ISAGRO

“Small Global Player”

for Crop Protection

ISAGRO
Italian creativity for plant health

Company profile

January 2020

AGENDA

1. ISAGRO AT A GLANCE
2. THE CROP PROTECTION MARKET
3. OUR STORY
4. GROWTH SHARES

ISAGRO
Italian creativity for plant health

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

2003

IPO on the Milan Stock Exchange
(initially on MTA Ordinary Segment, then on STAR High Requirements Segment)

2018

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

Mid-Term

Valorization of Organic Agchems to grow in Inorganic Agchems and Biosolutions

OUR BUSINESS MODEL
"Small Global Player"

Isagro is, albeit *small* (versus competitors), a *global* player (80% sales in over 70 Countries) in the Agropharma market

INNOVATIVE RESEARCH (Organic Agchems, Inorganic Agchems and Biosolutions)	DEVELOPMENT	CHEMICAL SYNTHESIS / FERMENTATION (active ingredients)	FORMULATION (finished products)	INT'L MARKETING AND LOCAL DEVELOPMENT	DISTRIBUTION
ALONE	AGREEMENTS WITH THIRD PARTIES FOR ORGANIC AGCHEMs, ALONE FOR INORGANIC AGCHEMs AND BIOSOLUTIONS			ALSO THROUGH PARTNERSHIPS AND AGREEMENTS	MAINLY THROUGH PARTNERS AND THIRD-PARTY DISTRIBUTORS
R&D CENTER IN NOVARA AND TRIAL CENTER IN GALLIERA		4 MANUFACTURING PLANTS (ADRIA, APRILIA, BUSSI, NOVARA)		DIRECT PRESENCES IN:	DIRECT PRESENCES IN:

ISAGRO
Italian creativity for plant health

OUR "STRATEGIC INTENT"…

From the evolution of external scenario …

- TIGHTENING REGULATIONS / COST INCREASE FOR ORGANIC AGCHEMs
- FURTHER HUGE CONCENTRATION OF AGROPHARMA INDUSTRY
- DEVELOPMENT BIOSOLUTIONS MARKET, WITH PLAYER OF SMALLER SIZE

… derives our Strategic Intent:

We pursue valorising our Organical Agchem assets …

- **M/L TERM AGREEMENTS WITH THIRD PARTIES**
  (around 37€M initial proceeds generated in 2013-2019)
- **POSSIBLE DIVESTMENT TO THIRD PARTIES OF SPECIFIC ASSETS**
  (against offered prices higher than the value realizable directly by Isagro)

… to generate financial resources to grow in copper fungicides (Inorganic Agchems) and Biosolutions

ISAGRO
Italian creativity for plant health

… DERIVES FROM OUR CAPABILITY AND CAPACITY TO INNOVATE

Isagro's «pipeline» of Discovery, Innovation and Development (for Organic Agchems, Inorganic Agchems and Biosolutions)

Phase 1 → Phase 2 → Phase 3

DISCOVERY → RESEARCH → PROFILING → DEVELOPMENT → REGISTRATION

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

- Copper Innovative Solutions

- Fluindapyr (SDHi)
- Dominus *(partly)*
- Biostimulants III Generation

- Remedier *(ext.s)*
- Dominus *(partly)*
- Pheromone wireroll
- Biostimulants II Generation

ALREADY INVESTED MOLECULES

In our portfolio

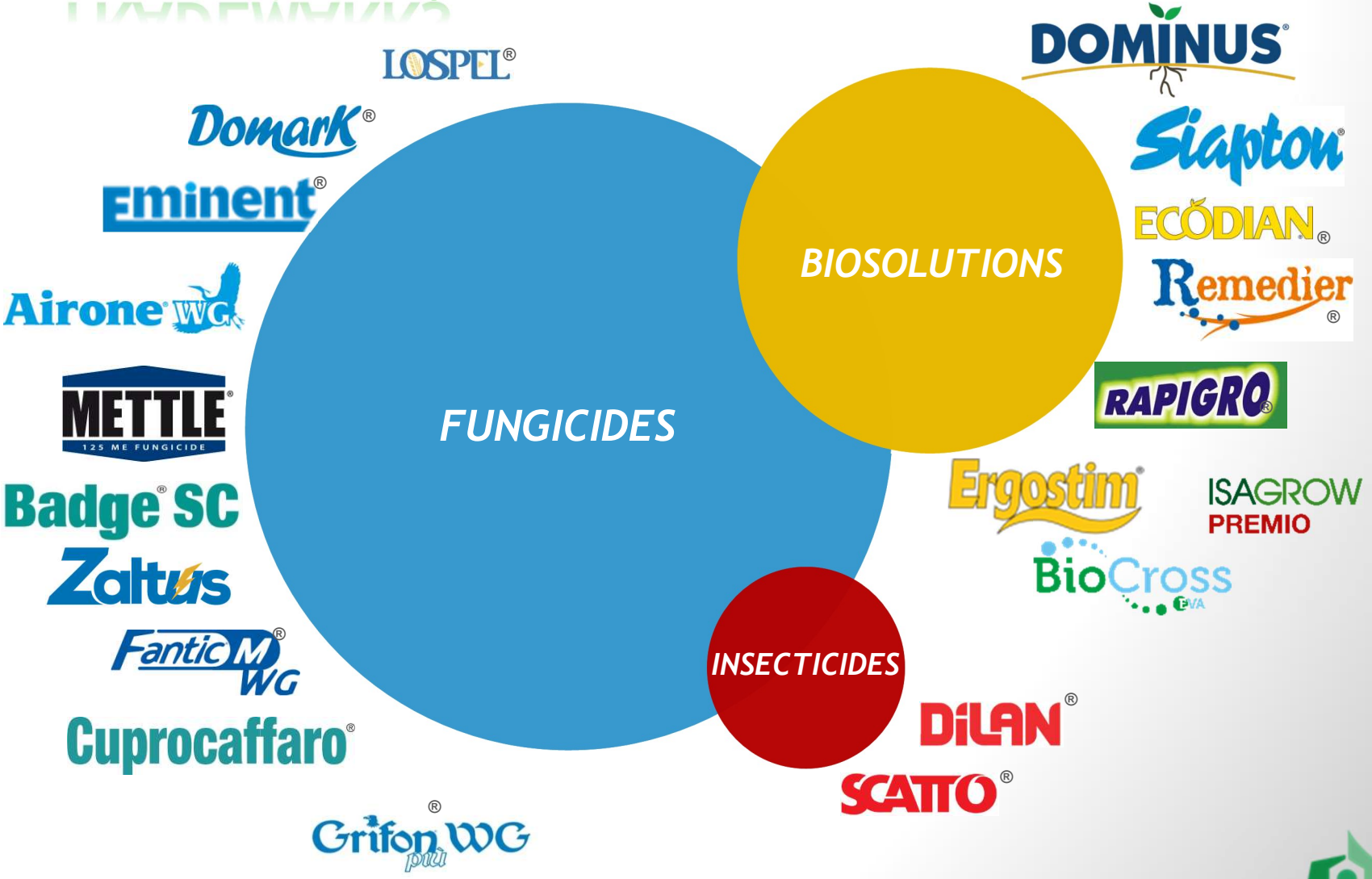
- Tetraconazole
- Kiralaxyl
- Biofungicide
- Biostimolants/Pheromones
- Fluindapyr *(in co-develop.)*

Divested to Third Parties

- Novaluron
- Dimethoate
- Benalaxyl
- Orthosulfamuron
- Valiphenalate

ISAGRO Italian creativity for plant health

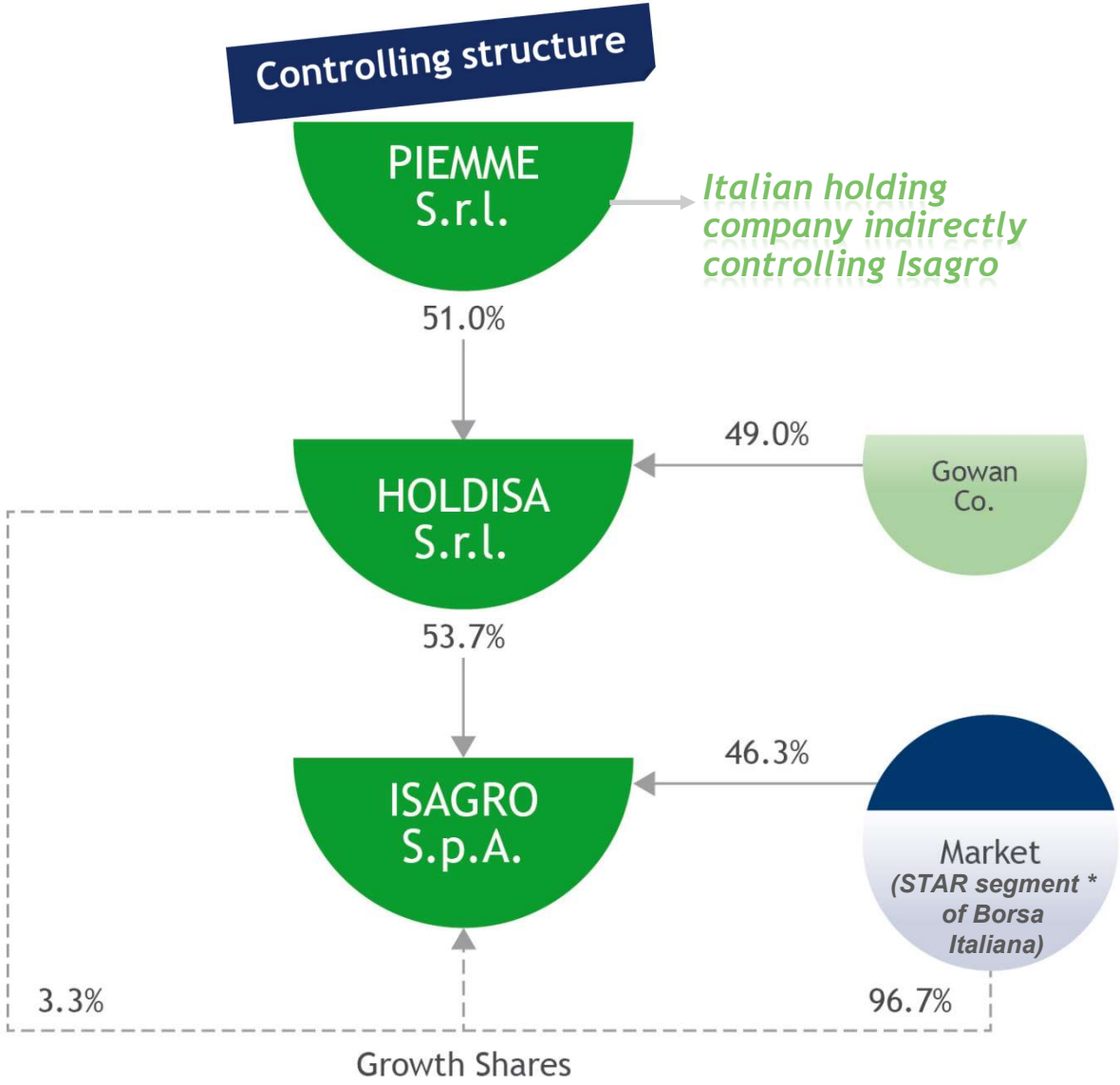
OUR PORTFOLIO OF PRODUCTS / TRADEMARKS



ISAGRO
Italian creativity for plant health

CONTROLLING STRUCTURE

Isagro is Italian and independent



* High Requirements Stock Segment

AGENDA

1. ISAGRO AT A GLANCE
2. THE CROP PROTECTION MARKET
3. OUR STORY
4. GROWTH SHARES

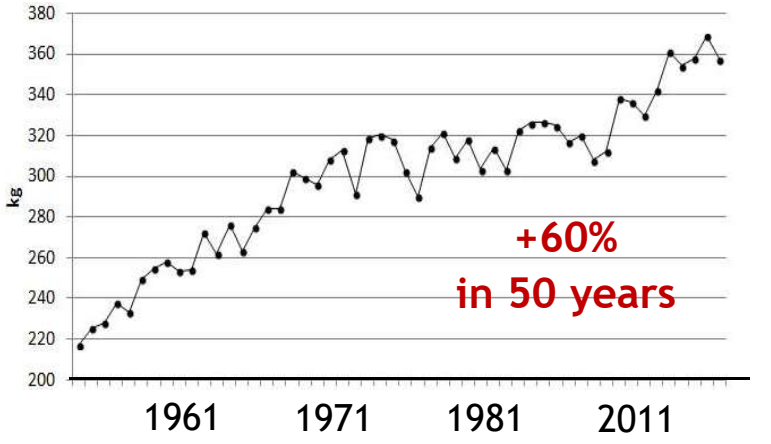
ISAGRO
Italian creativity for plant health

FEEDING THE PLANET: THE «GAP» BETWEEN DEMAND AND SUPPLY OF FOOD …

Today: imbalance between Demand and Supply of food …

800 million people with inadequate access to food

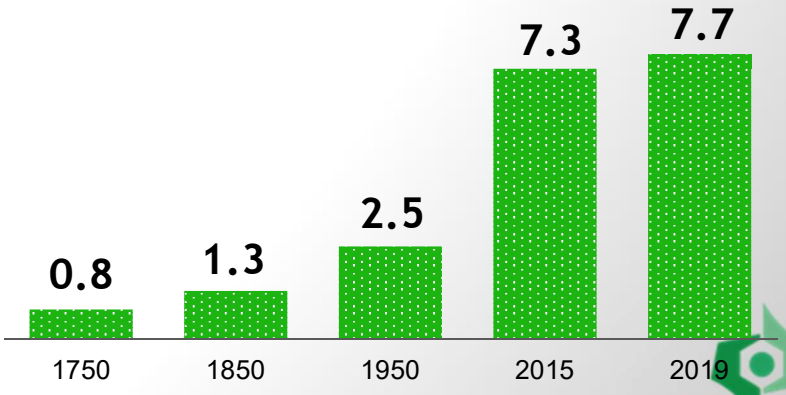
… because, in spite of an important increase of the Supply, …



(per capita production of corn/soybean/wheat/rice)

… the Demand has grown more than proportionally

(for human and animal feeding and for industrial/energy uses)

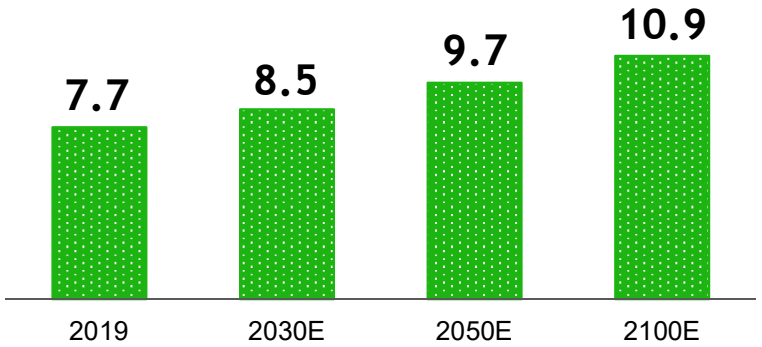


(world population, billion people)

Sources: ONU, FAO, elaboration of ONU and FAO data

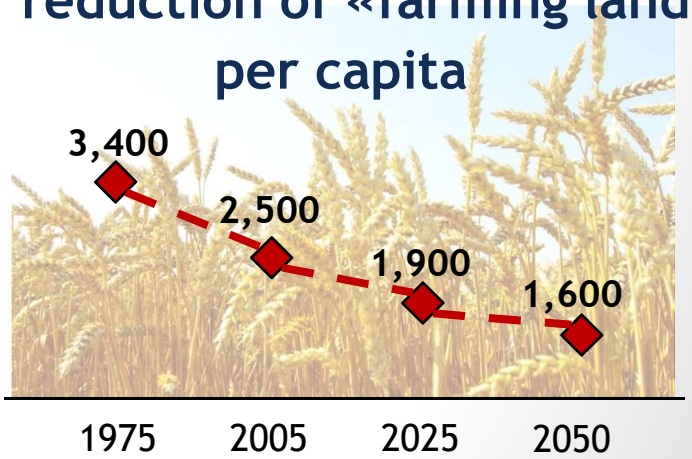
… WILL INCREASE OVER THE NEXT DECADES, REPRESENTING A CHALLENGE FOR AGRICULTURE

Over the next years the world population is expected to reach over 10 billion people …



(estimate of world population growth, billion people)

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

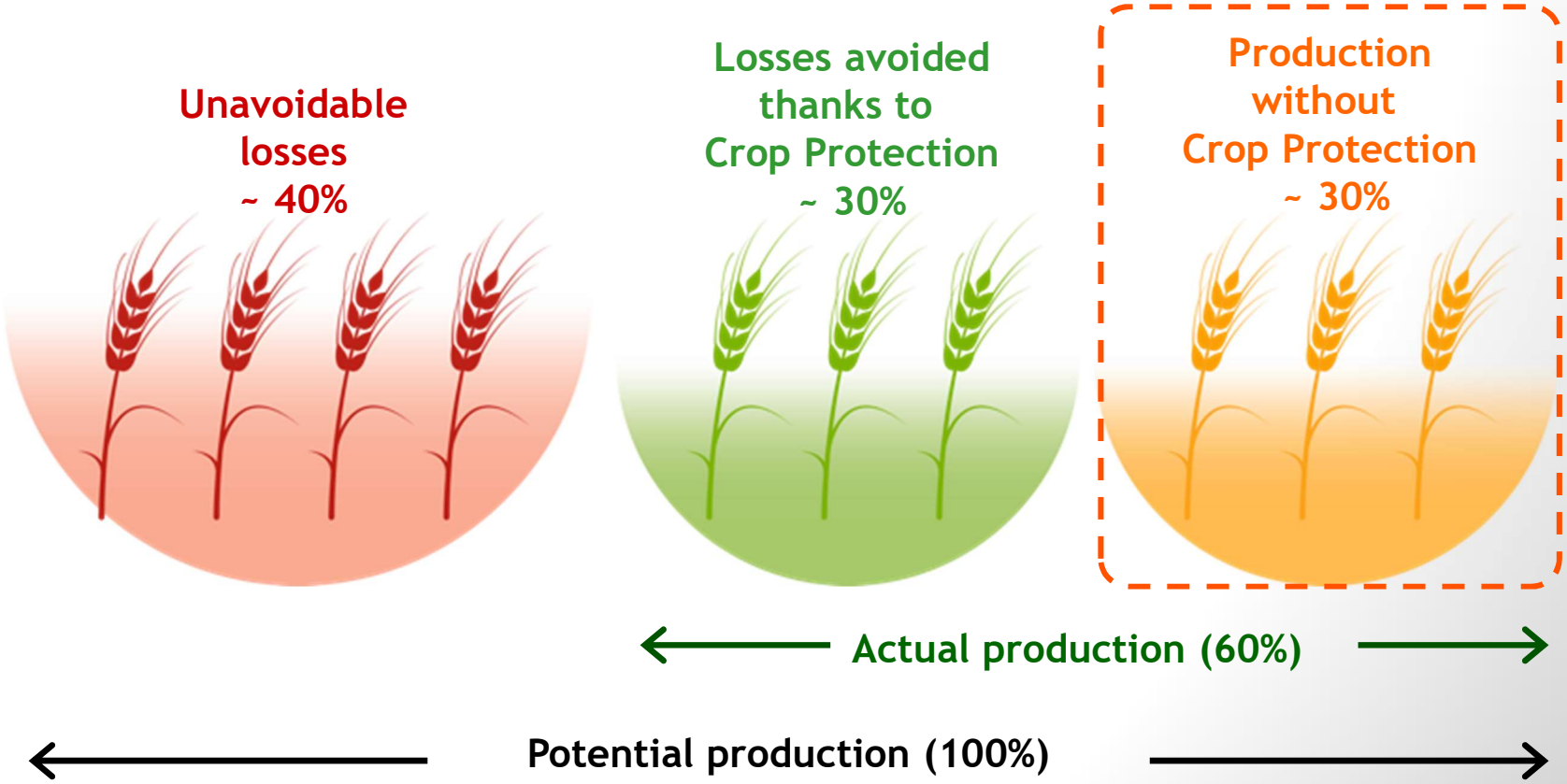


(square meters of farming field per capita)

IT IS NECESSARY TO FURTHER (AND SIGNIFICANTLY) INCREASE YIELD PER HECTARE

Sources: ONU, FAO, World Bank

CROP PROTECTION PLAYS A KEY ROLE IN AGRICULTURE …



Source: Agrofarma

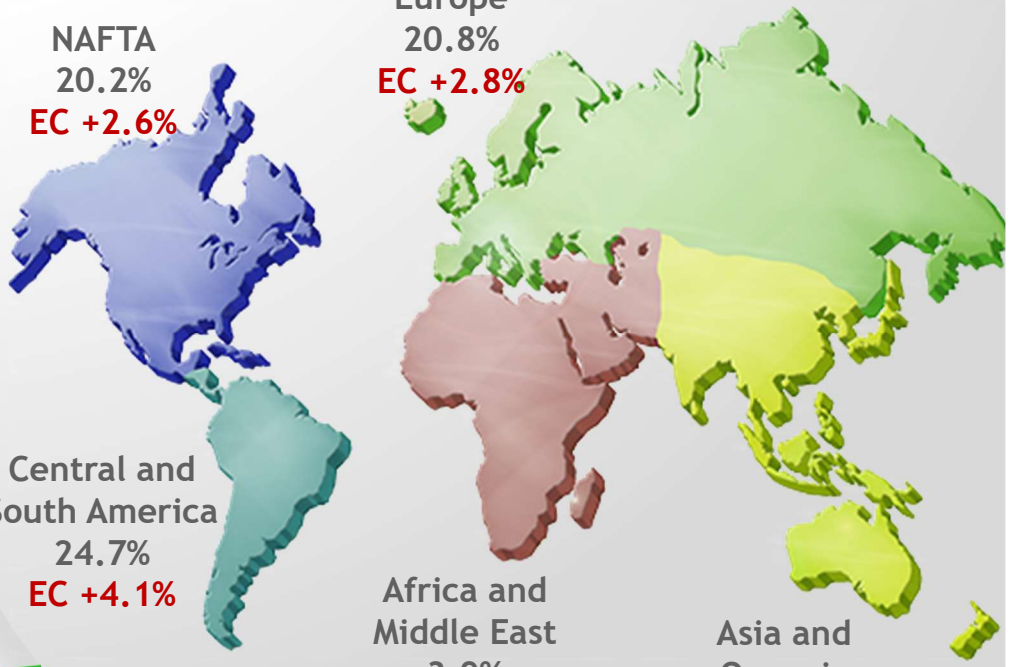
… AND REPRESENTS A GLOBAL MARKET

US$ 58 Billion*

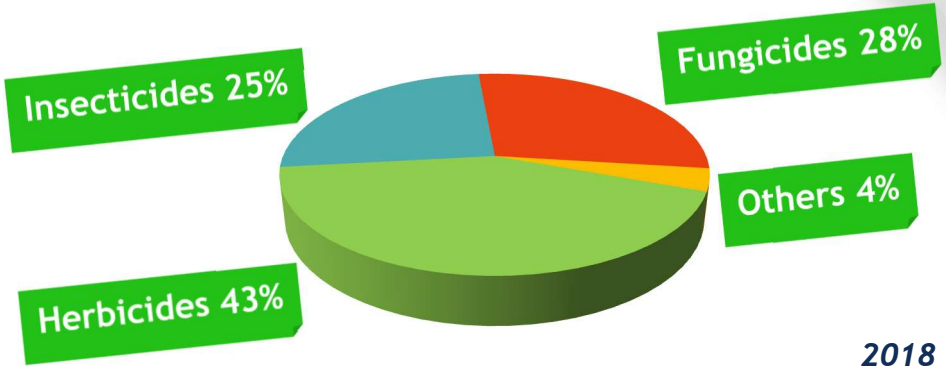
Estimated CAGR (EC) to 2023: +3.0%

* At *ex-manufacturer level*

Breakdown by region…



…and by product category



2018 data

Source: Phillips McDougall

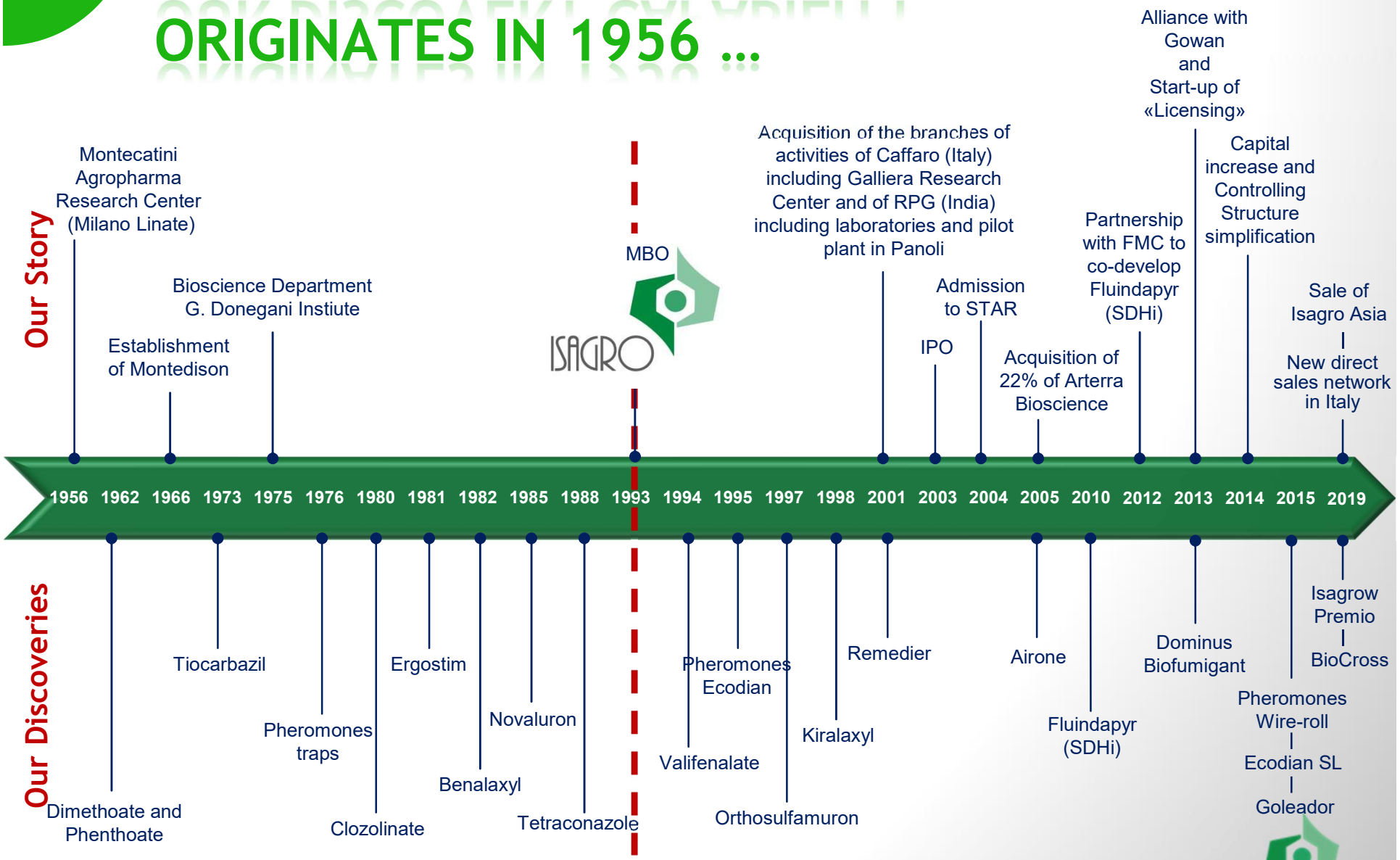
ISAGRO
Italian creativity for plant health

AGENDA

1. ISAGRO AT A GLANCE
2. THE CROP PROTECTION MARKET
3. OUR STORY
4. GROWTH SHARES

ISAGRO
Italian creativity for plant health

OUR DISCOVERY CAPABILITY ORIGINATES IN 1956 …



ISAGRO
Italian creativity for plant health

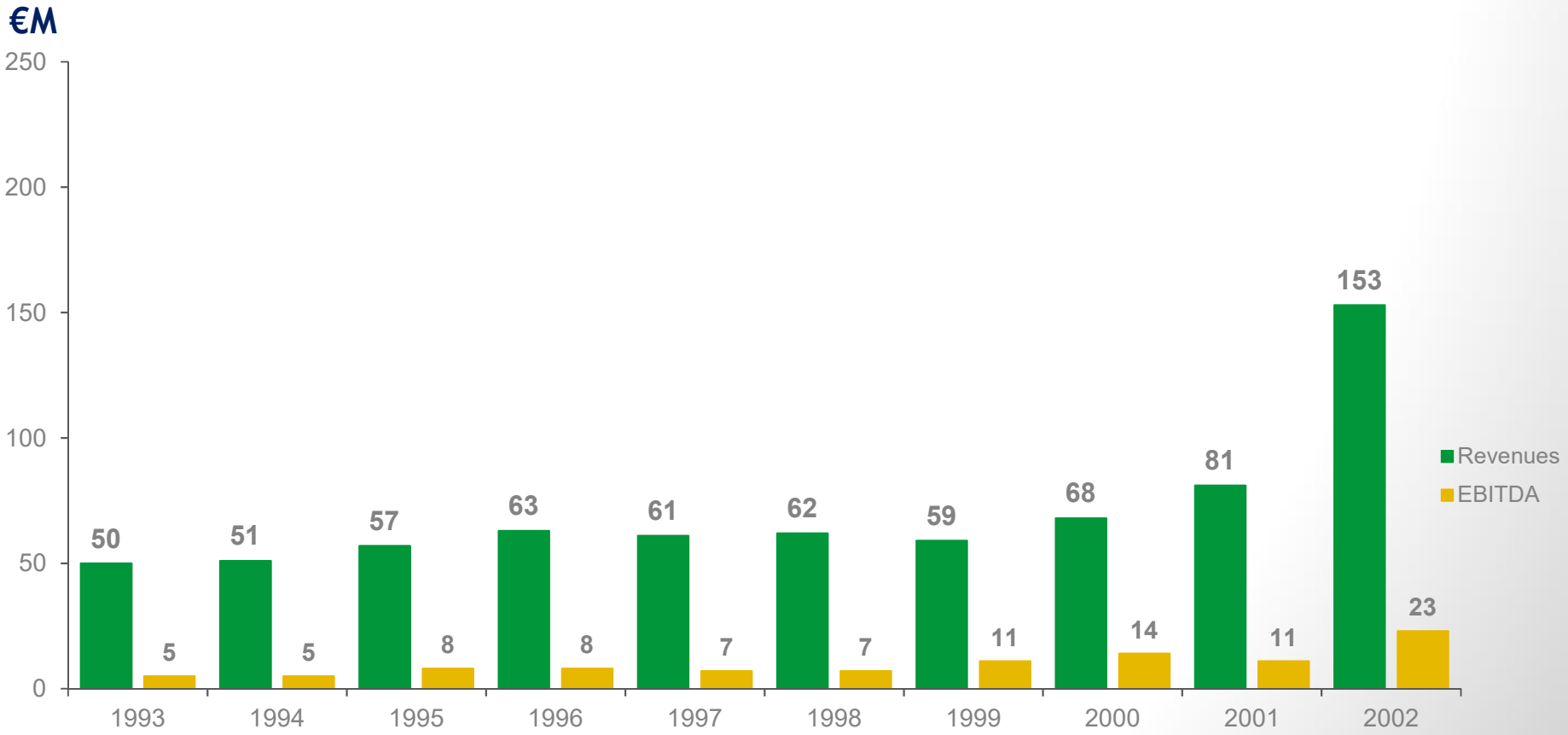
… AND REPRESENTS THE BASIS OF OUR BUSINESS MODEL, EVOLVED OVER THE TIME

1st phase	2nd phase	3rd phase	4th phase
1993-2002 "Alliances to compete"	2003-2012 "Developing by ourselves, for ourselves"	2013-2018 "Assuring a proper exploitation of our discoveries mainly by attributing rights to Third Parties"	From 2019 "Redefining our business model for a project of growth in the copper fungicides and Biosolutions, leveraging also on the valorisation of our Organic Agchem assets"

ISAGRO
Italian creativity for plant health

1st PHASE OF ISAGRO: 1993-2002

«Alliances to compete»

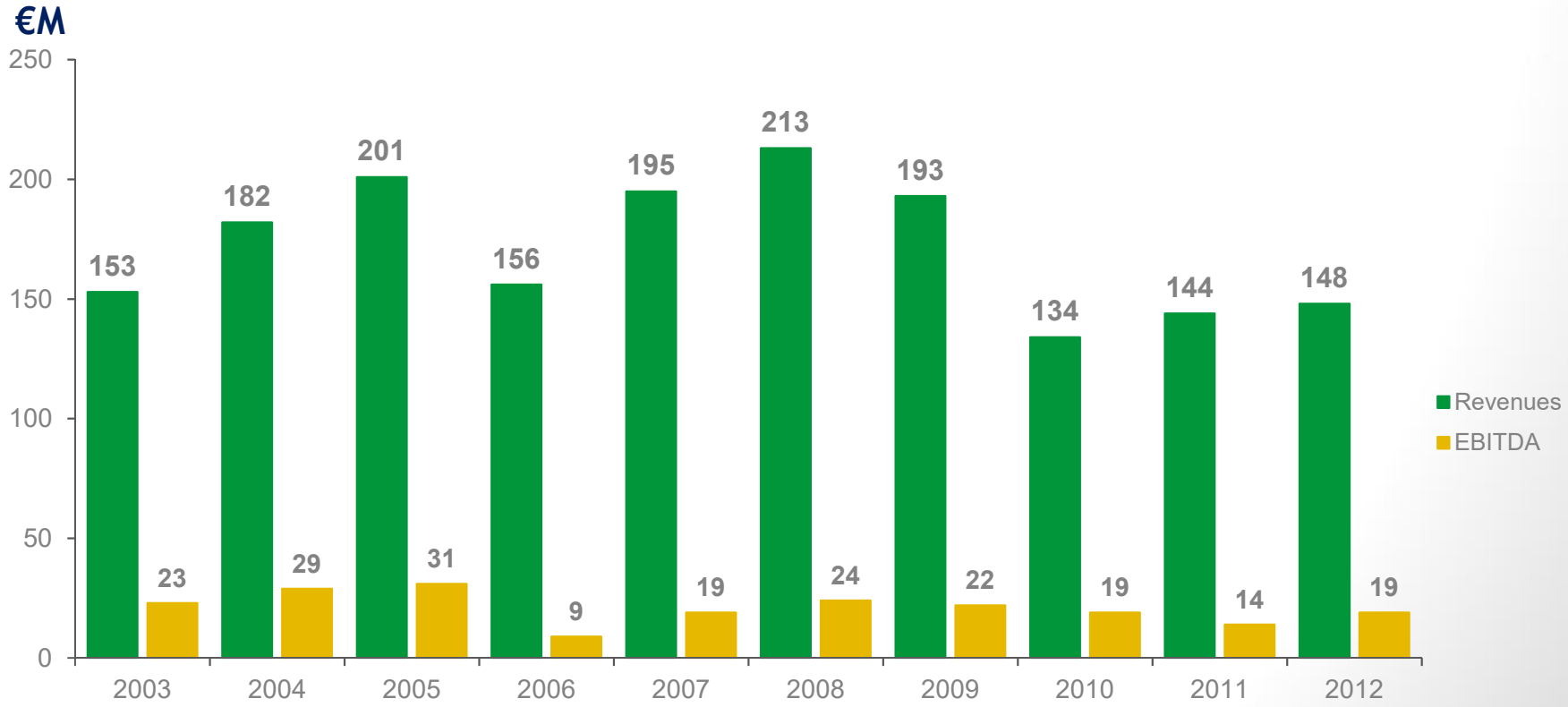


- *System of Strategic Alliances also for Discovery*
- *Commercial development of Tetraconazole fungicide*
- *Starting development of new molecules from 2000*
- *Acquisitions of company branches in India and in Italy at the end of 2001*

ISAGRO
Italian creativity for plant health

2nd PHASE OF ISAGRO: 2003-2012

«Developing by ourselves, for ourselves only»



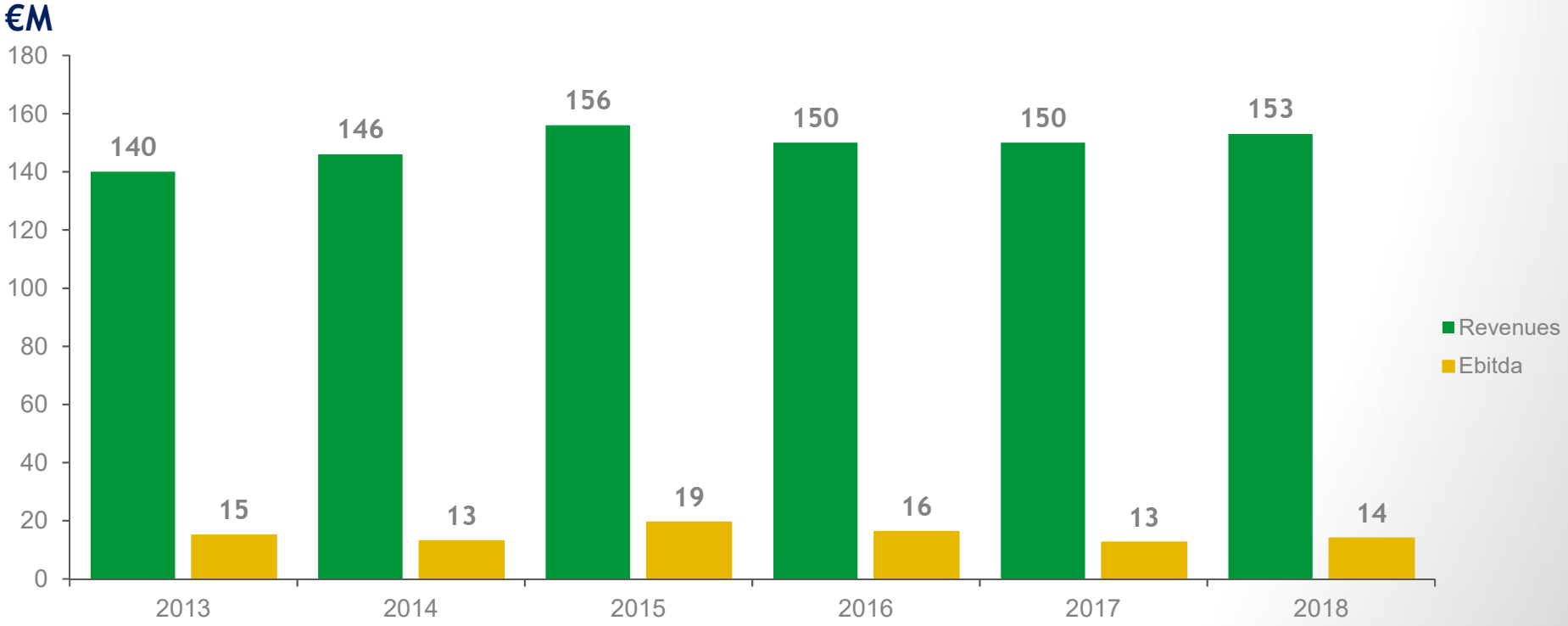
- *Continuation of the development of two new molecules «by ourselves»*
- *Sales peak in the USA in 2004/2005 due to disease that did not occur*
- *Acquisitions in South America and then divestment of distribution participations in the 3-year period 2007-2009*

LESSON: we are good at discovering but, if we develop alone, we under-exploit the potential of our inventions

ISAGRO
Italian creativity for plant health

3rd PHASE OF ISAGRO: 2013-2018

«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)*

Thus overcoming the constraint of our size vis-à-vis the global market potential of our discoveries

ISAGRO
Italian creativity for plant health

4th PHASE OF ISAGRO: FROM 2019

"Redefining our business model for a project of growth in the copper fungicides and Biosolutions, leveraging also on the valorisation of our Organic Agchem assets"

- ***THE TIGHTENING OF THE REGULATORY FRAME RELEVANT TO ORGANIC AGCHEMs …***
- ***THE SUBSEQUENT INCREASE OF DEVELOPMENT COSTS FOR ORGANIC AGCHEMs…***
- ***THE FURTHER BOOST TO CONCENTRATION AT THE LEVEL OF PLAYERS BASED ON INNOVATIVE RESEARCH …***
- ***THE STRATEGIC INTEREST OF CHINESE AND INDIAN GENERIC PLAYERS TO PROVIDE THEMSELVES WITH INNOVATIVE PRODUCTS (BOUGHT FROM OUTSIDE) AND/OR TO ESTABLISH DIRECT PRESENCES IN INNOVATIVE RESEARCH …***
- ***THE DEVELOPMENT OF THE BIOSOLUTIONS MARKET, WITH SMALL TO MID SIZE PLAYERS, NEEDING INNOVATIVE / MARKETING / REGULATORY / COMMERCIAL KNOW-HOW …***

… DROVE ISAGRO TO REVISE ITS STRATEGIC INTENT, AIMING AT VALORISING THE UNEXPRESSED VALUE OF ITS ORGANIC AGCHEM ASSETS TO STRENGTHEN ITS PRESENCE IN COPPER FUNGICIDES (INORGANIC AGCHEMs) AND BIOSOLUTIONS

AGENDA

1. ISAGRO AT A GLANCE
2. THE CROP PROTECTION MARKET
3. OUR DISCOVERY, OUR STORY
4. GROWTH SHARES

ISAGRO
Italian creativity for plant health

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 Italian Stock Exchange, approved by the Italian SEC and, as of today, utilized only by Isagro

Strengthening the equity without losing control

Extra dividend

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

Automatic conversion into Ordinary Shares

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

No voting right

Not relevant for a minority shareholder

ISAGRO
Italian creativity for plant health

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

ISAGRO
Italian creativity for plant health

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

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19
No. of Shareholders	4	4	4	1	-	1	1	4	2	2	3	1	1	2	3	2
% of equity	0.1%	0.9%	0.2%	<0.1%	<0.1%	<0.1%	<0.1%	0.1%	<0.1%	<0.1%	<0.1%	<0.1%	<0.1%	1.4%	5.1%	3.6%

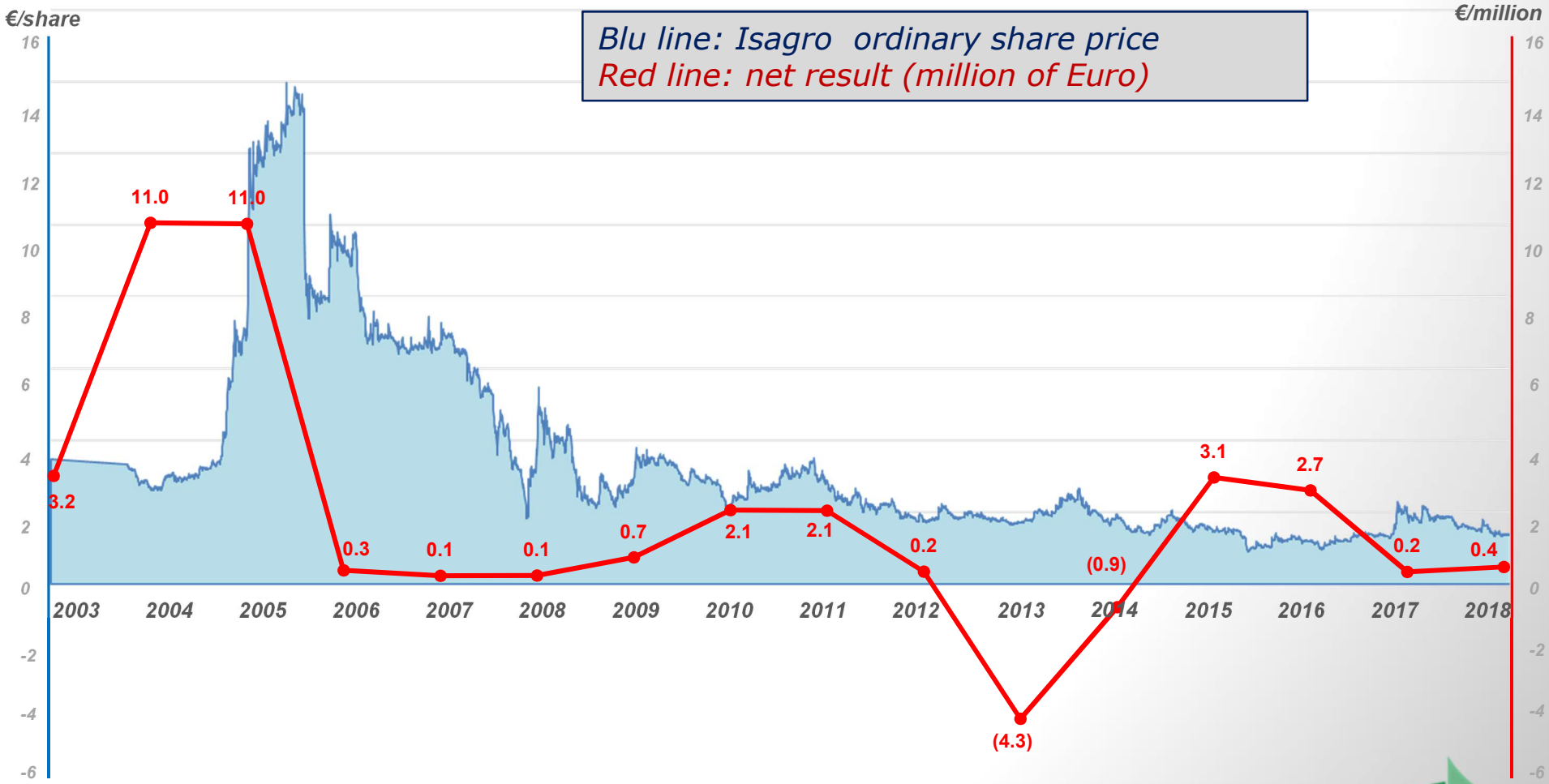
Attending of Minority Shareholders (thus excluding Holdisa) to Isagro annual Shareholders' Meeting

ISAGRO
Italian creativity for plant health

GROWTH SHARES

3/3: SHARE PRICE DEPENDS ON CORPORATE RESULTS

THE EXPERIENCE OF ISAGRO



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

ISAGRO
Italian creativity for plant health

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

ISAGRO

Italian creativity for plant health

ISAGRO
Italian creativity for plant health

For information:

Ruggero Gambini

Chief Financial Officer

tel. (+39) 02.40901.280

Erjola Alushaj

Group Financial Planning & Coordination and Investor Relations Manager

tel. (+39) 02.40901.340

email: ir@isagro.com

www.isagro.com

«Disclaimer»

Estimates, considerations, statements and opinion, except for what referring to actual figures, are to be considered as data, estimates, considerations, statements and opinion regarding future, and have been elaborated and stated on the basis of available information and/or on the basis of those information considered the most reliable and/or the most reasonable.

Such data, estimates, considerations, statements and opinion could prove to be incomplete and/or wrong and they incorporate elements of risk of uncertainty, beyond the company control. For such reasons, actual results may prove to differ versus data, estimates, considerations, statements and opinion contained in such presentation.

Any reference to Isagro products is to be considered exclusively as general information about the group activity and is not to be intended, under any circumstances, as invitation to employ or propose the employment of such products.
Such data, estimates, considerations, statements and opinion are not to be considered as a proposal of investment, under any circumstances, in Isagro's shares.

ISAGRO
Italian creativity for plant health