



## Status of 2022 Early Crop Harvesting

### Postponement of Interim Results Publication through November 30<sup>th</sup>, 2022

#### Liberation of Group's Farmlands from Temporary Occupation

Paris, September 16<sup>th</sup>, 2022

**AgroGeneration, a Ukraine based grain and oilseed producer, provides an update on the current company's operational performance and gives an overview of the impacts of the Russian military invasion of Ukraine launched on 24 February 2022.**

#### **Early crop harvesting preliminary results**

Full-scale war in Ukraine made the 2022 crop growing and harvesting campaign in the country extremely challenging, especially in those regions where military activities have been ongoing since the very beginning of the Russian invasion. In the Kharkiv region, where all AgroGeneration's production lands and assets are located, the early crop harvesting campaign was executed with the following irregularities:

- The crop growing period was affected by a limited ability to execute all necessary field works in time and in full required volumes on the back of continuous military activities.
- Not all farmlands were harvested due to the huge amount of remnants of military equipment, unexploded ordnance, mines and missiles found in the fields to be harvested.
- Periodic fires in the fields, caused by shelling, additionally limited the execution of necessary operations, as well as affected the production performance.
- Harvesting in the region only occurred following the appropriate permission from the military administration of the region on the possibility of harvesting each field.
- Production workers were forced to go into the fields in helmets and body armors to mitigate life-safety risk.
- In addition, weather issues during ripening and harvesting also affected the quantity and quality of the collected crop.

The Group harvested around 15.9k hectares of winter wheat in July-mid-August 2022. The harvested area was in line with the revised spring production plan (due to temporary occupation and military activities as stated in



earlier releases published by the Company), which was 43% below 2021. In addition, the obtained winter wheat yield declined by 23% yoy and came to around 3.0 tons/ha (vs. 3.9 tons/ha in 2021). The reduction in wheat yield was mainly attributed to (1) weather issues (drought during the final stage of crop vegetation followed by intense rains during harvesting) and war related issues, precisely (2) logistics constraints followed by inability to physically provide the Group's farms with necessary amount of fertilizers, under-application of nitrogen fertilizers took place mainly in the southern farms of the Group, where military activities continue regularly; and (3) damaged fields, where harvesting was impossible due to presence of remnants of military equipment and unexploded ordnance. All in all, AgroGeneration collected around 47k tons of wheat (57% below 2021) with over 20% presented by milling wheat (vs. around 50% in 2021). The quality of wheat was deteriorated by lengthy harvesting campaign and under-application of nitrogen fertilizers.

AgroGeneration. Early crop production estimates (as of September 1<sup>st</sup>, 2022):

Crop	2021			2022E		
	Hectares harvested	Net Production, tons	Net Yield, tons/ha	Hectares harvested	Net Production, tons	Net Yield, tons/ha
Wheat	27,911	108,282	3.9	15,858	46,857	3.0
<b>TOTAL</b>	<b>27,911</b>	<b>108,282</b>	<b>3.9</b>	<b>15,858</b>	<b>46,857</b>	<b>3.0</b>

## Reporting

Taking into account the three-month delay in 2021 full-year results disclosure of the Group, caused by the continued Russian military invasion of Ukraine started in February 2022, AgroGeneration will not be able to publish the Group's 2022 interim financial accounts within obligatory deadlines (by the end of October). The Company will make its best efforts to publish its interim financial statements by end-November 2022, one month behind the required terms.

## Liberation of Group's farmlands from temporary occupation

Thanks to the active counter-offensive of the Armed Forces of Ukraine in the Kharkiv region in September, those farmlands of AgroGeneration that were under occupation by Russian troops from the very beginning of the war, located in the Burluk and Balakliya regions, were liberated. Still, as of the date of this release, the Management had no accurate information on the state of those lands, as access to them was restricted by Ukrainian military authorities due to the need to check them for Russian mines. In addition, the liberated regions continue to be subjected to daily rocket and artillery attacks from the territory of the Russian Federation as they are located near the border. The group will keep the market informed on further significant changes in its activity.



## Employees – losses of the AgroGeneration's team

The key priority of the Group currently, in the middle of war, is the safety of its people. As reported earlier, over 50% of Company's personnel left their homes and became temporary internally displaced or fled Ukraine. In addition, there are those who continue working on both agricultural frontline (in the fields) and military frontline (in the Armed Forces of Ukraine and Territorial Defense) to provide Ukraine's and Company's stability. Unfortunately, the Group faced the following irreparable losses among its team in August 2022:

- An accident took place in one of the AgroGeneration's farms: while disking the field a tractor operated by the machine operator hit an unknown explosive device. After the explosion, machine operator received shrapnel wounds to the head and chest, was shell-shocked, and became partially blind. The tractor was significantly damaged.
- As a result of the Russian troops' artillery shelling of the Ukrainian positions in the Donetsk region, one of the AgroGeneration's head-office specialists, who was in the Armed Forces of Ukraine since the very beginning of war, went missing. As of the date of this release, his fate was unknown.



*AgroGeneration. Tractor hit by a mine in the field in August 2022*

A special charity fund to support the employees of the Group affected by war (injured, went missing, killed, whose housing was destroyed, etc.) was established. Anyone wishing to financially support mentioned above victims of war can join the fundraising visiting the following page on the corporate website of the Company: <https://agrogeneration.com/charitable-activity>.

### **About AGROGENERATION**

*Founded in 2007, AgroGeneration is a large-scale producer of grain and oilseed. The company's core business is grains and oil commodity crop farming, operating near 60,000 hectares of high quality agricultural lands in the East of Ukraine.*

*All information on AgroGeneration's website : [www.AgroGeneration.com](http://www.AgroGeneration.com)*

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