



PRESS RELEASE

ISAGRO BOD APPROVES RESULTS OF FIRST NINE MONTHS OF 2017

- Consolidated revenues 112.1 Euro million (vs. 110.3 million of 9M 2016)
- Consolidated EBITDA 10.5 Euro million (vs. 9.9 million of 9M 2016)
- Net result 1.5 Euro million (vs. 0.9 million of 9M 2016)
- Net financial debt as of September 30th, 2017 equal to 52.1 Euro million (vs. 52.7 million as of December 31st, 2016 and vs. 47.9 million as of September 30th, 2016), with a debt/equity ratio of 0.52

Milan, November 14th, 2017 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of September 30th, 2017, which will be made available to the public following the terms and the modalities of the applicable Laws.

Consolidated results of the first nine months of 2017

In the first nine months of 2017 the Isagro Group registered:

- a turnover of 112.1 Euro million, with a 1.8 million increase versus 110.3 Euro million of the first nine months of 2016;
- an EBITDA equal to 10.5 Euro million, with a 0.6 million increase versus 9.9 Euro million of the first nine months of 2016;
- a Net result before taxes of 3.4 Euro million, with a 0.1 million decrease versus 3.5 Euro million of the first nine months of 2016;
- a Net result of 1.5 Euro million, with a 0.6 million increase versus 0.9 Euro million of the first nine months of 2016;
- a Net financial position at debt as of September 30th, 2017 equal to 52.1 Euro million, improving of 0.6 million versus 52.7 Euro million as of December 31st, 2016 and increasing of 4.2 million versus 47.9 Euro million as of September 30th, 2016, with both variations related to the dynamics of the Net working capital.

With reference to the Balance Sheet, the Net financial debt as of September 30th, 2017 was entirely against Net working capital, with Equity directly backing Net working capital for around 12 Euro million. Moreover, in the first nine months of the current year a free cash flow of 0.6 Euro million was generated, deriving for 1.7 million from the decrease of Net working capital and for 1.1 million from a negative operating cash flow; the latter, however, was marginally positive in the 12-month period October 2016 to September 2017.

UNI EN ISO 9001:2008



CERTIFIED QUALITY
MANAGEMENT SYSTEM

ISAGRO S.p.A. - company subject to the direction and coordination of Holdisa S.r.l.

Registered office: Caldera Business Park - Via Caldera, 21 - 20153 Milan - Italy

Corporate Capital Euro 24,961,207.65 - R.E.A. Milan I300947 - Fiscal Code & VAT n. 09497920158



Perspectives for the current year

The results of the last quarter of the current year will mostly depend upon:

1. the finalization by December 31st of new *Licensing & other Business Agreements*;
2. the impact of the adverse climatic conditions particularly in South Europe on sales in the winter campaign.

Moreover, for the mid-term (2020) Isagro confirms the target of around 200 Euro million revenues at a consolidated level, based on the implementation of its Strategic Guidelines:

1. *discovery* of new molecules by ourselves;
2. development of proprietary molecules mainly in cooperation with Third Parties;
3. *Licensing & other Business Agreements* to widen the commercial exploitation of our products;
4. growth in the *Biosolutions* business;
5. expansion of our global commercial organization;
6. selective actions of growth through acquisitions.

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The Manager charged with preparing the company's financial reports, Ruggero Gambini, hereby certifies, pursuant to Article art. 154-*bis*, paragraph 2 of the Consolidated Law on Finance, that the financial information in this press release is consistent with the entries in the accounting books and records.

Isagro S.p.A., an independent company from 1993 with Montecatini/Montedison origin, today leads a Group operating in the agropharmaceuticals, the products for the protection and development of crops, with sales of around € 150 million realized for 4/5 outside Italy in 80 Countries and 600 employees worldwide. The Group is based on the Innovative Research of new molecules, carried out in its Research Center of Novara, and invests in R,I&D activities around 10% of annual turnover, employing around 100 people. Isagro operates through a unique business model in the agrochemical industry, associating to the direct exploitation of its IP a policy of agreements with Third Parties, proposing itself as a supplier of innovative products to players without innovative research, thus overcoming its small size versus the big international players. The Group has 5 manufacturing sites (4 in Italy and one in India) and distributes directly its products in some selected markets, developing at the same time local presences for activities of local marketing and registration support. Isagro S.p.A. is listed on the Milan Stock Exchange since 2003 and on the STAR – High Requirements Stock Segment – since 2004 and in 2014 has also issued Growth Shares, an innovative category of special shares tailored for companies having a Controlling Subject.

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CONSOLIDATED PROFIT & LOSS STATEMENT OF THE FIRST NINE MONTHS 2017

(€ 000)	Jan.-Sep. 2017	Jan.-Sep. 2016	Differences		Year 2016
Revenues from sales and services	112,130	110,349	+1,781	+1.6%	149,717
Other revenues and income	2,601	2,528	+73		3,347
Consumption of materials and external services	(83,560)	(80,483)	-3,077		(105,051)
Changes in inventories of products	1,016	(1,830)	+2,846		(2,786)
Costs capitalised for internal work	1,672	2,140	-468		2,858
Allowances and provisions	(578)	(1,529)	+951		(2,560)
Labour costs	(21,753)	(20,492)	-1,261		(27,677)
Bonus accruals	(1,060)	(772)	-288		(1,631)
EBITDA	10,468	9,911	+557	+5.6%	16,217
<i>% on Revenues</i>	<i>9.3%</i>	<i>9.0%</i>			<i>10.8%</i>
Depreciation and amortisation:					
- tangible assets	(2,910)	(2,854)	-56		(3,829)
- intangible assets	(3,960)	(4,021)	+61		(5,344)
- write-down of tangible and intangible assets	(87)	(38)	-49		(174)
EBIT	3,511	2,998	+513	+17.1%	6,870
<i>% on Revenues</i>	<i>3.1%</i>	<i>2.7%</i>			<i>4.6%</i>
Interests, fees and financial discounts	(369)	(517)	+148		(747)
Gains/(losses) on forex/commodities	165	963	-798		719
Revaluations of equity investments	111	8	+103		28
Result before taxes	3,418	3,452	-34	-1.0%	6,870
Current and deferred taxes	(1,958)	(2,560)	+602		(3,887)
Net result from continuing operations	1,460	892	568	N/S	2,983
Net result of discontinued operations	-	-	-		(250)
Net result	1,460	892	568	N/S	2,733



CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30TH, 2017

(€ 000)	30.09.2017	31.12.2016	Differences	30.09.2016	
<u>Net fixed assets</u>					
Goodwill	3,428	3,599	-171	3,571	
Intangible assets	50,643	48,209	+2,434	49,548	
Tangible assets	20,744	22,620	-1,876	23,113	
Financial assets	413	313	+100	293	
Other medium/long terms assets and liabilities	14,395	14,941	-546	12,693	
Total net fixed assets	89,623	89,682	-59	-0.1%	89,218
<u>Net current assets</u>					
Inventories	47,434	46,971	+463	48,557	
Trade receivables	41,951	50,597	-8,646	42,437	
Trade payables	(25,160)	(31,663)	+6,503	(31,105)	
Subtotal Net working capital	64,225	65,905	-1,680	59,889	
Current provisions	(1,248)	(1,991)	+743	(1,004)	
Other current assets and liabilities	2,534	3,954	-1,420	1,496	
Subtotal Other assets and liabilities	1,286	1,963	-677	492	
Total net current assets	65,511	67,868	-2,357	-3.5%	60,381
Invested capital	155,134	157,550	-2,416	-1.5%	149,599
Severance Indemnity Fund (S.I.F.)	(2,545)	(2,747)	+202	-7.4%	(2,771)
Net invested capital	152,589	154,803	-2,214	-1.4%	146,828
Held for sale non-financial assets and liabilities	-	-	-	-	-
Total	152,589	154,803	-2,214	-1.4%	146,828
<i>financed by:</i>					
<u>Equity</u>					
Capital stock	24,961	24,961	-	24,961	
Reserves and retained earnings	82,940	80,213	+2,727	80,246	
Translation reserve	(8,848)	(5,822)	-3,026	(7,119)	
Profit of the Group	1,460	2,733	-1,273	892	
Total equity	100,513	102,085	-1,572	-1.5%	98,980
<u>Net financial position</u>					
<i>Medium/long term debts:</i>					
- due to banks	41,204	37,929	+3,275	36,693	
- due to other lenders	1,741	1,932	-191	2,080	
- other financial liabilities (assets) and derivatives	38	-	+38	-	
Total medium/long term financial debts	42,983	39,861	+3,122	+7.8%	+38,773
<i>Short-term debts:</i>					
- due to banks	34,759	28,259	+6,500	24,224	
- due to other lenders	349	987	-638	1,691	
- other financial liabilities (assets) and derivatives	149	70	+79	63	
Total short-term financial debts	35,257	29,316	+5,941	+20.3%	25,978
Cash and cash equivalents/bank deposits	(26,164)	(16,459)	-9,705	+59.0%	(16,903)
Total net financial position	52,076	52,718	-642	-1.2%	47,848
Total	152,589	154,803	-2,214	-1.4%	146,828

CONSOLIDATED CASH-FLOW STATEMENT OF JANUARY-SEPTEMBER 2017

(€ 000)	30.09.2017	30.09.2016
Cash and cash equivalents (as of January 1st)	16,459	16,714
<i>Operating activities</i>		
Profit of the period from Continuing operations	1,460	892
- Depreciation/Amortisation of tangible and intangible assets	6,870	6,875
- Losses in value of tangible and intangible assets	87	38
- Provisions to reserves (including employee indemnity)	1,256	900
Cash-Flow	9,673	8,705
- Losses from disposal of tangible and intangible assets	2	2
- Share of profit/(loss) of equity-accounted investees	(111)	(8)
- Change in net current assets	(821)	2,925
- Net change in other assets/liabilities	1,783	1,268
- Use of provisions (including employee indemnity)	(2,126)	(1,842)
Cash-Flow from operating activities	8,400	11,050
<i>Investments activities</i>		
- Investments in intangible assets	(6,514)	(8,318)
- Investments in tangible assets	(1,324)	(2,248)
- Dividends from affiliated companies	11	11
- Net sale price on disposal of tangible and intangible assets	30	2
Cash-Flow for investments	(7,797)	(10,553)
<i>Financing activities</i>		
- Increase in financial debts (current and non-current)	9,575	860
- Decrease in financial receivables, derivatives and other financial assets (current and non-current)	80	162
- Dividend distribution	-	(1,038)
Cash-Flow from/(for) financing activities	9,655	(16)
Change in translation difference	(553)	(292)
Cash-Flow of the period	9,705	189
Cash and cash equivalents—closing balance (as of September 30th)	26,164	16,903