



## First Half (Q1 and Q2) 2017 Interim Report

### Highlights

- H1 2017 Sales Revenue of USD 3.43 million vs. USD 2.29 million in H1 2016, an increase of 50%.
- H1 2017 Operating Expenses were essentially flat as compared to the same period in 2016, at USD 9.54 million for H1 2017 vs. USD 9.40 million for H1 2016.
- Q3 2016 through Q2 2017 12-month Sales Revenue was USD 8.69 million vs. USD 6.21 million in the 12-month period from Q3 2015 through Q2 2016, an increase of 40% in this comparable 12-months.
- Agrinos entered into a strategic partnership with Algacell, a distributor of high-quality plant nutrients in Mexico, increasing sales and market penetration in the high-value fruit and vegetable markets.
- Agrinos entered into a partnership with Krishi Rasyan Exports Pvt. Ltd. (KREPL) to expand reach of high yield technology products and bring value to farmers in northern India.
- Brazil tripled its customer base over the last twelve months, with Agrinos entering into more than 20 new commercial alliances with regional vegetable retailers specializing in key crops.
- Agrinos' production facility in Mexico celebrated 1,000 accident free days on June 8, an impressive achievement highlighting the Company's commitment to employee health and safety.
- Indranil Das, Agrinos VP of India & Asia Business, was selected by the Indian Council of Food and Agriculture (ICFA) to serve as a member of its Working Group on Eco Agriculture and Bio Products.
- Terry Stone, Agrinos VP of Regulatory and Sustainability, was voted Chairman of the Biostimulant Integration Committee for the Biological Products Industry Alliance (BPIA), a trade group that promotes the responsible development of safe and effective biological products for agriculture and other sectors.
- Ry Wagner, Agrinos CEO, was selected as a "World Changing Entrepreneur" to participate in a program designed to leverage market forces and achieve the United Nations' Sustainable Development Goals.
- Agrinos and Van Diest Supply Company entered into a new distribution partnership to drive biological crop solutions with U.S. Midwestern growers.

"In the first half of 2017 the Company realized improved sales revenue in core markets, continued to effectively manage operational costs, and advanced several product concepts in our new product pipeline. The Company also made excellent progress with onboarding new distribution partners and expanding the relationship with existing distribution partners, including strategic partner EuroChem Group AG. As a result, Company revenue increased by 50% versus the same period in 2016 and rapid progress was made in product development projects, while operational costs were held essentially flat versus that same comparable period," said Chief Executive Officer D. Ry Wagner.

"Agrinos continues to strengthen its leadership role in biological inputs for agriculture by leading key industry alliances, participating in global development programs and demonstrating our commitment to product quality and employee safety to better serve our customers and provide the best working environment possible for our staff. Our major shareholders have continued their strong commitment to the Company by providing shareholder loans to support the acceleration of our growth strategy. Our accomplishments thus far in 2017, and our strong shareholder support, have enabled the creation of a solid foundation for continued growth, and for delivering on our strategy in 2017 and beyond," Wagner concluded.



## **Profit and loss**

Sales revenue amounted to USD 3.43 million in the first half of 2017, which is a USD 1.14 million increase over the first half of 2016. This reflects continued sales revenue growth in key geographic markets and reduced revenue from several secondary markets, and is in line with the Company's 2017 strategic plan.

Agrinos had 139 employees (FTE) as of June 30, 2017, down from 147 employees reported at the end of the fourth quarter 2016.

Total operating expenses in the first half of 2017 amounted to USD 9.54 million before depreciation and amortization, an increase of USD 0.14 million from first half 2016.

The earnings before interest, taxes, depreciation and amortization (EBITDA) pre-earn-out, were negative at USD 6.77 million in the first half of 2017 vs. negative USD 7.83 million in the first half of 2016.

## **Outlook**

Agrinos is a biological solutions-based agricultural company pursuing growth through commercial activities as well as research and development. The company's innovative technology, strong field trial results and established channels to large agricultural inputs markets is believed to provide opportunities where the company can create value for its customers and capture an attractive margin on the sale of its products to support operations and new product development.

Commercially, the company is experiencing positive development within Agrinos' core geographies, driven by in-the-field results, maturing relationships with key partners and end-user technology adoption. The company expects progress to continue throughout 2017 and will continue to pursue growth in core geographies.

Agrinos' strategy targets commercial growth in select geographies and continued development of the company's research and development operations. The company will strive toward all business units becoming cash flow positive.

The company will look at various corporate development opportunities in the midterm based on performance indicators and organizational considerations while keeping its focus on cost control to reach a profitable state. The main objectives for 2017 are to continue the roll-out and distribution of Agrinos products in core geographies, support the ongoing development of our strategic partnership with EuroChem Group AG, and advance and launch new biological solutions for our customers through our new product pipeline.

July 26, 2017  
The Board of Directors Agrinos AS  
Oslo, Norway



## Shareholders

List of largest shareholders is regularly updated on [www.agrinos.com](http://www.agrinos.com).

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## About Agrinos

Agrinos is a biological crop input provider committed to improving the productivity and sustainability of modern agriculture. Agrinos' range of High Yield Technology (HYT) products helps farmers to practice profitable agriculture by providing increased crop productivity, improved efficiency of conventional fertilizer and a reduced environmental footprint.

Certified as organic and based on Agrinos' proprietary technology, the HYT<sup>®</sup> products provide benefits by strengthening the soil-based microbial ecosystem, stimulating crop development at key points in the growth cycle and boosting natural plant resistance to pathogens and threats. With solutions for a variety of crop categories, the technology comprising the HYT products has demonstrated its value in third-party trials in key agricultural regions worldwide.

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### Cautionary statement on forward-looking statements

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