pressure on the Ukrainian market

Source: Ukrstat, Ukrsugar

## Global sugar prices, USD/t



Source: AAA



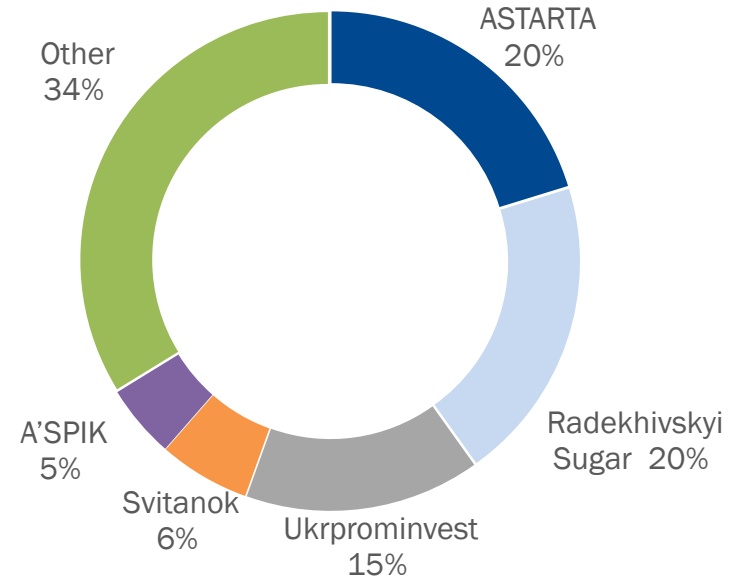
## Key achievements

- Preserved leadership position locally with a market share of over 20% in 2019
- Sustained high quality of sugar despite adverse weather conditions and suboptimal sugar beet harvest
- In 2019 high quality sugar production at 96% of total, compared to 87% in 2018. Extra white sugar output – 76kt (up by 37% y-o-y)
- Certified production (OHSAS, ISO, FSSC), to preserve key relationships with reputable clients such as Coca-Cola, Nestle, Pepsi, Danone (c. 1/5 of total by volume)
- Amid market downturn the Company put one sugar plant out of operations in 2018 and another in 2019 (7% and 17% of total capacities, correspondingly).

## Outlook

- In 2020, another small sugar mill (5% of total capacities) is scheduled for idling to increase operating efficiency
- Sugar beet planting area reduced by 13% to 36kha in 2019 from 40k ha in 2018 with sugar production at 301kt or down by 14% y-o-y
- Until sugar price demonstrates a steady recovery, the Company is not planning to increase sugar beet planting area from last year levels

## Key Ukrainian sugar producers



Source: Ukrsugar



# Soybean processing



## Production

kt	2017	2018	2019
Soybeans processed	218	215	231
Soybean meal output	153	158	159
Soybean oil output	40	41	44

## Sales volumes

kt	2017	2018	2 019
Soybean meal	144	141	167
Soybean oil	36	42	46

## Realized prices

EUR/t	2017	2018	2019
Soybean meal	323	341	323
Soybean oil	689	598	598

## Key achievements & Outlook

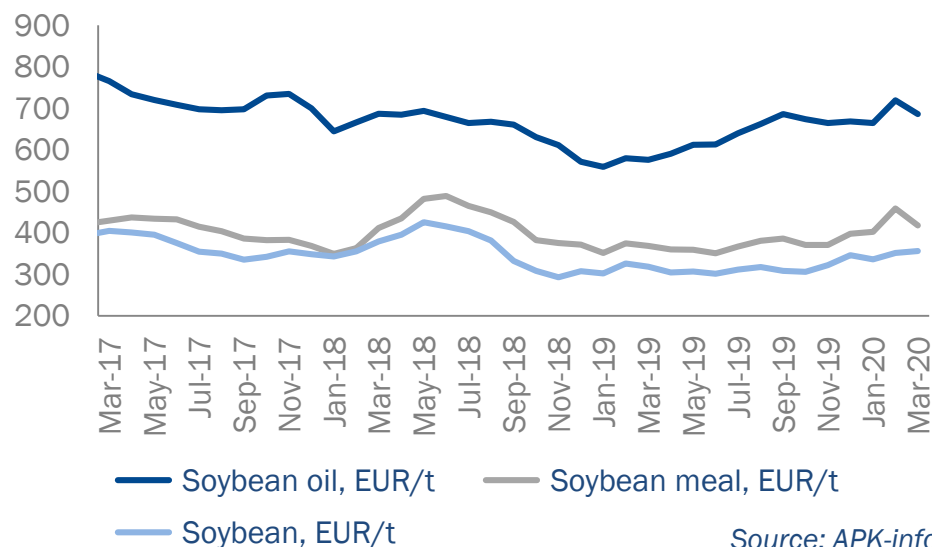
- No2 Ukrainian soybean crusher with 14% share after MHP (16%), followed by Viktor & K (13%)\*
- Processing volumes of 231kt of soybeans crushed, up by 7% y-o-y, in 2019
- Revenues reached EUR83m, up by 11% y-o-y on stronger product sales volumes. Exports contributed 89% of revenues
- Gross margin improved from 13% in 2018 to 16% in 2019 leading to EBITDA growth from EUR5.9m to EUR7.4m
- One of potential areas for expansion

\*Source: AgroChart

## Financial results

EURk	2017	2018	2019
Revenues	72 713	74 290	82 718
Cost of revenues	(64 261)	(64 650)	(69 536)
<b>Gross profit</b>	<b>8 452</b>	<b>9 640</b>	<b>13 182</b>
<i>Gross profit margin</i>	12%	13%	16%
G&A expenses	(636)	(746)	(564)
S&D expenses	(2 427)	(3 534)	(6 185)
Other operating income/expense	(630)	(636)	(577)
EBIT	4 759	4 724	5 856
<b>EBITDA</b>	<b>6 056</b>	<b>5 865</b>	<b>7 385</b>
<i>EBITDA margin</i>	8%	8%	9%
CAPEX	(250)	(1 225)	(496)

## Ukrainian prices for soybean products and soybean, EUR/t



Source: APK-inform



## Milk production, herd and productivity

	2017	2018	2019
Milk production, kt	110	106	96
Herd, k heads	27	27	24
Milk yield, kg/day	20	19	20

## Milk sales and prices

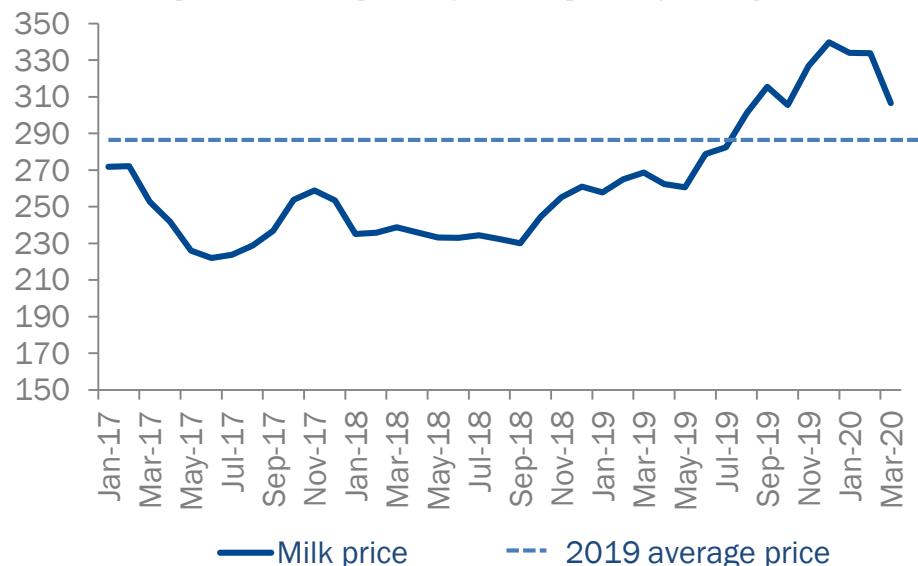
	2017	2018	2019
Milk sales, kt	105	103	94
Milk price, EUR/t	263	258	326

- Astarta is of Ukraine's largest industrial milk producers supplying high quality product to milk processors
- Productivity increased to 20kg per day per cow in 2019 thanks to technological changes in animal feeding and improved animal housing conditions
- Milk quality improved with fat and protein content increasing from 3.7% to 3.9% and 3.2% to 3.4%, correspondingly, and share of extra class milk in total output grew from 12% to 60%
- Higher revenues of EUR35m in 2019 versus EUR29m in 2018 supported by higher product prices offsetting 10% milk output reduction in 2019. Tight cost control with SG&A costs down from 9% to 6% of revenues also contributed to EBITDA turnaround from negative EUR3.6m to EUR15.6m in 2019
- Continued modernization of cattle farming facilities, improvement of cattle genetics and milk yields. Optimization of farms by closing inefficient facilities

## Financial results

EURk	2017	2018	2019
Revenues	31 795	29 309	34 603
Cost of revenues	(23 355)	(24 852)	(27 692)
BA revaluation	9 869	(8 989)	8 949
<b>Gross profit</b>	<b>18 309</b>	<b>(4 532)</b>	<b>15 860</b>
<i>Gross profit margin</i>	58%	(15%)	46%
G&A expenses	(2 595)	(2 154)	(1 511)
S&D expenses	(487)	(432)	(655)
Other operating income/expense	(91)	310	304
EBIT	15 136	(6 808)	13 998
<b>EBITDA</b>	<b>17 150</b>	<b>(3 577)</b>	<b>15 610</b>
<i>EBITDA margin</i>	54%	(12%)	45%
CAPEX	(2 747)	(1 778)	(354)

## Ukrainian premium quality milk price, EUR/t



Source: Infoagro



## Financial goals

- Active working capital management and capex at maintenance levels while sugar product margins remain historically low
- Reduce leverage to a sound level
- Wide ranging cost cutting measures to reduce fixed and variable costs across the board



## Operational goals

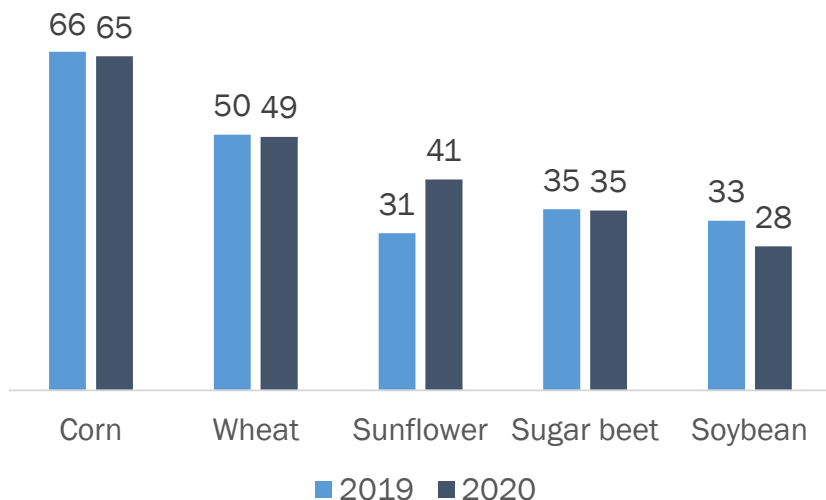
- Retain No 5 agricultural land bank position in Ukraine while increasing grain and oilseed crop yields
- Expand organic crop growing project
- Development of partnerships with independent farmers
- Further development of infrastructure capabilities from self-sufficiency to large-scale services to third parties
- Preserve leadership with 20%-25% share in the local sugar market while retaining long-term relationships with key industrial consumers
- Promptly optimise capacities, output and costs in response to market volatility
- Selective expansion in soybean processing
- Optimisation of dairy milk farms to realise higher margins and synergies with the agricultural segment
- Careful expansion of the product mix towards higher value added processing and direct customer access



	Sales volume (kt)	Sales volume (kt)	%	Average realized price (EUR/t)	Average realized price (EUR/t)	%
	1Q19	1Q20	%	1Q19	1Q20	%
Sugar	54	78	44%	316	352	11%
Wheat	11	3	(68%)	189	166	(12%)
Corn	283*	236	(17%)	153	162	5%
Sunflower	12	0.1	(99%)	273	284	4%
Soybean oil	14	11	(22%)	555	633	14%
Soybean meal	47	47	0%	331	321	(3%)
Milk	26	24	(9%)	303	370	22%

\* Number of contracts were classified as contracts with reverse commodity purchase/sale and thus zero economic effect, sales under such contracts are excluded.

## Key crop planting area - 2019 vs 2020, kha



- Majority of the grain and oilseeds' 2019 harvest sold by the end 1Q20
- Ahead of the 2020 planting season the Company was focused on agricultural machinery upgrade within its maintenance capex
- Obsolete 47 tractors were replaced with 31 new John Deere units allowing for precision planting (within 3cm) and freeing up to 30 employees. In addition, other agricultural equipment such as sowers and sprayers were purchased
- New equipment allows for significant savings on time, human resources, fuel, maintenance and personnel costs. As a result, sugar beet planting was completed within 12 days instead of 20 previously sunflower – 14 days instead of 22-25
- ASTARTA received the first USD10m tranche within an earlier approved USD20m loan financing from DEG



## Industry trends

- Strict quarantine measures introduced on a country-wide basis exclude the agricultural industry as a key sector to continue running on full capacity during the COVID pandemic
- The domestic demand is holding up for sugar and milk, but pricing might be affected by recent devaluation of the local currency
- There is a potential risk of slowdown in international demand leading to volatility for soft commodity prices, especially those that are interlinked with crude oil prices via bioethanol. Since beginning of 2020, USD prices for Ukrainian corn declined by 10% and wheat by 3%
- Cargo transportation and transshipment has not been disrupted with quarantine measures covering human traffic (domestic and international) however the agricultural industry relies significantly on the services of the state-run rail network operator “Ukrzalsnytsya”
- Current version of the farmland law limiting ownership to 100ha and to private individuals only until 2024, is not expected to change “modus operandi” of large-scale industrial farming which relies on land leases

## Enhanced business risk monitoring

- ASTARTA updated the business Risk Matrix and set up a regular Risk Committee to formally consider risks as they arise and the way to address them from February 2020
- Daily Management Committee meetings to conduct daily assessment of the operations, preventive measures, risk-minimisation actions and to coordinate the execution of action plans from March 2020
- Daily monitoring and management of the financial liquidity position

## Community relationship

- Constant communication with authorities to assess disease severity (i.e., number of people who are sick, hospitalization and death rates) in the community where the business is located
- Purchasing and donating emergency medical supplies such as protective clothing, COVID diagnostic tests and specialised equipment to local hospitals (UAH23m or EURO.8m was spent on purchases for 36 hospitals)
- Financial assistance to employee families and affected communities in the areas of the company’s operations



## Personnel

- Intensive communication and education campaign on COVID to promote prevention among employees
- Mandating working from home for office-based employees and providing them with all necessary remote working tools and equipment
- Active promotion of personal hygiene and distribution of cleaning and sanitizing for sanitation all employees, equipment and common areas
- Escalation of hygiene practices in workplaces where remote work is not possible such as agricultural field operations, cattle farming, soybean and sugar beet processing and storage facilities
- Suspension of all training programs, corporate events, internal and external meetings except with the assistance of remote IT-based technologies via telephone, applications or videoconferencing
- Limiting travel between the Company's subsidiaries and visits by customers, suppliers and contractors to an absolute minimum required
- Extensive reporting and monitoring of absenteeism at the workplace due to illness or self-isolation (current share of sick leave absences correspond to normal seasonal 2%)
- Flexible human resourcing in response to potential personnel constraints: many Ukrainian labourers returning to their home country from Europe and can be recruited if necessary
- Scaling up cross training to allow filling skills which are close technologically and to perform essential tasks even if key staff members are absent

## Operations

- ASTARTA's assets are located across eight Ukrainian regions providing diversification against the risk of production stops for all agricultural activities, sugar and milk production
- The Company has tendered and contracted inputs (including seeds, plant protection substances and fuel) for spring field operations before the outbreak of the virus. All inputs and newly purchased machinery, including for start of the planting has been delivered by the vendors per agreed contractual terms
- All preparation and planning for the new planting season were done through an online IT management system Agrichain and the field works commenced on the 27 March 2020 as per agreed schedules. Recent investments in the agricultural segment are generally aimed at higher automation and replacing the old machinery with the one which requires fewer human resources
- Sugar plants are preparing for the launch of production in the autumn and currently carrying out maintenance and repair works
- Grain storage facilities, the soybean processing plant and dairy farms operate under normal regime save for additional sanitary and preventive measures for personnel
- The Company is self-sufficient in storage capacities which enables it to store produce (grains and sugar) for considerable amount of time, if needed
- In-house automotive and rail car fleet allows for uninterrupted supplies to ports for exports





## Supplier and Customer relationships

- ASTARTA has contracted volumes and prices for the entire 2019 harvest of grains and oilseeds and continues to deliver outstanding volumes on the CPT basis according to the committed schedules
- External and internal trade logistics is intact to-date
- The Company regularly reviews its supply chains and locations for wider diversification of deliveries in the future

## Finances

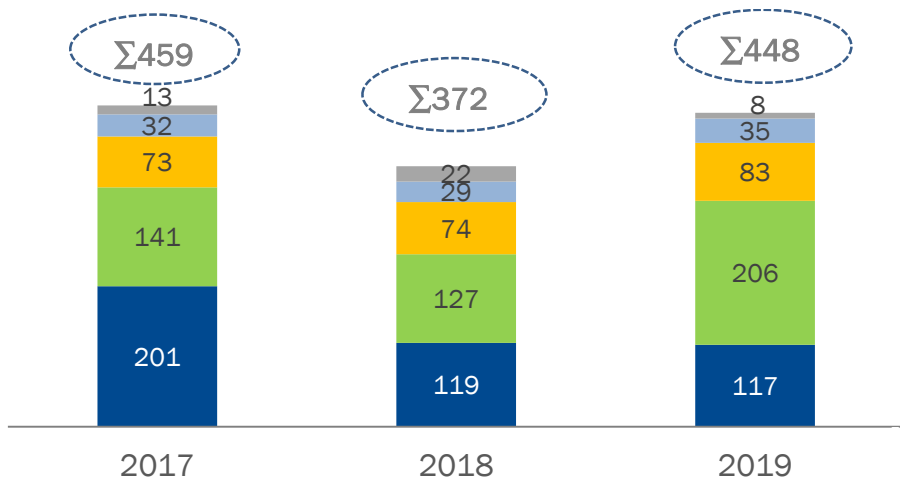
- ASTARTA accumulated significant financial resources up until the end of the planting season (i.e. until June 2020)
- The Company keeps close contact with its lending banks, with majority of them having financed its business for many years
- Enhanced financial monitoring of suppliers and off-takers and a more frequent review of counterparty limits
- Investments are limited to maintenance capex only since 2019
- The EBRD, one of ASTARTA's long standing financing partners, approved a COVID-related support facility to help its clients through the current crisis. ASTARTA is eligible to participate in the program, should additional liquidity be needed

# Summary Financials

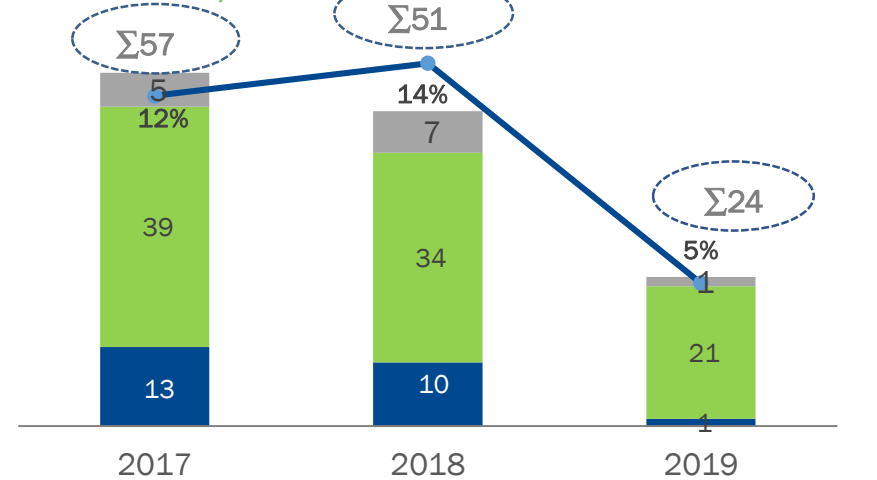
# Last three years highlights



## Revenues, EURm

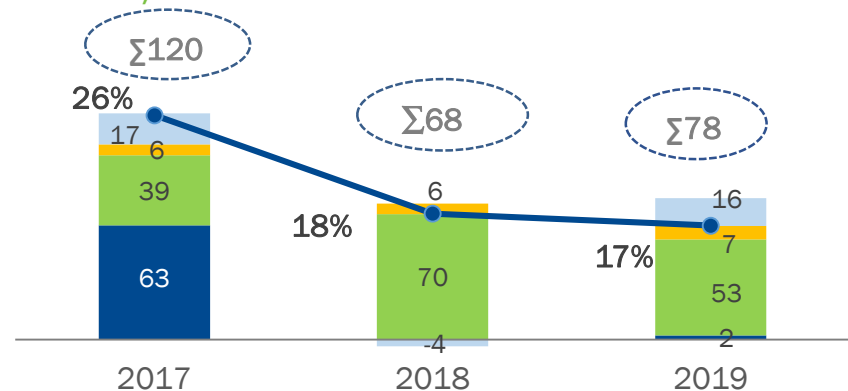


## Investments, EURm

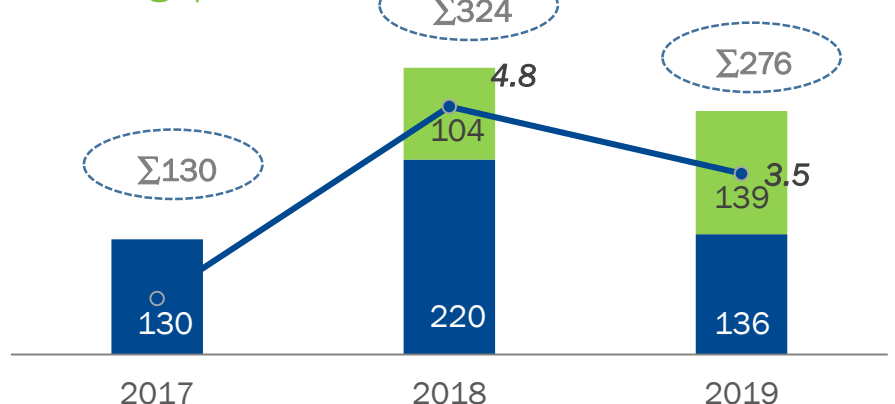


■ Sugar ■ Agriculture ■ Soybean processing ■ Dairy ■ Other ■ Sugar ■ Agriculture ■ Other ● CAPEX as % of revenues

## EBITDA, EURm



## Leverage, EURm

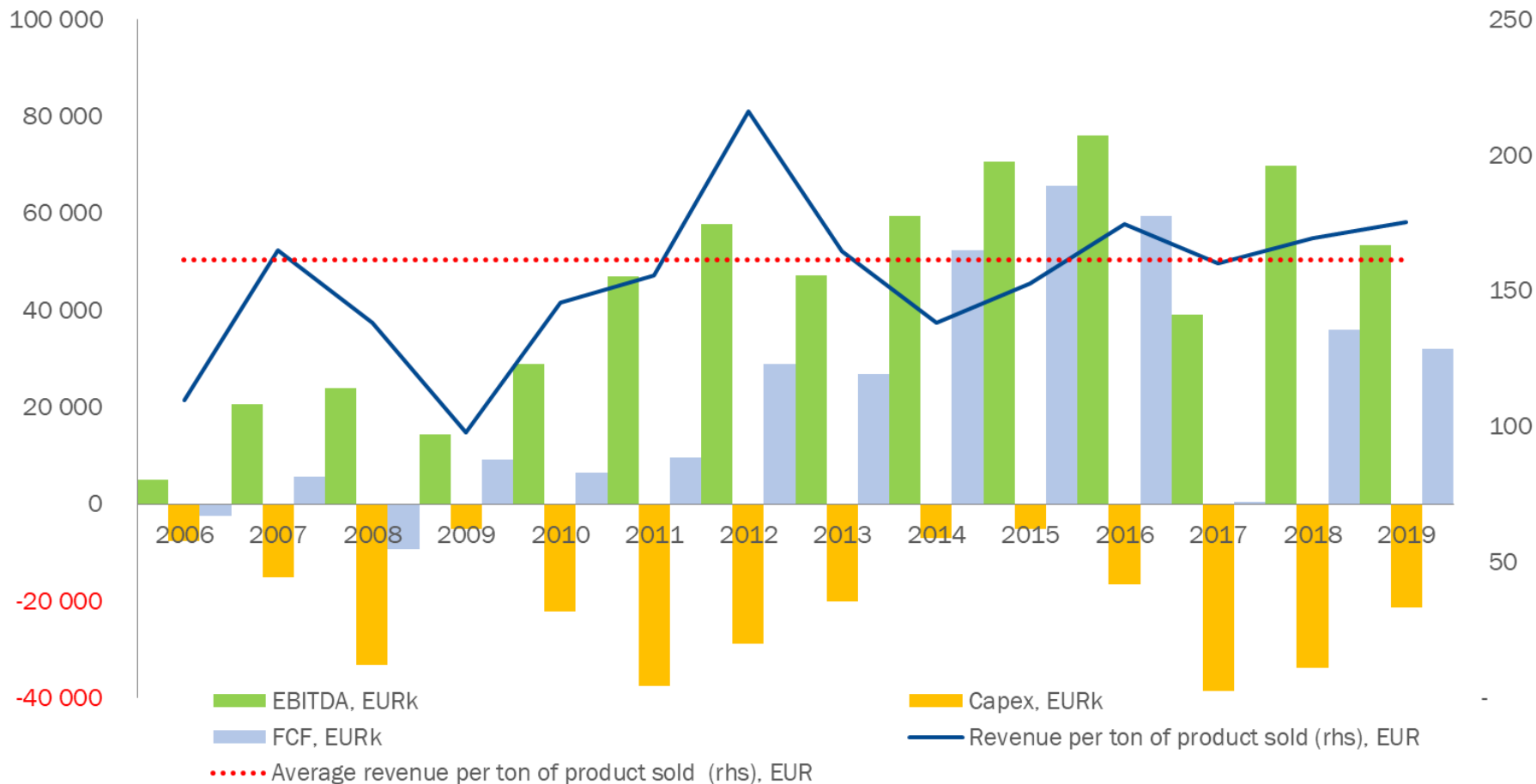


■ Sugar ■ Agriculture ■ Soybean processing ■ Dairy ● EBITDA margin, %

■ Net financial debt ■ Lease liabilities ● Net debt/EBITDA



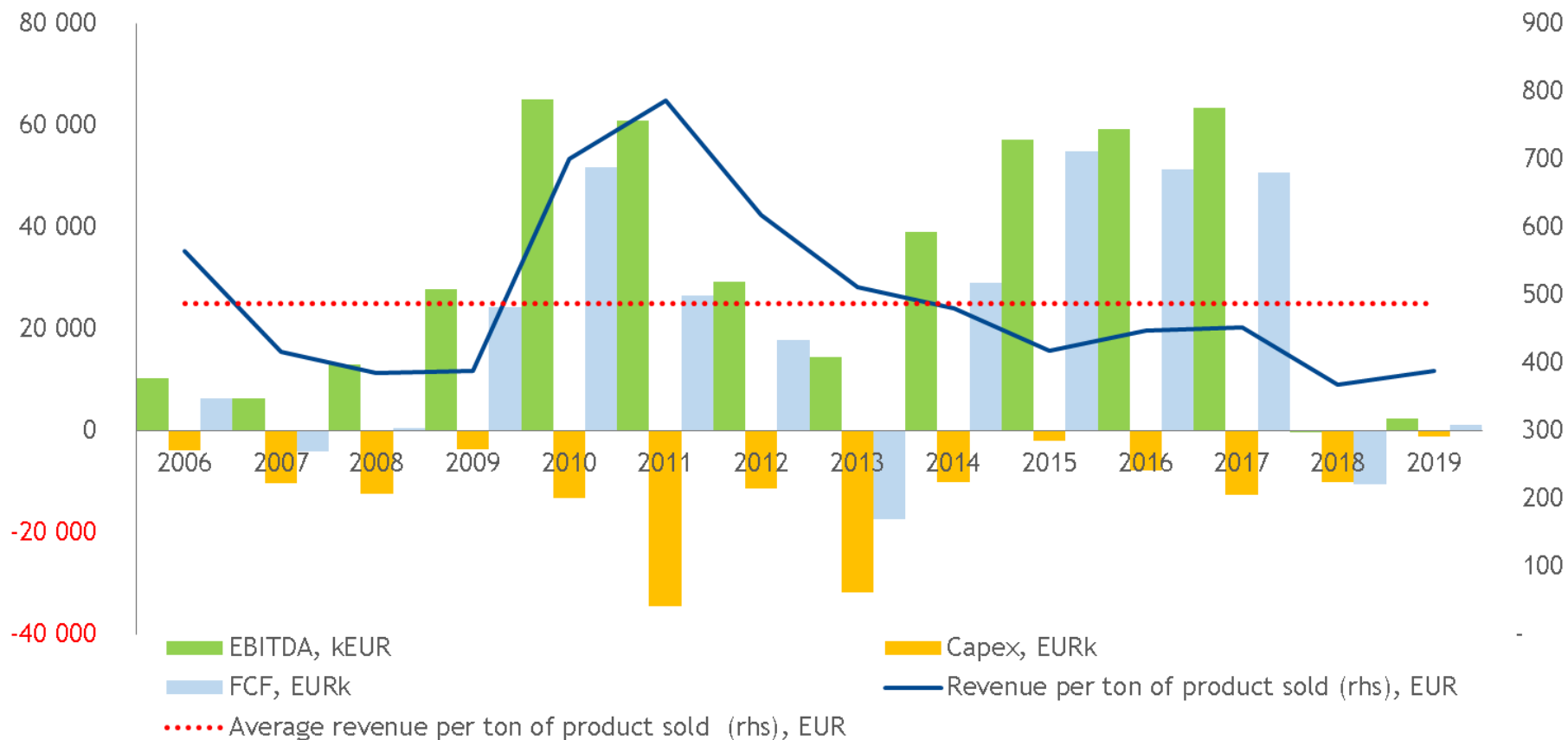
## FCF of the agricultural segment for 2006 – 2019



2006-2019		Units
Average revenue per ton of product sold	EUR/t	162
EBITDA	EURm	614
Capex	EURm	(292)
FCF	EURm	322



## FCF of the sugar segment for 2006 - 2019

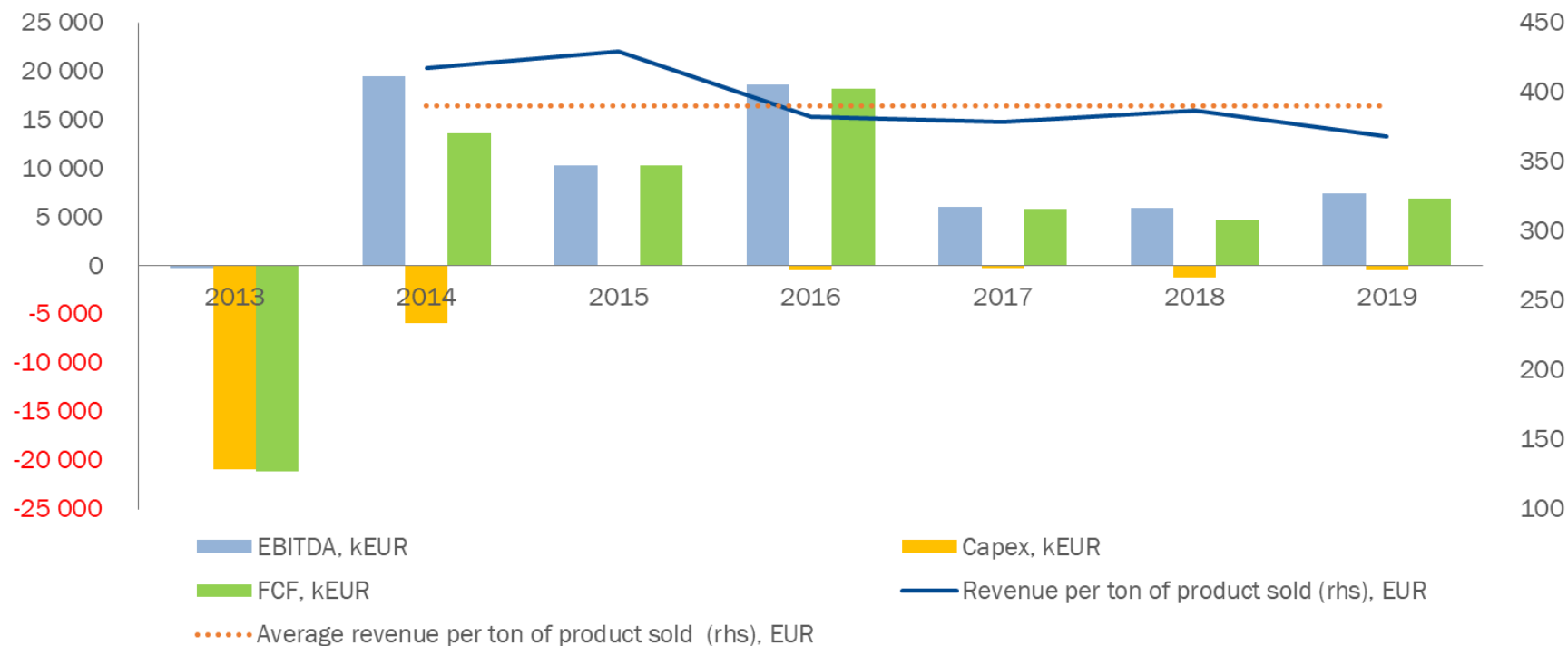


2006-2019		Units
Average revenue per ton of product sold	EUR/t	487
EBITDA	EURm	447
Capex	EURm	(165)
FCF	EURm	282

# Soybean processing



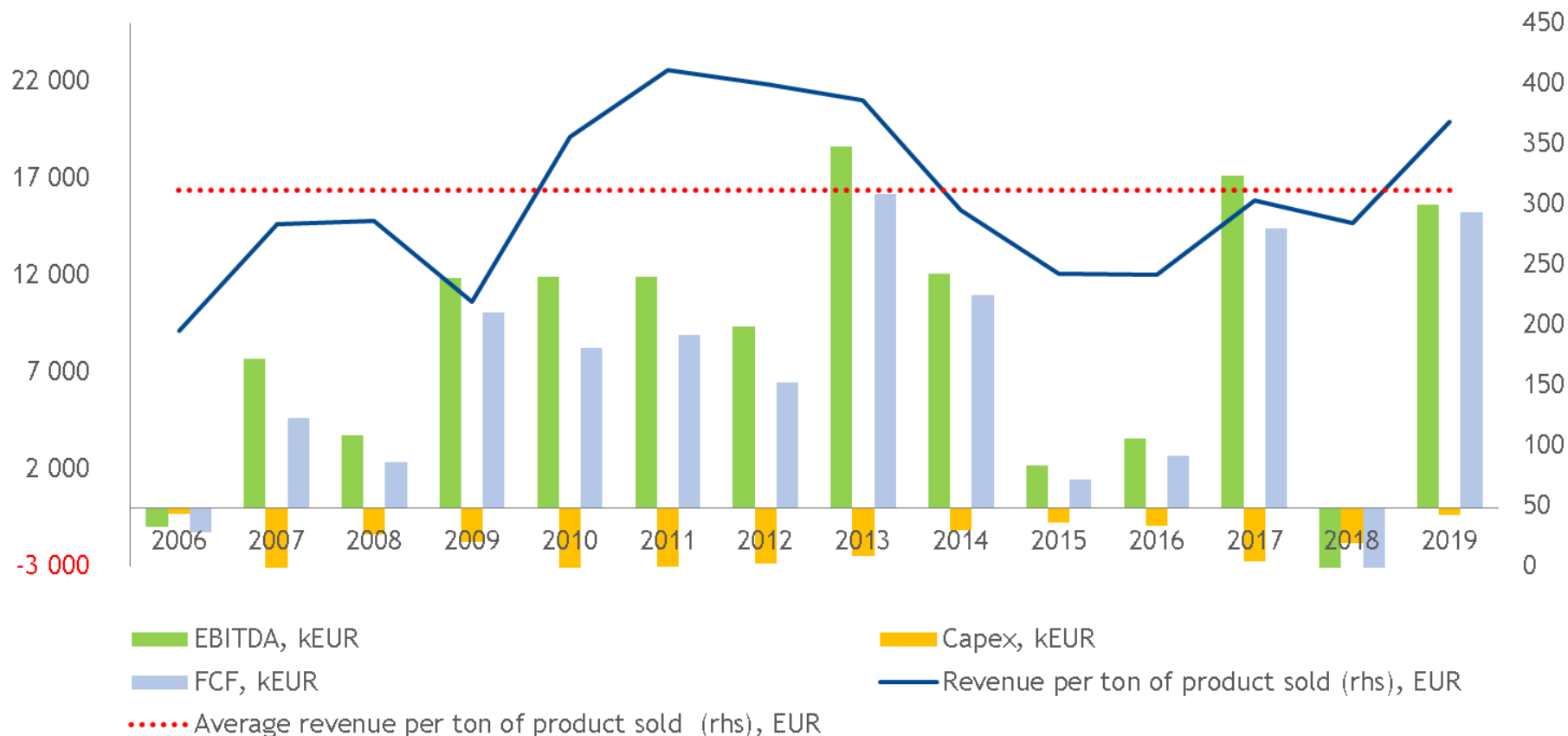
## FCF of the soybean processing segment for 2013 - 2019



2013-2019		Units
Average revenue per ton of product sold	EUR/t	390
EBITDA	EURm	67
Capex	EURm	(29)
FCF	EURm	38



## FCF for the dairy segment for 2006 - 2019



2006-2019		Units	
Average revenue per ton of product sold		EUR/t	312
EBITDA		EURm	121
Capex		EURm	(26)
FCF		EURm	95

# Consolidated Balance sheet



EURm	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Right-of-use asset (mainly land)	-	-	-	-	-	-	-	-	-	-	-	-	110	142
Biological assets	4	6	5	13	15	20	44	45	30	19	15	22	17	30
PP&E and other	33	79	79	111	148	231	244	321	237	232	265	244	277	300
<b>Non-current assets</b>	<b>36</b>	<b>86</b>	<b>84</b>	<b>124</b>	<b>163</b>	<b>252</b>	<b>288</b>	<b>366</b>	<b>268</b>	<b>252</b>	<b>280</b>	<b>267</b>	<b>404</b>	<b>472</b>
Inventories:	46	52	58	70	120	192	218	246	157	153	223	195	235	194
<i>Incl RMI*</i>	36	36	39	52	89	139	170	160	114	109	180	146	182	143
Biological assets	7	15	15	20	39	54	53	29	27	18	14	17	16	16
TA receivable and other	27	19	15	16	29	55	65	45	20	38	46	39	76	64
Cash and equivalents	3	1	5	2	2	18	12	7	35	31	12	15	13	13
<b>Current assets</b>	<b>83</b>	<b>87</b>	<b>93</b>	<b>108</b>	<b>190</b>	<b>319</b>	<b>348</b>	<b>327</b>	<b>239</b>	<b>240</b>	<b>295</b>	<b>267</b>	<b>341</b>	<b>287</b>
<b>Total assets</b>	<b>119</b>	<b>173</b>	<b>176</b>	<b>231</b>	<b>353</b>	<b>570</b>	<b>636</b>	<b>693</b>	<b>507</b>	<b>492</b>	<b>575</b>	<b>533</b>	<b>745</b>	<b>759</b>
<b>Equity</b>	<b>62</b>	<b>99</b>	<b>60</b>	<b>119</b>	<b>209</b>	<b>307</b>	<b>328</b>	<b>371</b>	<b>220</b>	<b>240</b>	<b>353</b>	<b>348</b>	<b>366</b>	<b>439</b>
Long-term loans	8	6	12	52	56	108	155	114	106	13	48	45	1	1
Lease liability (mainly land)	-	-	-	-	-	-	-	-	-	-	-	-	79	103
Other	3	10	7	12	12	21	17	19	17	20	26	14	14	11
<b>Non-current liabilities</b>	<b>11</b>	<b>16</b>	<b>19</b>	<b>64</b>	<b>68</b>	<b>128</b>	<b>171</b>	<b>133</b>	<b>124</b>	<b>33</b>	<b>74</b>	<b>59</b>	<b>93</b>	<b>115</b>
Short-term and current loans	28	46	81	32	57	102	97	157	145	191	110	101	233	149
Current lease liability	-	-	-	-	-	-	-	-	-	-	-	-	25	36
Other	18	12	17	16	19	33	40	32	18	27	37	26	28	21
<b>Current liabilities</b>	<b>46</b>	<b>58</b>	<b>97</b>	<b>49</b>	<b>75</b>	<b>135</b>	<b>137</b>	<b>189</b>	<b>162</b>	<b>218</b>	<b>147</b>	<b>127</b>	<b>286</b>	<b>206</b>
<b>Total equity and liabilities</b>	<b>119</b>	<b>173</b>	<b>176</b>	<b>231</b>	<b>353</b>	<b>570</b>	<b>636</b>	<b>693</b>	<b>507</b>	<b>492</b>	<b>575</b>	<b>533</b>	<b>745</b>	<b>759</b>
Net Debt (incl lease)	33	50	87	83	110	192	240	264	217	173	146	130	324	276
Adj. Net Debt = (ND-RMI)	(3)	14	48	31	21	53	70	104	102	64	(34)	(16)	142	133
EBITDA	11	31	31	50	101	111	86	65	120	131	152	120	68	78
Net Debt/EBITDA	2.9	1.6	2.8	1.6	1.1	1.7	2.8	4.1	1.8	1.3	1.0	1.1	4.8	3.5
Adj Net Debt/EBITDA	(0.3)	0.5	1.6	0.6	0.2	0.5	0.8	1.6	0.9	0.5	(0.2)	(0.1)	2.1	1.7

\*RMI = Finished Goods



# Consolidated statement of profit and loss



EURm	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues	68	88	123	128	219	304	353	327	352	314	369	459	372	448
Cost of revenues	(55)	(67)	(96)	(83)	(128)	(193)	(286)	(293)	(268)	(219)	(257)	(355)	(324)	(400)
Changes in FV of BA/ remeasurement	1	4	8	(2)	0	11	41	47	47	48	45	45	47	43
<b>Gross profit</b>	<b>14</b>	<b>25</b>	<b>35</b>	<b>43</b>	<b>91</b>	<b>121</b>	<b>108</b>	<b>81</b>	<b>131</b>	<b>143</b>	<b>157</b>	<b>149</b>	<b>95</b>	<b>91</b>
G&A expenses	(6)	(8)	(12)	(8)	(9)	(11)	(24)	(23)	(23)	(19)	(21)	(24)	(24)	(24)
S&D expenses	(3)	(4)	(7)	(6)	(7)	(13)	(20)	(23)	(22)	(20)	(22)	(35)	(41)	(47)
Other	2	13	6	11	13	(3)	(3)	(2)	5	5	10	(8)	(12)	(6)
<b>Profit from operations</b>	<b>7</b>	<b>26</b>	<b>21</b>	<b>41</b>	<b>88</b>	<b>93</b>	<b>61</b>	<b>34</b>	<b>91</b>	<b>108</b>	<b>124</b>	<b>82</b>	<b>18</b>	<b>15</b>
Finance costs and income	(6)	(7)	(41)	(12)	(12)	(18)	(18)	(25)	(159)	(94)	(41)	(18)	(14)	(17)
Interest expense on lease liability	-	-	-	-	-	-	-	-	-	-	-	-	(20)	(23)
Other	4	5	9	1	4	14	3	12	1	(0)	1	(1)	0	25
<b>Profit before tax</b>	<b>6</b>	<b>23</b>	<b>(11)</b>	<b>30</b>	<b>80</b>	<b>90</b>	<b>45</b>	<b>21</b>	<b>(67)</b>	<b>14</b>	<b>85</b>	<b>63</b>	<b>(16)</b>	<b>1</b>
Income tax (expense) benefit	0	0	3	(0)	0	(2)	1	1	(1)	2	(2)	(1)	(3)	1
<b>Net profit</b>	<b>6</b>	<b>23</b>	<b>(8)</b>	<b>29</b>	<b>80</b>	<b>88</b>	<b>46</b>	<b>22</b>	<b>(68)</b>	<b>16</b>	<b>83</b>	<b>62</b>	<b>(18)</b>	<b>2</b>
<b>ROE</b>	<b>9%</b>	<b>23%</b>	<b>(13%)</b>	<b>25%</b>	<b>38%</b>	<b>29%</b>	<b>14%</b>	<b>6%</b>	<b>(31%)</b>	<b>7%</b>	<b>23%</b>	<b>18%</b>	<b>(5%)</b>	<b>0.4%</b>
<b>EBITDA</b>	<b>11</b>	<b>31</b>	<b>31</b>	<b>50</b>	<b>101</b>	<b>111</b>	<b>86</b>	<b>65</b>	<b>120</b>	<b>131</b>	<b>152</b>	<b>120</b>	<b>68</b>	<b>78</b>
<b>EBITDA by segments</b>														
Sugar	10	6	13	28	65	61	29	14	39	57	59	63	(0.3)	2
Agriculture	5	21	24	14	29	47	58	47	59	71	76	39	70	53
Soybean processing	-	-	-	-	-	-	-	-	19	10	19	6	6	7
Dairy	(0)	8	4	12	12	12	9	19	12	2	4	17	(4)	16
<b>EBITDA margin by segments</b>														
Sugar	20%	11%	16%	34%	41%	31%	14%	7%	25%	38%	34%	32%	(0.2%)	2%
Agriculture	45%	98%	81%	43%	71%	59%	55%	55%	83%	87%	90%	28%	55%	26%
Soybean processing	-	-	-	-	-	-	-	-	26%	20%	25%	8%	8%	9%
Dairy	(11%)	105%	41%	132%	69%	46%	29%	55%	41%	9%	15%	54%	(12%)	45%

# Consolidated Cash Flows

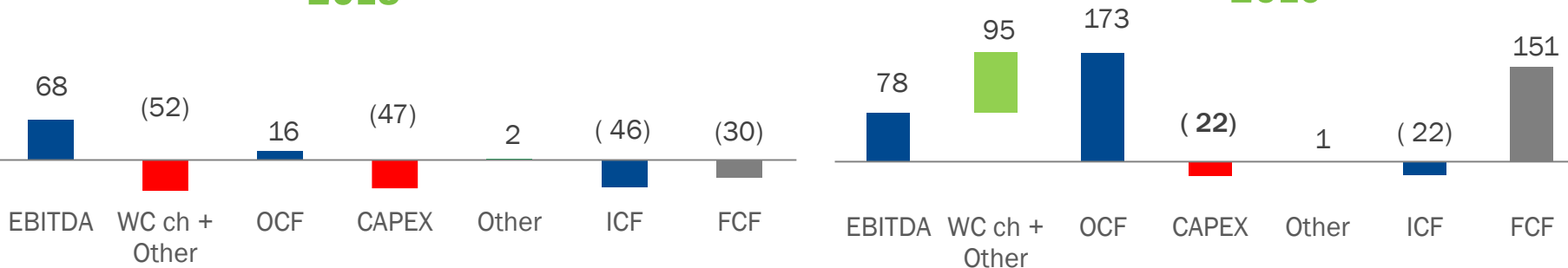


EURm	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>PBIT</b>	6	23	(11)	30	80	90	45	21	(67)	14	85	63	(16)	1
Depreciation and amortization	4	5	9	8	13	17	25	27	25	22	29	37	46	63
Gain on acquisition of subsidiaries	(4)	(5)	(9)	(0)	(4)	(13)	(2)	(12)	-	-	(1)	(0)	-	-
Interest expense	4	5	7	8	8	15	21	19	21	27	21	9	13	17
Interest expense on lease liability	-	-	-	-	-	-	-	-	-	-	-	-	20	23
Forex exchange	-	-	35	3	(1)	1	(0)	6	130	63	14	8	2	(25)
WC changes	(26)	(22)	(29)	(16)	(57)	(81)	(29)	17	24	2	(25)	(9)	(9)	138
Income taxes paid	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(2)	(4)	(2)	(1)
BA and AP remeasurement and other	1	1	1	(10)	(7)	(9)	(43)	(39)	(39)	(39)	(38)	(36)	(38)	(42)
<b>Operating CF</b>	<b>(15)</b>	<b>8</b>	<b>5</b>	<b>23</b>	<b>32</b>	<b>21</b>	<b>17</b>	<b>39</b>	<b>94</b>	<b>88</b>	<b>82</b>	<b>69</b>	<b>16</b>	<b>173</b>
Purchase of PPE and other	(11)	(23)	(38)	(10)	(34)	(58)	(51)	(54)	(27)	(10)	(21)	(51)	(47)	(24)
Proceeds from sales of PPE	1	1	1	0	0	0	0	0	0	0	1	0	0	1
Sale (purch) of fin investments	(1)	-	0	0	(1)	(1)	(0)	1	0	0	-	-	-	-
Other	0	(3)	(6)	5	(5)	(31)	12	11	(23)	7	8	(10)	2	1
<b>Investing CF</b>	<b>(11)</b>	<b>(24)</b>	<b>(43)</b>	<b>(5)</b>	<b>(40)</b>	<b>(91)</b>	<b>(39)</b>	<b>(43)</b>	<b>(49)</b>	<b>(2)</b>	<b>(12)</b>	<b>(61)</b>	<b>(46)</b>	<b>(22)</b>
Proceeds from loans and borrowings	32	64	102	35	81	194	179	254	165	108	140	163	190	81
Repayment of loans and borrowings	(15)	(44)	(52)	(42)	(62)	(107)	(134)	(232)	(180)	(159)	(191)	(157)	(115)	(181)
Finance interest paid*	(4)	(5)	(7)	(9)	(7)	(12)	(19)	(18)	(18)	(26)	(20)	(9)	(11)	(17)
Land lease repayment	-	-	-	-	-	-	-	-	-	-	-	-	(34)	(36)
Other	20	(0)	2	(1)	(4)	(3)	(2)	(4)	(4)	(5)	(2)	(3)	(2)	(1)
<b>Financing CF</b>	<b>33</b>	<b>14</b>	<b>46</b>	<b>(17)</b>	<b>8</b>	<b>72</b>	<b>24</b>	<b>1</b>	<b>(38)</b>	<b>(81)</b>	<b>(73)</b>	<b>(6)</b>	<b>28</b>	<b>(154)</b>
Change in cash and equivalents	7	(2)	7	1	0	2	3	(4)	7	5	(3)	2	(2)	(3)
Cash as at 1st January	1	3	1	1	2	1	5	8	3	13	17	11	14	13
Currency translation difference	(4)	(0)	(7)	(0)	(1)	2	0	(2)	4	(1)	(2)	2	1	2
<b>Cash and cash equivalents as at YE</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>13</b>	<b>17</b>	<b>11</b>	<b>14</b>	<b>13</b>	<b>12</b>

\* Prior to 2011 classified as OCF

## 2018

## 2019



# Appendix



## Primary agriculture

- Among Ukraine's Top 5 agriproducers by land bank and production
- Over 230k ha of leased land in eight regions
- **1.0m t of grain and oilseeds output in 2019** (key crops – corn, winter wheat, sunflower, soybeans)
- 1.7m t of sugar beet crop in 2019
- **2019 Revenue – EUR206m**

## Storage & Handling

- 7 grain and oilseeds silos with storage capacity – 550kt
- Self sufficiency for 1.0mt of in-house grain & oilseeds storage
- Partnerships with 100+ farmers

## Transport logistics

- 200 grain rail cars

## Sugar

- 20%-35% share of the local sugar market by consumption
- Sugar plants producing 300-500kt of sugar in 2016-2019
- Bioenergy plant
- **2019 Revenue – EUR117m**
- Partnerships with 100+ farmers

## Soybeans

- 15% of local soybean processing volumes
- Soybean with crushing capacity - 230kt pa
- 159kt of soybean meal and 44kt of soybean oil output in 2019
- **2019 Revenue – EUR83m**
- Partnerships with 300+ farmers

## Dairy

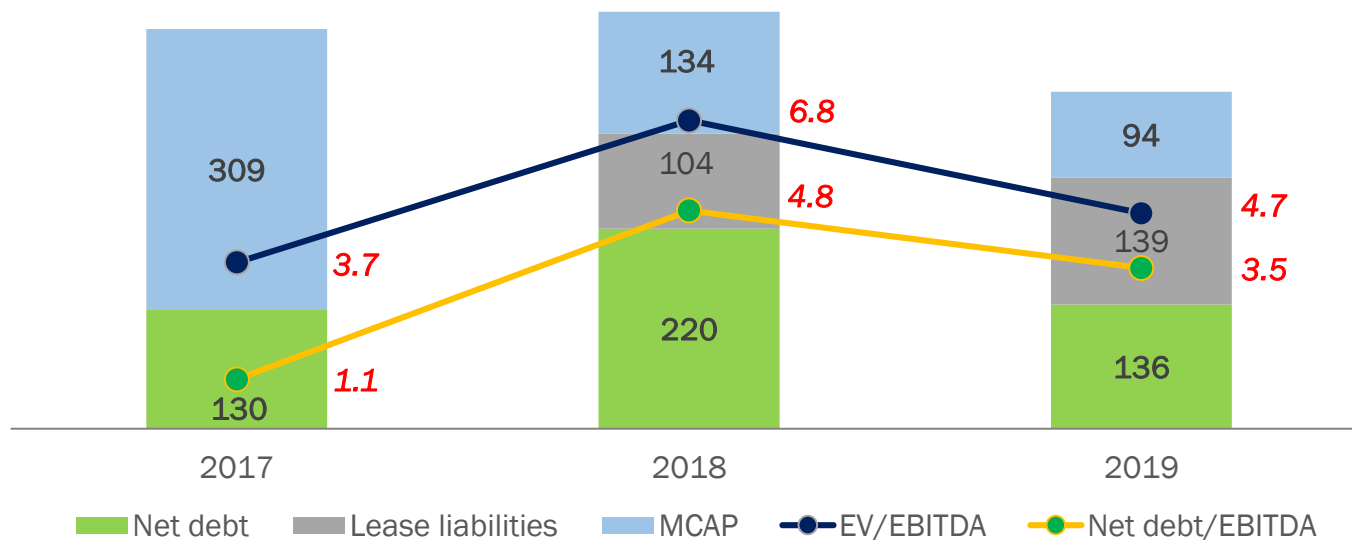
- One of the largest industrial milk producers with 24k cows
- 96kt of milk production in 2019
- **2019 Revenue – EUR35m**



# Valuation and capital structure



EV 2017-2019



## Equity Coverage

PEKAO	
IPOPEMA	
DRAGON	
CITI	
PKO BP	
Mbank	
Target Price	<b>4.7 USD</b> (18 PLN)
Price at 31.12	<b>4.2 USD</b> (16 PLN)

## Top 10 shareholders

Name	Share
Viktor Ivanchyk	38%
Fairfax	29%
Kopernik	3%
Aviva OFE	3%
N-Nederlanden	3%
Metlife	3%
Heptagon Cap	2%
PZU OFE	2%
Swedbank	1%
Treasury shares	3%

## Board of Directors

Director	Position	Background
Viktor Ivanchyk	ED, CEO	Founder and key shareholder
Howard Dahl	NED, Chairman	Various US board positions
Viktor Gladkyi	ED, CFO	Ex-Citi, Swedbank, Ukrexim, NBU
Marc Van Campen	ED, CCO	Various EU board positions
Gilles Mettetal	NED	Ex-EBRD agrisector head
Huseyin Arslan	NED	Various positions at AGT

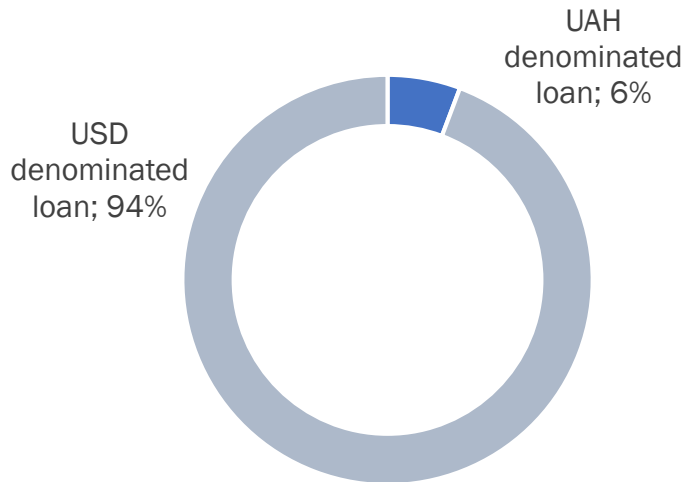
As of 31/12/2019

Source: Bloomberg, PEKAO, Company's data



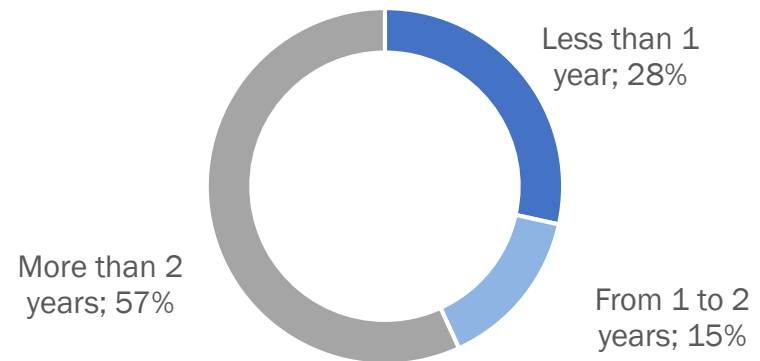
## Debt breakdown by currency

as of 31 December 2019



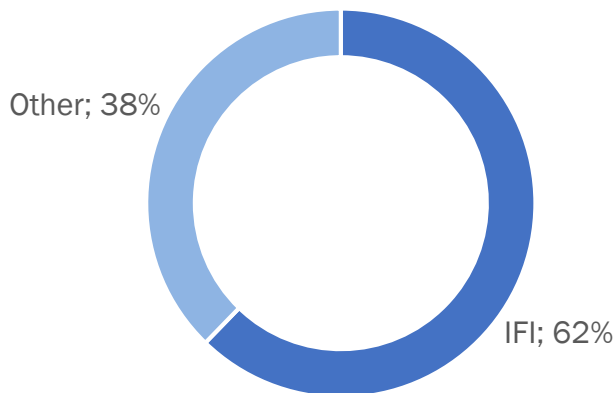
## Debt breakdown by maturity

as of 31 December 2019



## Debt breakdown by lenders

as of 31 December 2019



### Working Capital Lines



### Investment Loans



### Structured Trade Finance





- AgriChain is a proprietary integrated multi-module IT solution for agribusiness management. The core of AgriChain is a WEB-portal, consisting of eight modules
- AgriChain Land is the farmland management module covering land mapping, lease agreements, leaseholders' and payments database and other essential data concerning farmland relations between the Company and the land owners
- AgriChain Farm is the field operations management system which visualizes and enhances planning, execution and reporting on field operations as well as streamlining communication between all agricultural production subsidiaries
- AgriChain Barn and AgriChain Auto – supporting systems for AgriChain Farm which provide management of storage, purchase and supply processes as well as management of agricultural machinery and repair works
- AgriChain Scout, aims to enhance harvest predictability by integrating crop monitoring, agrochemical field passports, meteorological data and plant vegetation status (NDVI).
- AgriChain Harvest is the system for logistics management
- AgriChain Report is automated constructor for business processes
- AgriChain Kit - informational systems aimed at analytical support

## AGRICHAIN

Launched



AgriChain**Land**



AgriChain**Farm**

Testing



AgriChain**Barn**



AgriChain**Scout**



AgriChain**Kit**



AgriChain**Report**

Developing



AgriChain**Harvest**



AgriChain**Auto**



- Compliance with the regulatory requirements of Ukrainian legislation in industrial safety, labor and environmental protection
- Compliance with international standards in social and environment spheres
- Determination of environmental aspects and risks when planning further activities of the Company
- Reducing pollutant emissions and waste disposal along with increased production through the introduction of new environmentally sound technologies
- Communication with stakeholders: open access to social and environmental-related information
- Training and further education of employees concerning labour, industrial safety and environmental protection



ASTARTA is a member of the Global Compact of United Nations since 2008



2 years of audited annual reports prepared in accordance with GRI standards

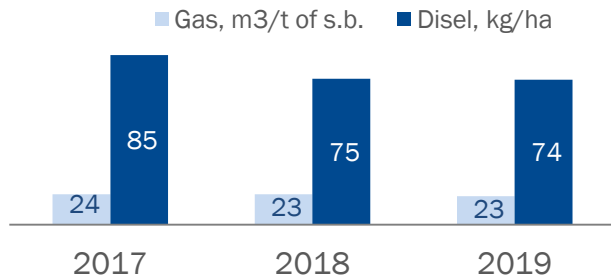


# Key ESG facts

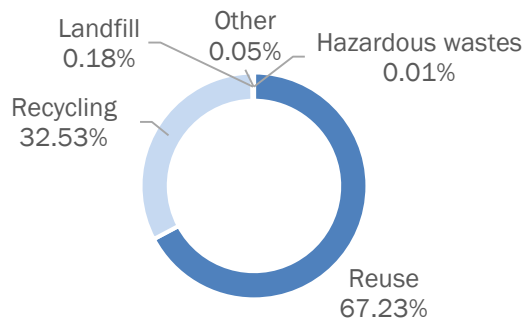


## Ecological

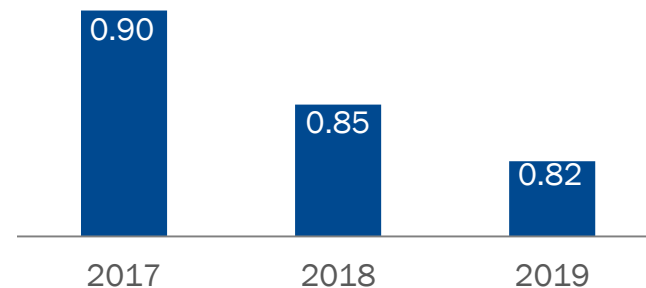
### Energy consumption



### Waste by disposal method

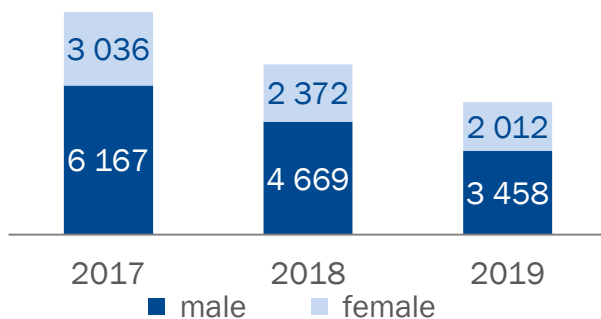


### Water consumption, m3/t of s.b.

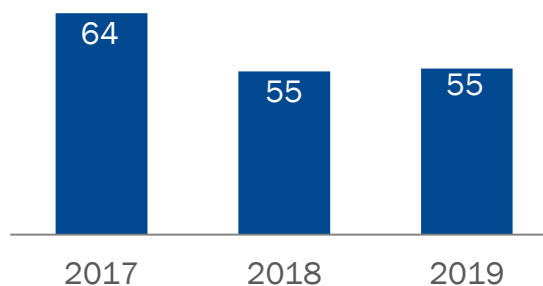


## Social

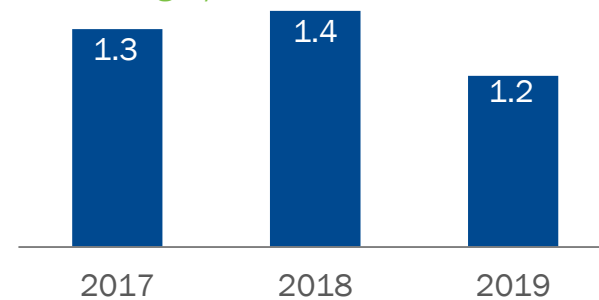
### Employees by gender



### Lost day rate

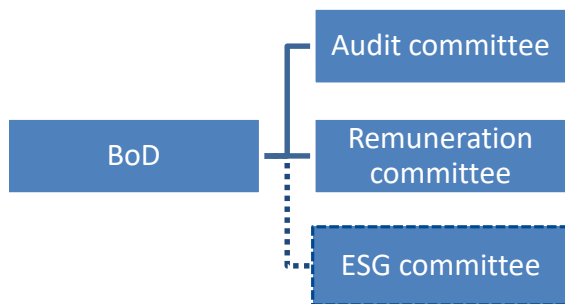


### CSR budget, EURm

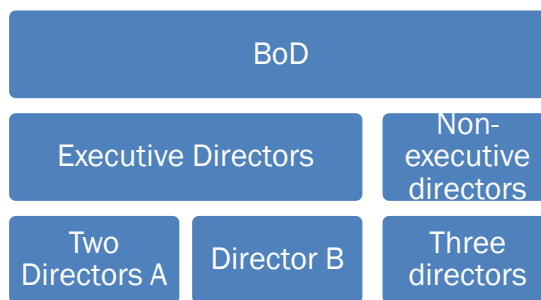


## Governance

### Structure of the BoD



### Composition of the BoD



### Key corporate documents

- Remuneration Policy
- Code of Conduct
- Whistleblower Rules
- Insider Trading Rules
- Dividend Policy
- Anticorruption policy
- Social Policy
- Human Rights Policy
- Security Policy
- [ESG Policy – work-in-progress]



## Ecological

- Energy consumption
- Effluence and waste
- Water discharge
- Efficient use of resources
- Waste management
- Sustainability food production

## Social

- Communications with stakeholders
- Labor safety conditions
- Employee engagement, diversity and inclusion
- Training and education
- Support of local community
- Improvement of local infrastructure

## Governance

- Stakeholders' rights
- Data security
- Anti-corruption
- Transparency



## CSR achievements 2019

### Healthcare



#### Repaired and equipped:

- 20 paramedic and obstetric stations
- 2 healthcare projects completed

### Education



#### Repaired and equipped:

- 83 schools
- 27 kindergartens
- 3 414 children were provided with meal
- 3 533 participated in educational projects

### Charity



- 55 organizations were granted financial aid
- 552 people received a non-refundable financial aid for treatment

### Culture and sport



#### Repaired and equipped:

- 41 cultural buildings and 2 libraries
- 15 monuments
- 242 participants of creative groups
- 305 cultural events

#### Sport

- 80 teams and 345 participants received support for various tournaments
- 12 sports grounds were built
- 16 competitions
- 4 sport development projects



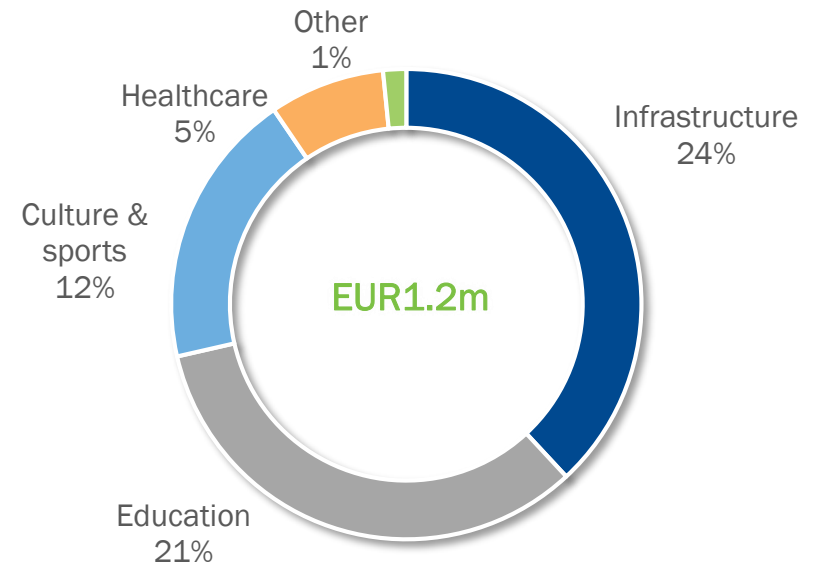
### Infrastructure



#### Repaired and equipped:

- 64 km of roads within villages
- 41.7km of public roads repaired
- 27 streets lit
- 19 water pipes/wells installed and repaired
- 8 public buildings renovated

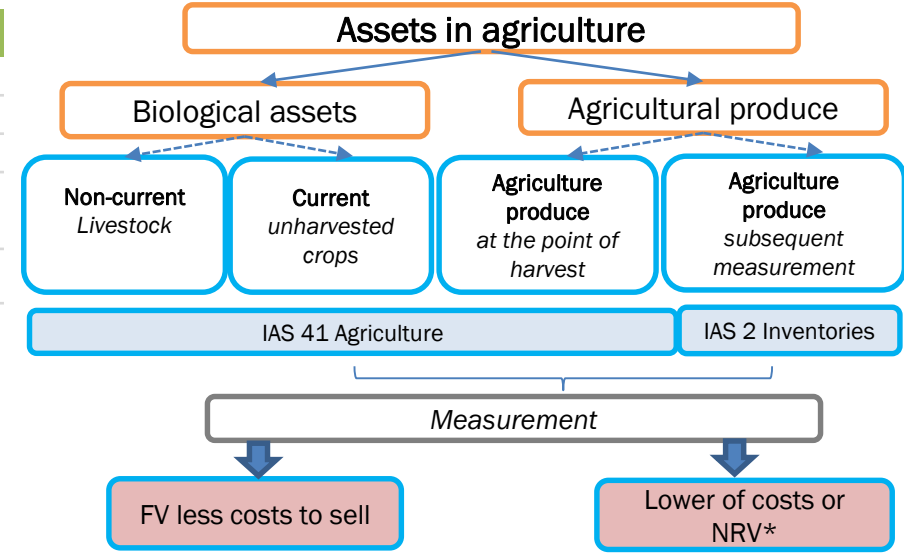
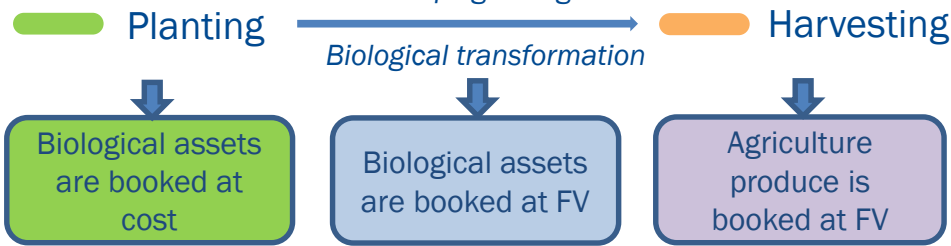
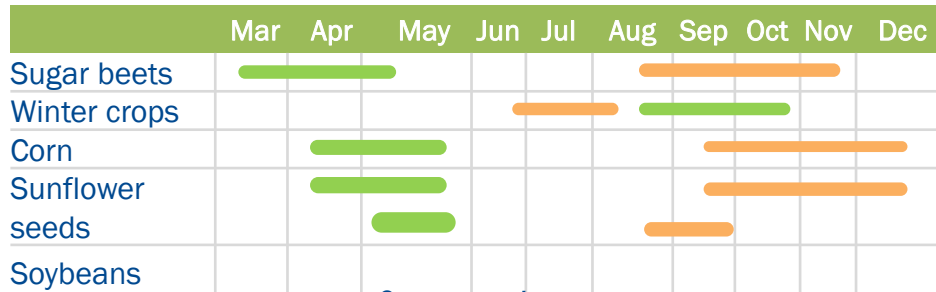
## 2019 CSR budget



# FV of biological assets



## Crops calendar



\*NRV – net realizable value

The FV of crops is estimated by PV of net CF expected to be generated from crops discounted at a current market-determined rate, using the following assumptions:

- forecasted period for harvesting and crops sales
- WACC
- crop yields
- crop prices (projected spot price at the moment of harvesting)
- production costs for crops and costs to sell

The FV of livestock is estimated by PV of net CF expected to be generated from livestock discounted at a current market-determined rate (milk and meat produced) using the following assumptions:

- 6 years productive life
- turnover of cows
- WACC
- milk yield, milk and meat prices (current)
- production cost of milk and costs to sell
- CPI and PPI