

## PRESS RELEASE

### ISAGRO BOD APPROVES THE QUARTERLY RESULTS AS OF MARCH 31<sup>ST</sup>, 2021

- **Revenues from Agropharma and Services: +37% vs. 1Q 2020** (49.3 Euro million vs. 35.9 Euro million)
- **EBITDA adjusted** (excl. effect of conditions precedent): positive for 7.9 Euro million vs. 4.3 million of 1Q 2020
- **Consolidated EBITDA:** positive for 5.6 Euro million (vs. the 1Q 2020 value of 4.3 million)
- **Net result:** profit of 2.4 Euro million (vs. the 1Q 2020 value of 0.6 million)
- **Net Financial Position:** net cash equal to 17.6 Euro million (vs. the net cash of 21.4 million as of December 31<sup>st</sup>, 2020 and the NFP at debt as of March 31<sup>st</sup>, 2020 of 39.4 million)

Milan, May 13<sup>th</sup>, 2021 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of March 31<sup>st</sup>, 2021, which will be made available to the public following the terms and the modalities of the applicable Laws.

#### **New business model of Isagro and integration in Gowan Group**

Starting from the second half of 2019 and throughout 2020, Isagro actively worked at the implementation of its new business model, today fully operating even if not yet completed, implying a specific focus on the development of market positions and products/formulations related to “Bio-Copper” (i.e. products of biological/natural origin and copper-based products, the latter ones belonging to inorganic chemicals), also through acquisitions financed through the divestment of no longer strategic assets. This led to an important turning point in the financial structure of Isagro starting from October 2020, with a Net financial position as of March 31<sup>st</sup>, 2021 at credit for 17.6 Euro million (value already net of 2.3 Euro million attributable to the accounting principle IFRS 16). At the same time, the Group is experiencing an increasing phase of its turnover, which in the first quarter of 2021 grew by 37% vs. 1Q 2020: this led to a Net Result which, excluding the extraordinary items relating to the disposal of assets linked to countries under embargo by the United States government, moved from the value of 0.6 Euro million in 1Q 2020 to the value of 4.7 Euro million in 1Q 2021 (equal to 2.4 million net of the extraordinary items). In fact, regarding the above, it shall be remembered that on March 6<sup>th</sup>, 2021 Piemme S.r.l.’s Shareholders (company that indirectly holds, through the sub holding Holdisa S.r.l., the majority of Ordinary Shares of Isagro S.p.A.) signed a binding Agreement with Gowan (current minority shareholder of Holdisa, holding 49% of capital stock), to sell their quotas in Piemme and Ordinary and Growth Shares of Isagro to Gowan itself, with Closing to take place on May 14, 2021. Following such change of control Growth Shares shall be converted into Ordinary Shares in the ratio 1:1 and Gowan will run a mandatory tender offer at 2.76 euro per share, with a subsequent delisting of Isagro.

The above transaction and the related valorization of Isagro represent a recognition of the important work carried out by Group’s management in particular in the last two years and of the fact, repeatedly brought to the attention of the Market, that the past stock prices underestimated the real value of Isagro.

It is believed that the integration of Isagro Group within the Gowan Group will bring numerous benefits in terms of synergies and enhancement of skills and know-how of Isagro itself.



### **1Q 2021 consolidated data**

In 1Q 2021, Isagro registered:

- **Revenues from Agropharma and Services** growing by 37% to 49.3 Euro million vs. 35.9 million of 1Q 2020;
- an **EBITDA adjusted**, i.e., excluding the non-recurring allowances related to the implementation of the conditions precedent, positive for 7.9 Euro million vs. the value of 4.3 million of 1Q 2020;
- a **Consolidated EBITDA** positive for 5.6 Euro million vs. the value of 4.3 million of 1Q 2020;
- a **Net result** positive for 2.4 Euro million vs. the profit of 0.6 million of 1Q 2020;
- a **Net financial position** at credit (cash) for 17.6 Euro million (vs. the Net cash of 21.4 Euro million as of December 31<sup>st</sup>, 2020 and the Net financial position at debt for 39.4 Euro million as of March 31<sup>st</sup>, 2020), of which 2.3 Euro million due to the application of the accounting principle IFRS 16-Leases, and a **debt/equity** ratio of -0.16. Excluding the amount linked to IFRS 16, the Net financial position as at March 31<sup>st</sup>, 2021 would be equal to 19.9 Euro million cash, with a **debt/equity** ratio of -0.18.

With reference to the variation of Revenues from Agropharma and Services vs. 1Q 2020, the higher sales of 1Q 2021 are mainly attributable to higher revenues achieved in copper, tetraconazole, deltamethrin and biostimulants segments in the areas of EMEA, South America and South-East Asia. Isagro, with reference to the global critical situation due to the Covid-19 pandemic, has not experienced specific pressures in terms of lower sales on its product/customer segments.

### **Perspectives**

Isagro expects the recovery and growth of turnover started in 2020 to continue in 2021, with a Net Financial Position at credit at year-end.

### **Other information**

- The Manager charged with preparing the company's financial reports, Ruggero Gambini, hereby certifies, pursuant to Article 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.

---

#### **About Isagro**

*Isagro S.p.A., an independent company born in 1993 with Montecatini/Montedison origin, is listed on the Milan Stock Exchange since 2003. Initially based on the discovery and development of new chemical molecules, the last one being Fluindapyr, the Company leads today a Group offering agricultural solutions at low environmental impact, with a growth project focused on products of biological/natural origin and copper-based products as part of its new business model aimed also at capitalizing on the current product portfolio qualified for an integrated crop management.*

*In 2014 Isagro issued Growth Shares, an innovative category of special shares specifically conceived for companies having a Controlling Subject. Main characteristics of Growth Shares are the absence of voting rights, an extra-dividend vs. Ordinary Shares (20% in the case of Isagro) and the automatic conversion into Ordinary Shares in the ratio 1:1 in any case of loss of controlling stake by the Controlling Subject and/or of Mandatory Tender Offer.*

**Ruggero Gambini**  
Chief Financial Officer  
Tel. +39(0)240901.280

#### **For more information:**

**Erjola Alushaj**  
Group Financial Planning &  
Coordination and IR Manager  
Tel. +39(0)240901.340

[www.isagro.com](http://www.isagro.com)

[ir@isagro.com](mailto:ir@isagro.com)



## CONSOLIDATED PROFIT & LOSS STATEMENT AS OF MARCH 31<sup>ST</sup>, 2021

(€ 000)	1° Quarter 2021	1° Quarter 2020	Differences		Year 2020
<b>Revenues from sales and services</b>	<b>49,288</b>	<b>35,869</b>	<b>+13,419</b>	<b>+37.4%</b>	<b>110,327</b>
Other revenues and incomes	128	310	-182		1,629
Consumption of materials and external services	(32,231)	(26,572)	-5,659		(86,311)
Variations in inventories of products	(3,958)	553	-4,511		1,340
Costs capitalized for internal works	508	265	+243		1,500
Allowances and provisions	(2,519)	(349)	-2,170		(2,119)
Labor costs	(5,332)	(5,625)	+293		(21,651)
Bonus accruals	(244)	(158)	-86		(946)
<b>EBITDA before non-recurring Incomes</b>	<b>5,640</b>	<b>4,293</b>	<b>+1,347</b>		<b>3,769</b>
Non-recurring incomes	-	-	-		30,331
<b>EBITDA</b>	<b>5,640</b>	<b>4,293</b>	<b>+1,347</b>	<b>+31.4%</b>	<b>34,100</b>
<i>% on Revenues</i>	<i>11.4%</i>	<i>12.0%</i>			<i>3.4%</i>
Depreciation and amortization:					
- tangible assets	(658)	(615)	-43		(2,430)
- intangible assets	(1,283)	(1,621)	+338		(5,911)
- right-of-use asset IFRS 16	(206)	(197)	-9		(793)
- write-down of tangible and intangible assets	(58)	(3)	-55		(1,044)
<b>EBIT</b>	<b>3,435</b>	<b>1,857</b>	<b>+1,578</b>	<b>+85.0%</b>	<b>23,922</b>
<i>% on Revenues</i>	<i>7.0%</i>	<i>5.2%</i>			<i>21.7%</i>
Interests, fees and financial discounts	(91)	(284)	+193		(990)
Exchange losses and derivatives	(90)	(360)	+270		(716)
<b>Result before taxes</b>	<b>3,254</b>	<b>1,213</b>	<b>+2,041</b>	<b>N/S</b>	<b>22,216</b>
Current and deferred taxes	(829)	(619)	-210		(6,267)
<b>Net result of continuing operations</b>	<b>2,425</b>	<b>594</b>	<b>+1,831</b>	<b>N/S</b>	<b>15,949</b>
Net result of discontinued operations	-	-	-		202
<b>Net result</b>	<b>2,425</b>	<b>594</b>	<b>+1,831</b>	<b>N/S</b>	<b>16,151</b>

## CONSOLIDATED BALANCE SHEET AS OF MARCH 31<sup>ST</sup>, 2021

(€ 000)	Mar. 31, 2021	Dec. 31, 2020	Differences		Mar. 31, 2020
<b>Net fixed assets</b>					
Goodwill	4,128	4,181	-53		2,879
Other intangible assets	20,827	21,063	-236		46,477
Tangible assets	14,901	15,157	-256		15,213
Right-of-use asset IFRS 16	2,196	4,091	-1,895		4,367
Financial assets	3,724	3,140	+584		2,611
Other medium/long terms assets and liabilities	1,899	1,990	-91		6,983
<b>Total net fixed assets</b>	<b>47,675</b>	<b>49,622</b>	<b>-1,947</b>	<b>-3.9%</b>	<b>78,530</b>
<b>Net current assets</b>					
Inventories	36,495	39,553	-3,058		40,171
Trade receivables	48,227	23,871	+24,356		36,624
Trade payables	(35,920)	(24,206)	-11,714		(29,012)
<b>Subtotal Net working capital</b>	<b>48,802</b>	<b>39,218</b>	<b>+9,584</b>		<b>47,783</b>
Current risk funds	(1,848)	(2,164)	+316		(1,721)
Other current assets and liabilities	(2,036)	(595)	-1,441		5,646
<b>Subtotal Other assets and liabilities</b>	<b>(3,884)</b>	<b>(2,759)</b>	<b>-1,125</b>		<b>3,925</b>
<b>Total net current assets</b>	<b>44,918</b>	<b>36,459</b>	<b>+8,459</b>	<b>+23.2%</b>	<b>51,708</b>
<b>Invested capital</b>	<b>92,593</b>	<b>86,081</b>	<b>+6,512</b>	<b>+7.6%</b>	<b>130,238</b>
<b>Severance Indemnity Fund (S.I.F.)</b>	<b>(1,537)</b>	<b>(1,546)</b>	<b>+9</b>	<b>-0.6%</b>	<b>(1,730)</b>
<b>Net invested capital</b>	<b>91,056</b>	<b>84,535</b>	<b>+6,521</b>	<b>+7.7%</b>	<b>128,508</b>
<b>Total</b>	<b>91,056</b>	<b>84,535</b>	<b>+6,521</b>	<b>+7.7%</b>	<b>128,508</b>
<i>financed by:</i>					
<b>Equity</b>					
Capital stock	24,961	24,961	-		24,961
Reserves and retained earnings	83,176	66,599	+16,577		65,375
Translation adjustment reserve	(1,885)	(1,799)	-86		(1,776)
Profit of the Group	2,425	16,151	-13,726		594
<b>Total equity</b>	<b>108,677</b>	<b>105,912</b>	<b>+2,765</b>	<b>+2.6%</b>	<b>89,154</b>
<b>Net financial position</b>					
<i>Medium/long term debts:</i>					
- due to banks	2,320	2,319	+1		25,942
- due to other lenders	814	814	-		1,135
- financial liabilities ex IFRS 16	1,589	3,481	-1,892		3,606
- other financial liabilities/(assets), IRS and trading derivatives	(2,503)	(2,503)	-		(2,467)
<b>Total medium/long terms financial debts</b>	<b>2,220</b>	<b>4,111</b>	<b>-1,891</b>	<b>-46.0%</b>	<b>28,216</b>
<i>Short-term debts:</i>					
- due to banks	2,744	5,293	-2,549		26,834
- due to other lenders	247	320	-73		319
- financial liabilities ex IFRS 16	715	761	-46		865
- other financial liabilities/(assets), IRS and trading derivatives	(99)	34	-133		(85)
<b>Total short-term financial debts</b>	<b>3,607</b>	<b>6,408</b>	<b>-2,801</b>	<b>-43.7%</b>	<b>27,933</b>
<b>Cash and cash equivalents</b>	<b>(23,448)</b>	<b>(31,896)</b>	<b>+8,448</b>	<b>-26.5%</b>	<b>(16,795)</b>
<b>Total net financial position</b>	<b>(17,621)</b>	<b>(21,377)</b>	<b>+3,756</b>	<b>-17.6%</b>	<b>39,354</b>
<b>Total</b>	<b>91,056</b>	<b>84,535</b>	<b>+6,521</b>	<b>+7.7%</b>	<b>128,508</b>



## CONSOLIDATED CASH-FLOW STATEMENT OF JANUARY-MARCH 2021

(€ 000)	March 31, 2021	March 31, 2020
<b>Cash and cash equivalents (as of January 1<sup>st</sup>)</b>	<b>31,896</b>	<b>46,581</b>
<i>Operating activities</i>		
<b>Net profit of continuing operations</b>	<b>2,425</b>	<b>594</b>
- Depreciation of tangible, intangible assets and right-of-use IFRS 16	2,214	2,493
- Losses in value of tangible and intangible assets	58	3
- Provisions to reserves (including employee indemnity)	244	160
- Provisions to incentive and retention plan	91	38
<i>Subtotal Cash-Flow</i>	<i>5,032</i>	<i>3,288</i>
- Net change in net current assets	(9,771)	(7,318)
- Net change in other assets/liabilities	1,301	480
- Use of funds (including employee indemnity)	(593)	(356)
<b>Cash-flow for operating activities</b>	<b>(4,031)</b>	<b>(3,906)</b>
<i>Investment activities</i>		
- Investments in intangible assets	(1,105)	(720)
- Investments in tangible assets	(404)	(256)
- Cash-flow generated from the sale of discontinued operations	38	-
<b>Cash-flow for investment activities</b>	<b>(1,471)</b>	<b>(976)</b>
<i>Financing activities</i>		
- Decrease in financial debts (current and non-current)	(2,978)	(24,976)
- Increase in financial receivables, derivatives and other financial liabilities (current and non-current)	(166)	(1,178)
<b>Cash-flow for financing activities</b>	<b>(3,144)</b>	<b>(26,154)</b>
<b>Translation adjustments changes</b>	<b>198</b>	<b>1,250</b>
<b>Cash-flow of the period</b>	<b>(8,448)</b>	<b>(29,786)</b>
<b>Cash-closing balance (as of March 31<sup>st</sup>)</b>	<b>23,448</b>	<b>16,795</b>