Isagro, Global Independent Originator for Crop Protection

AGENDA

1. ISAGRO AT A GLANCE
2. THE CROP PROTECTION MARKET
3. OUR DISCOVERY, OUR STORY
4. ISAGRO TODAY
5. GROWTH SHARES
ISAGRO’S KEY FACTS & FIGURES

1956
When our Innovation was founded
(Montecatini/ Montedison origin)

1993
Start-up of Isagro project,
with a turnover below
€50M

2001
Integration through acquisitions
(India, Italy, Spain)

2003
IPO on the Milan Stock Exchange

Today
Turnover ~ €150M
(80% of which outside Italy)

Mid-Term
Turnover ~ €200M
OUR “STRATEGIC PROJECT”

To build a long-term business model of “Global Independent Originator” in the Crop Protection Industry

Isagro being:

- an **ORIGINATOR** of new molecules/products based on Innovative Research and on M/L Agreements with Third Parties for their exploitation

- a **GLOBAL** player (from supply-chain to sales), given the resources and the time-to-market associated with the discovery/development of new molecules/products

- an **INDEPENDENT** company, having a Controlling Subject granting the necessary managerial autonomy
We are an integrated player based on Discovery, originating new molecules / solutions for Crop Protection worldwide.
OUR STRATEGIC GUIDELINES

1. DISCOVERY OF NEW MOLECULES BY OURSELVES
2. DEVELOPMENT OF PROPRIETARY MOLECULES THROUGH AGREEMENTS WITH THIRD PARTIES
3. M/L 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
OUR MID-TERM TARGET OF 200 MILLION EURO REVENUES

Based on:

- Growth of Biosolutions business
  *(also leveraging on new Biofumigant)*

- Commercial development in China, Asia/Pacific and EEMEA

- New Copper formulations

- New M/L Agreements
WITH TWO EVIDENCES: WE KNOW HOW TO INNOVATE …

Isagro’s pipeline of R,I&D

Stage 1
- New Broad Spectrum Fungicide
- New Chemistry Fungicide
- New Herbicide
- New Nematocide

Stage 2
- Copper Innovative Solutions

Stage 3
- Fluindapyr (SDHi)
- Dominus (partly)
- Biostimulants III Generation

Sales
- Remedier (extensions)
- Dominus (partly)
- Pheromone wireroll
- Biostimulants II Generation

“Year of launch”

2027 - 2024 2022 - 2021 2021 - 2018 2017
... AND TO EXPLOIT OUR PRODUCTS THROUGH AGREEMENTS WITH THIRD PARTIES

**The competitive picture**
Isagro’s products underexploited, in a market with Players hungry for new molecules/products

**Our business model**
Creating partnerships mainly through attribution of rights to third parties against initial revenues with related mid/long term supply agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>2,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>7,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>6,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2018 (1st)</td>
<td>7,500,000</td>
</tr>
</tbody>
</table>

Total € 34 million

Third Parties’ M/L Agreements: in addition to initial revenues, generate also future revenues through supply of active ingredients and/or royalties
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FEEDING THE PLANET: THE «GAP» BETWEEN DEMAND AND SUPPLY OF FOOD ...

Today: imbalance between Demand and Supply of food ...

... because, in spite of an important increase of the Supply, ...

... the Demand has grown more than proportionally (for human and animal feeding and for industrial/energy uses)

800 million people with inadequate access to food

Sources: ONU, FAO, elaboration of ONU and FAO data
Over the next thirty years the world population is expected to reach over 9 billion people...

...with an unavoidable reduction of «farming land» per capita.

It is necessary to further (and significantly) increase yield per hectare.

Sources: ONU, FAO, World Bank
CROP PROTECTION PLAYS A KEY ROLE IN AGRICULTURE ...

- **Unavoidable losses** ~ 40%
- **Losses avoided thanks to Crop Protection** ~ 30%
- **Production without Crop Protection** ~ 30%

---

Actual production (60%)

Potential production (100%)

Source: Agrofarma
... AND REPRESENTS A GLOBAL MARKET...

US$ 54 Billion*
Estimated CAGR (EC) to 2022: +3.6%

* At ex-manufacturer level

...and by product category

Insecticides 25%
Fungicides 29%
Herbicides 43%
Others 3%

Breakdown by region...

NAFTA
19.8%
EC +1.8%

Central and South America
23.4%
EC +4.1%

Europe
22.8%
EC +4.8%

Africa and Middle East
3.9%
EC +4.8%

Asia and Oceania
30.1%
EC +3.2%

Source: Phillips McDougall

2017 data
Time to Market: 10-12 years
Full development cost for a new molecule: 150 to 250 USD million

Being “Originators” implies a long-term advantage

- Patented: 18%
- Off-patent: 82%

Still traded only by the first “Originators”
Traded also by other players

Source: Phillips McDougall

2016 data
... WITH TWO "CATEGORIES" OF PLAYERS ...

<table>
<thead>
<tr>
<th>With «Molecule Discovery»</th>
<th>Without «Molecule Discovery»</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales ($ bn)</strong></td>
<td><strong>Sales ($ bn)</strong></td>
</tr>
<tr>
<td><strong>Bayer CropScience</strong></td>
<td><strong>UPL (incl. Arysta)</strong></td>
</tr>
<tr>
<td><strong>Monsanto</strong></td>
<td><strong>Adama</strong></td>
</tr>
<tr>
<td><strong>Syngenta</strong></td>
<td><strong>Nufarm</strong></td>
</tr>
<tr>
<td><strong>BASF</strong></td>
<td><strong>Albaugh</strong></td>
</tr>
<tr>
<td><strong>Corteva (ex DowDuPont)</strong></td>
<td><strong>Sipcam Oxon</strong></td>
</tr>
<tr>
<td><strong>FMC</strong></td>
<td><strong>Redsun</strong></td>
</tr>
<tr>
<td><strong>Sumitomo Chemical</strong></td>
<td><strong>Gowan</strong></td>
</tr>
<tr>
<td><strong>Japanese R&amp;D companies</strong></td>
<td><strong>Sinochem</strong></td>
</tr>
<tr>
<td>(1) Nihon Nohyaku, Kumiai, Nippon Soda, Mitsui Chemical, Ishihara, Nissan: generally selling mostly in their domestic markets (50%-65% of their Sales)</td>
<td></td>
</tr>
<tr>
<td>(2) Selling in 80 countries (with domestic market accounting for 20% of Sales)</td>
<td></td>
</tr>
<tr>
<td><strong>ISAGRO</strong> (2)</td>
<td>* 2016 data</td>
</tr>
<tr>
<td><strong>0.2</strong></td>
<td>(2017 data)</td>
</tr>
</tbody>
</table>

Source: Phillips McDougall, Kleffmann Group
... AND CONCENTRATED, YET WITH ROOM FOR A PLAYER LIKE ISAGRO

7 «BIG PLAYERS»

Completely integrated

Originate and develop new molecules autonomously and sell through their own distribution networks

ISAGRO “Independent Global Originator”

Agreements on a selective basis

Total Crop Protection market

~ 74% (40 $BL)

~ 26% (14 $BL)

OTHER OPERATORS

Generally not integrated and without discovery, but with development capabilities

With the strategic need to gain access to new molecules / innovative products

2017 data

(1) Shall become 6 for the undergoing merger between Bayer CropScience and Monsanto
Our Business Model experienced three “Phases”…

1<sup>st</sup> phase: 1993-2002
“Alliances to compete”

2<sup>nd</sup> phase: 2003-2012
“Developing by ourselves, for ourselves”

3<sup>rd</sup> phase: since 2013
“Assuring a proper exploitation of our discoveries mainly by attributing rights to third parties”

... always with a common basis:
our Discovery capability
1st PHASE OF ISAGRO: 1993-2002

«Alliances to compete»

- **System of Strategic Alliances also for Discovery**
- **Commercial development of Tetraconazole fungicide**
- **Starting development of new molecules from 2000**
- **Acquisitions of company branches in India and in Italy at the end of 2001**
2nd PHASE OF ISAGRO: 2003-2012
«Developing by ourselves, for ourselves only»

Continuation of the development of two new molecules «by ourselves»
Sales peak in the USA in 2004/2005 due to disease that did not occur
Acquisitions in South America and then divestment of distribution participations in the 3-year period 2007-2009

LESSON: we are good at discovering but, if we develop alone, we under-exploit the potential of our inventions
3rd PHASE OF ISAGRO: SINCE 2013

«Assuring a proper exploitation of our discoveries mainly by attributing rights to third parties»

- Discovery and Pre-Development of new molecules alone
- Development of new molecules mainly by attributing rights to third parties for those products/markets/segments where Isagro alone could not extract an adequate value
- Growth in the Biosolutions business (integrated offer of agropharma and biosolutions)
- Selective actions of growth through acquisitions (local development of the company)

Thus overcoming the constraint of our size vis-à-vis the global market potential of our discoveries
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ISAGRO: ITALIAN AND INDEPENDENT ...
Listed on the Milan Stock Exchange (STAR* segment)

Controlling structure

PIEMME S.r.l.
51.0%

HOLDISA S.r.l.
53.7%

ISAGRO S.p.A.

Gowan Co.
49.0%

Market
46.3%

Growth Shares
3.3%

Italian holding company indirectly controlling Isagro

* High Requirements Stock Segment
Isagro is the only non-large Crop Protection company operating globally based on its own Innovative Research.

- Research Center in Novara (Italy)
- Pilot plant in Panoli (India)
- Field-trial station in Galliera (Italy)

~ €15 M annual expenditure in R,D

~ 100 People working in R,D

DISCOVERED MOLECULES

- Benalaxyl (divested)
- Biofungicide
- Biostimulants/Pheromones
- Dimethoate (divested)
- Fluindapyr (under co-development)
- Kiralaxyl
- Novaluron (divested)
- Orthosulfamuron (divested)
- Tetraconazole
- Valifenalate (divested)
... WITH A PORTFOLIO LARGELY REPRESENTED BY PROPRIETARY PRODUCTS ...

2017 revenues breakdown

By region (Crop Protection only)
- Americas: 22%
- Asia: 26%
- Rest of Europe: 29%
- Italy: 18%
- RoW: 5%

TOTAL REVENUES = 150 €M

By product category
- Agropharma: 144
- Services: 1.5
- Third parties’ agropharma: 4
- Revenues from M/L Agreements: 18

REVENUES BREAKDOWN

TOTAL REVENUES = 150 €M

By region (Crop Protection only)
- Americas: 22%
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By product category
- Agropharma: 144
- Services: 1.5
- Third parties’ agropharma: 4
- Revenues from M/L Agreements: 18
... MAINLY FOCUSED ON FUNGICIDES ...
INTEGRATED IN MANUFACTURING...

- 5 plants (4 in Italy and 1 in India)
- Panoli (India) - strategic site for the synthesis of proprietary active ingredients

**IN ITALY**
- Novara
  - Research Center
  - Fermentation of Biological products
- Galliera
  - Field-trial station
- Aprilia
  - Formulation
- Bussi
  - Synthesis of Tetraconazole
- Adria
  - Synthesis and Formulation of Copper products

**IN INDIA**
- Panoli
  - Synthesis and Formulation
  - Process development
  - Pilot plant
... AND WITH GLOBAL PRESENCE

~ €150 M turnover
Sales in 80 countries
Direct distribution in Brazil, Colombia, India, Italy, Spain and USA

~650 employees

USA, Cuba, Spain, Italy, Colombia, Kenya, China, Vietnam, Argentina, Brazil, India

ISAGRO

100% ISAGRO Asia
100% ISAGRO Brasil
100% ISAGRO Colombia
100% ISAGRO España
100% ISAGRO USA

100% ISAGRO Argentina
100% ISAGRO Cuba
100% ISAGRO Kenya
100% ISAGRO Shanghai
100% ISAGRO Vietnam

ISAGRO is also present in Australia, Chile, Mexico and South Africa with companies holding local registrations.

ISAGRO owns 21% of the Italian company Acria Bioscience.

*Indirectly controlled through ISAGRO Singapore.
GROWTH SHARES, A NEW CATEGORY OF SHARES FOR COMPANIES ALREADY HAVING A CONTROLLING SUBJECT

SPECIAL SHARES ISSUABLE FROM COMPANIES HAVING A “CONTROLLING SUBJECT”

Idea born in Isagro, developed with the Stock Exchange, approved by the Italian SEC and, as of today, utilized only by Isagro

Strengthening the equity without losing control

20% vs. Ordinary Shares, in the case of Isagro

In any case of loss of controlling stake and/or of compulsory Public Offer

Not relevant for a minority shareholder

No voting right

Extra dividend

Automatic conversion into Ordinary Shares
GROWTH SHARES

1/3: A NEW CATEGORY OF SPECIAL SHARES TAILORED FOR COMPANIES HAVING A “CONTROLLING SUBJECT”

- AGAINST THE ABSENCE OF VOTING RIGHTS ...

... A “PREMIUM” AND AN INNOVATIVE PROTECTION MECHANISM FOR INVESTORS:

- AN «EXTRA DIVIDEND» VERSUS ORDINARY SHARES\(^{(1)}\)

- THE AUTOMATIC CONVERSION INTO ORDINARY SHARES IN THE RATIO 1:1 WHEN HOLDING ORDINARY SHARES BECOMES FINANCIALLY RELEVANT FOR THE INVESTOR, I.E.:
  - WHEN THE CONTROLLING PARTY LOSES CONTROL\(^{(2)}\)
  - IN ANY CASE OF COMPULSORY PUBLIC OFFER

\(^{(1)}\) The «extra dividend» versus the Ordinary Shares is defined, case by case, in the By-Laws of the issuing company

\(^{(2)}\) The controlling threshold is defined, case by case, in the By-Laws of the issuing company and it must be not lower than 30% of voting rights
### GROWTH SHARES

2/3: THE VOTING RIGHTS, IN A COMPANY HAVING A CONTROLLING SUBJECT, BY FACT ARE NOT EXERCISED BY MINORITIES

#### THE EXPERIENCE OF ISAGRO

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Shareholders</th>
<th>% of equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>4</td>
<td>0.1%</td>
</tr>
<tr>
<td>2005</td>
<td>4</td>
<td>0.9%</td>
</tr>
<tr>
<td>2006</td>
<td>4</td>
<td>0.2%</td>
</tr>
<tr>
<td>2007</td>
<td>1</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2008</td>
<td>-</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2009</td>
<td>1</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>2011</td>
<td>4</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2012</td>
<td>2</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2013</td>
<td>2</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2014</td>
<td>3</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2016</td>
<td>1</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2017</td>
<td>2</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Attending of Minority Shareholders (thus excluding Holdisa) to Isagro annual Shareholders’ Meeting
GROWTH SHARES

3/3: SHARE PRICE DEPENDS ON CORPORATE RESULTS

THE EXPERIENCE OF ISAGRO

Blu line: Isagro ordinary share price
Red line: net result (million of Euro)

Memo: Corporate results are adjusted to exclude the effects of divestments
AWARD

2002
“Bocconi University centenary”
Isagro presented as case of success

2004
“Best Innovator”
(Italy)
Promoted by AT Kearney and Confindustria

2005
“Entrepreneur of the year”
Category “Finance”
(Italy)
Promoted by Ernst&Young

2006
“Confindustria Awards for Excellence”
Category “Made in Italy in the world”

2007
“Champion of growth”
(Italy)
Promoted by Confindustria, Cerved, McKinsey and Bocconi University

2013
“Lorenzetti prize”
(Italy)
Promoted by CG Consulting for corporate governance - category “Presidents”

2013
“Assiteca prize”
(Italy)
In co-operation with Il Sole 24 Ore - for companies investing in risk management - “Large Entreprises”

2016
“Le Fonti prize”
(Italy)
Promoted by Le Fonti Awards
Company of the year agropharmaceutical innovation and sustainability

2018
Prize “Le Grandi Guglie”
Assigned by Centro Studi Grande Milano
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