

# AgroFresh

We Grow Confidence™

## AgroFresh Solutions, Inc. BMO Farm to Market Conference

May 20, 2021



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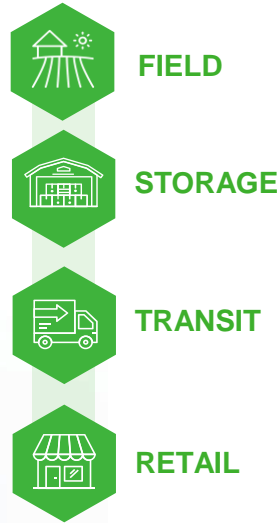
™ Trademark of AgroFresh

# The AgroFresh Vision: To be the Guardian of the World's Fresh Produce

One-third of all food produced is wasted<sup>1</sup>, equating to \$1 trillion in food waste globally<sup>2</sup>

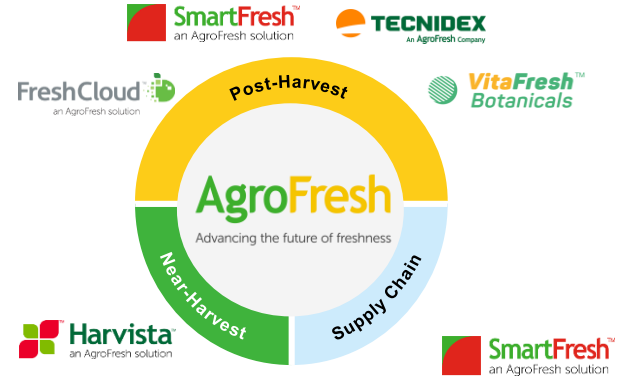


**ONE-HALF<sup>1</sup>**  
of fruits and vegetables perish  
before being consumed



## AgroFresh

Advancing the future of freshness



# A Proven Sustainability Track Record

## Local & Sustainable



### SmartFresh™

has made the supply chain for apples more sustainable, yielding an annual **reduction of 800 thousand**

**tonnes of CO<sub>2</sub>**  
equivalent to emissions from  
**~170,000 cars**

while making U.S. apples *available year round* and *lowering reliance on carbon-intensive imports*.

SmartFresh also allows partners across the supply chain to **adopt more energy efficient practices** without sacrificing shelf-life or fruit quality.

## Healthy & Delicious



### SmartFresh™

is a well-established solution that has helped to make fresh apples **more delicious, healthier and more widely available**.

The technology has allowed over  
**3.7 million tonnes**  
**(8 billion pounds) of apples**  
**to be sold as fresh**  
**rather than processed**

and has **increased antioxidant levels** in the apples on the shelf. Since its release in 2002, apple consumption has been on the rise by **1.7% annually**.

## Tackling Food Waste



### SmartFresh™

is helping to **tackle food waste** by elongating shelf-life of fresh apples. Since its launch, well over

**250,000 tonnes**  
**(half a billion pounds) of**  
**apples have been**  
**sold at retail**

rather than sent to the landfill.

This equates to over **3 million MT**  
**(800 million gallons) of water and over**  
**9,000 hectares** (22,000 acres) of  
**production** that would have been thrown  
in the trash.

- Global solutions provider focused on **food preservation and food waste reduction** for the fresh produce market
- Unique, sustainable business model – **high-touch service offering, asset-light profile** allows for attractive margins and stable cash flow generation
- Proven track record of product innovation and customer satisfaction with **significant brand equity** across the value chain
- A **global, customer-centric sales and technical services team** – supported by 40+ scientists; over 50% have advanced degrees
- Provides innovative solutions to a highly diverse base of **more than 3,500 direct customers** and serves 25,000+ storage rooms globally
- Business in **over 50 countries**
- **Portfolio of 435 patents and patent applications globally**

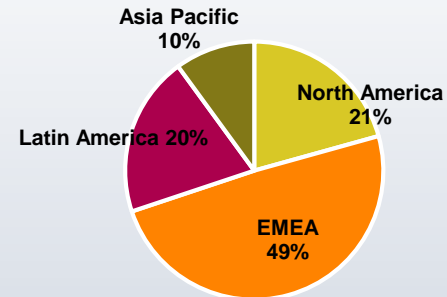
## Key Financial Statistics<sup>1</sup>

<b>LTM Revenue</b>	\$164 million
<b>LTM Gross Margin</b>	73%
<b>LTM Adj. EBITDA</b>	\$63 million
<b>Enterprise Value<sup>2</sup></b>	\$490 million

- (1) As of 3/31/21, except as otherwise indicated  
(2) Equity price as of 3/17/21; balance sheet as of 3/31/21  
(3) LTM revenue mix as of 3/31/21

## Revenue Breakdown<sup>3</sup>

### Geography



# Evolution and Transformation of AgroFresh



## Development of a Market Leader Under Rohm & Haas and Dow

(1999 - 2014)

- Transformed the apple industry with 1-MCP technology
- Spearheaded the commercialization of post-harvest treatment solutions
- Achieved substantial growth and global expansion

Unlocking the Potential of 1-MCP Molecule to Revolutionize Produce Preservation



## Separation from Dow and the Start of an Independent Public Co.

(2015)

- Became a publicly traded company upon sale by Dow
- 1-MCP use patent expired on core molecule
- Investment in people and systems
- Dow remains a highly supportive strategic shareholder with ~40%<sup>1</sup> ownership (25% on fully diluted basis)

Focused on Standing Up as an Independent Leader in the Post-Harvest Market



## Successful Preservation of Market Leadership Post Patent Expiration

(2016 - 2018)

- Service-centric business model and high level of customer intimacy remain key AgroFresh differentiators
- Maintain 80%+ global market share of 1-MCP market

Driving Continued Success with Expanded Solution Offerings



## Focus on Executing Diversification, Cost Optimization and Multiple Growth Initiatives

(2018 - Beyond)

- Broadened solutions
- Diversification accounts for approximately 40% of total revenue today<sup>2</sup>
- Focused on new product development to diversify product offerings
- Driving growth of complementary Harvista solution
- FreshCloud data insights a potential industry game changer

Strong Cash Flow Generative Platform Well-Positioned for Growth

(1) As of March 31, 2021

(2) Based on LTM March 31, 2021 sales; diversification equal to all sales other than SmartFresh for apples

# Large Opportunity to Deliver Solutions for Existing and Unmet Needs



## ◆ Core: \$500 Million

- Post Harvest Solutions in Pome Fruit & Citrus
- 1-MCP, Fungicides, Coatings
- Others, Disinfectants, Sanitizers



## ◆ Adjacencies: \$500 Million<sup>1</sup>

- Modified Atmosphere Packaging (MAP)
- Sulfur Pads



## ◆ Future: \$1.2 Billion<sup>2</sup>

- New Solutions to Address Underserved Crops



# Solutions Across the Supply Chain

Solutions that deliver value from the fields and orchards to the shopping cart



## NEAR HARVEST

Reduces Pre-harvest Losses and Extends the Harvest Window



## STORAGE

Maintains Firmness  
Adds Marketing Flexibility  
Improves Appearance



## PACKING & DISTRIBUTION

Improves Pack-Out  
Opens Longer-Distance Markets



## RETAIL & SUPPLY CHAIN

Better Appearance  
Increases Consumer Appeal  
Improved Buyer Experience  
Reduces Shrinkage



## CONSUMER

Extends Shelf Life



Equips Customers with Timely Information to Optimize Decision Making and Profits



# Diversification



## Driving “Diversification” Beyond SmartFresh for Apples

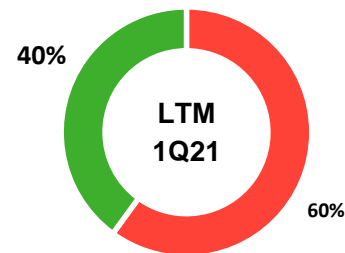
- Focused on leveraging R&D and registration capabilities to expand beyond core SmartFresh for Apple business
  - Diversification = All other crop solutions, ex-SmartFresh for Apple
- Diversification revenue grew 14% year-over-year on a LTM basis, as of 3/31/21



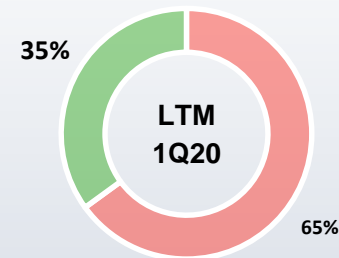
## Ongoing Initiatives

- Non-apple SmartFresh – Continue pursuit of new registrations in new crops and geographies; opportunities in avocados, tomatoes, melons and broccoli
- Harvista – Expansion into new geographies for patented near-harvest solution
- Fungicides & Disinfectants – Cross selling broader portfolio of solutions to existing customers
- VitaFresh Botanicals – Plant-based edible coatings
- FreshCloud – Advancing customer pilots with new AgTech capabilities

## Sales Mix



- Other Product Solutions
- SmartFresh for Apple



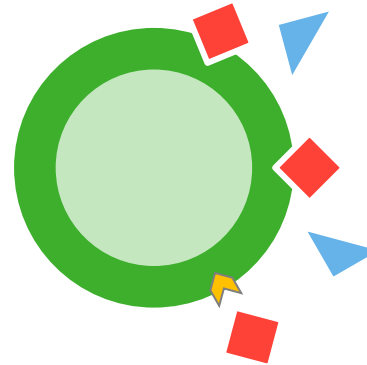


# Near & Post-Harvest Portfolio of AgTech Solutions

# AgroFresh

## Transformed the apple industry with 1-MCP technology

- Most produce emits ethylene gas (a natural plant hormone) as it starts to ripen
- The rising ethylene levels in the air signal the fruit to keep ripening until decay
- 1-MCP temporarily blocks this signal by binding to the produce's ethylene "sniff" receptors so that the fruit's ripening process is suspended
- After storage/transport, the 1-MCP biodegrades without residue— and produce can go back to continuing ripening to its peak



- Plant Cell Membrane
- 1-MCP
- Ethylene
- Ethylene Receptor



### Sustainability benefits of SmartFresh<sup>1</sup>:

- ❖ Reduction in CO<sub>2</sub> respiration in apples = **Equivalent to emissions from 170-220k cars annually**
- ❖ Higher average pack-out yield = **Greater fresh utilization drives \$200m in value annually**



SmartFresh™

an AgroFresh solution

# Leveraging our Expertise in 1-MCP to Innovate for the Future

## 25 Years of Expertise

- AgroFresh developed the 1-MCP market

## Delivering Value to Customers

- Less than ½ penny / apple treatment yields outsized benefits for packers
- Allows packers to **capture the increasing value of their crop** generating high ROI in an extended season (global avg. ROI estimated at 500%+)
  - ROI based on improved grower pack-out by approximately 6%<sup>1</sup>, marketing & inventory optimization, and energy savings
- Value extends to retailers with 12% increase in volume sold and 25% reduction in inventory loss measured in stores<sup>2</sup>

## Innovation Beyond Apple

- SmartFresh for apples represents ~60% of current business
- Diversification growth into other crops

(1) Based on AgroFresh study of Washington state packinghouse  
(2) The Netherlands, AC Nielsen, 2006

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SmartFresh™

UNTREATED

TREATED WITH  
SMARTFRESH™





## A Near-Harvest, Synergistic Solution with SmartFresh

- Slows ripening, reduces fruit drop, and holds fruit on the tree longer to promote better color, fruit size and overall quality
- Extends the harvest window by allowing growers to factor in ever-changing weather conditions
- Allows for improved labor management for producers
- Can provide grower approximately 30% greater pack-out and extended storage<sup>1</sup>
- Expansion from apples & pears into other crops, e.g. cherries, blueberries
- Patent protection through 2031

(1) Gala apple variety; based on AgroFresh studies of multiple commercial harvests comparing Harvista to control



AgroFresh  
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# AgroFresh Fungicide Portfolio

**ActiMist™**

an AgroFresh solution

## The thermofogging standard for fungicide delivery

This storage solution offers premium advantages:

- Non-systemic broad-spectrum control
- Works simultaneously with SmartFresh™ for quicker:
  - Onset of CA conditions
  - Removal of CO<sub>2</sub>
  - Fungicide application
- Simplified logistics makes ActiMist™ easy and ready to use
- Better fog performance from start of treatment

**ActiSeal™**

an AgroFresh solution

## Liquid fungicide delivery

A variety of fruit-protection fungicides reduce the threat of diseases during storage and all the way to market:

- Broad-spectrum disease and disorder control
- Helps protect against the widest range of fungal threats on pome, citrus and stone fruit
- Application ease via a drencher or tank
- Based on a full portfolio of active ingredients

**AgroFresh**

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**FreshCloud™**  
an AgroFresh solution

# AgTech Digital Monitoring & Analytics

## Created a Breakthrough Quality Management System

- **FreshCloud™ Harvest View:** complements Harvista™ near-harvest solution with an automated tool to optimize and increase the speed of fruit maturity assessment and harvest decision-making
- **FreshCloud™ Quality Inspection:** new mobile inspection service standardizes the produce inspection process with enhanced organization and visualization capabilities for optimized quality decision-making

## Further Integration of Digital Tools in Our Full-service Model

- Will allow for comprehensive insight across supply chain, combining the power of data and analytics with AgroFresh's deep agricultural expertise

## Customer Adoption

- *Hortec* to utilize FreshCloud Harvest View with apple growers in South Africa
- *Montague* in Australia successful implementation of FreshCloud Quality Inspection across its network
- First US customer contract signed in February with *Blue Star Growers*



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**FreshCloud™**  
an AgroFresh solution



## Plant-based, edible coatings for natural produce freshness

### VitaFresh™ Botanicals launch in February 2021

- Enhances diversification strategy

### Plant-based, edible coating solutions for a wide variety of crops including citrus, avocados and mangos

- Utilizes “anti-thirst” technology to boost the skin's natural protection

### Sustainability benefits and customer claims attractive to retailers

- Natural produce freshness, extended shelf life, food loss reduction and superior consumer and retailer marketing options

### Tecnidex domain expertise was key in the development

- Utilized formulation R&D expertise in Valencia as well as coatings plant
- Provides necessary equipment infrastructure to apply the coatings at customers' packing lines





# Tecnidex

## A leader in the citrus market

- **Provides post harvest crop diversification into citrus**
  - Represents approximately 60% of the core global post-harvest market
- **Leveraging existing SmartFresh customer relationships to move into new crops and countries**
  - Spain, Portugal, Morocco and Egypt are major existing markets
  - Traction in Latin America – overtook the Middle East as second largest selling region behind Europe
- **Technical expertise in fungicides and coatings with leading global suppliers**
- **Capturing Synergies in Valencia, Spain**
  - Transferred European headquarters from Paris to Valencia
  - Manufacturing SmartFresh tablets and Harvista packaging
  - Continue leveraging facility and expertise for global operations



## Strong Product Portfolio:

- Fungicides
- Biocides
- Disinfectants
- Coatings
- Sanitizers
- Equipment
- Services

# An AgTech Innovator



## Global Centers of Innovation

- R&D and Technical Service & Innovation Centers share know-how and data across regions to solve customer challenges and break in new markets and applications.
- Comprehensive Post-Harvest database of technical information: Analyze more than 2 million pieces of fruit annually
- Presence on 4 continents to support customers, including:
  - Spring House, Pennsylvania, USA
  - Yakima, Washington, USA
  - Fresno, California, USA
  - Curico, Chile
  - Valencia, Spain
  - Lleida, Spain
  - Bologna, Italy
  - Melbourne, Australia



# AgroFresh Capital Structure

- Closed comprehensive refinancing on July 27, 2020
- Reduced net debt-to-adjusted EBITDA ratio by approximately two turns; 1Q21 net leverage ratio ~3.4x
- \$150 million convertible preferred equity investment and addition of strategic partner, Paine Schwartz Partners
- Revised credit agreement extends term loan maturity to December 31, 2024

Key Shareholders	Current	Diluted <sup>3</sup>	Highlights	
The Dow Chemical Co.	40%	25%	Shares Outstanding <sup>1</sup>	52M
T. Rowe Price Associates	15%	10%	Share Price <sup>2</sup>	\$2.35
First Manhattan Co.	4%	3%	Equity Value <sup>1,2</sup>	\$122M
Paine Schwartz Partners	-	37%	Debt <sup>1</sup>	\$267M
Remaining Ownership	41%	25%	Cash <sup>1</sup>	\$53M
			Preferred Equity <sup>1</sup>	\$145M
			Enterprise Value <sup>1,2,4</sup>	\$490M

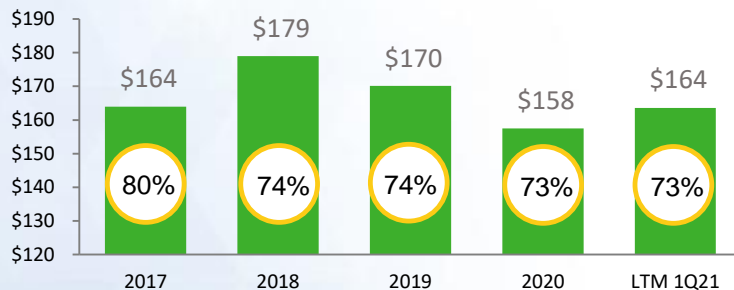
(1) As of 3/31/2021; Reflects new reduced term loan principal amount, and convertible preferred equity investment, less expenses, from its comprehensive refinancing  
 (2) As of 3/17/2021  
 (3) Estimated % on as-converted basis of PSP preferred shares  
 (4) Includes \$8.5M of non-controlling interest

Directors	Title	Credentials
Nance Dicciani	Chair	Retired President and CEO Honeywell International Specialty Materials; Board member – Halliburton, Lynde and LyondellBasell Industries
Clint Lewis	CEO & Director	30+ years of experience in the life sciences and agriculture industry
Robert Campbell	Director	Partner of private investment advisory firm Beck, Mack & Oliver
Torsten Kraef	Director	Sr. VP of Corp. Dev. for Dow
Macauley Whiting	Director	President of Dow Foundation
Denise Devine	Director	Founder and CEO of FNB Holdings, LLC; CEO of Nutripharm; Former CFO of Energy Solutions International
Kevin Schwartz	Director	Founder and CEO of Paine Schwartz Partners
Peter Berweger	Director	Managing Director, Head of Portfolio Excellence Platform at Paine Schwartz Partners, LLC
Alexander Corbacho	Director	Director at Paine Schwartz Partners
Kay Kuenker	Director	CEO of Advanced Agrilytics LLC

# Key Financials

## Net Sales

○ Gross Margin % of Revenue

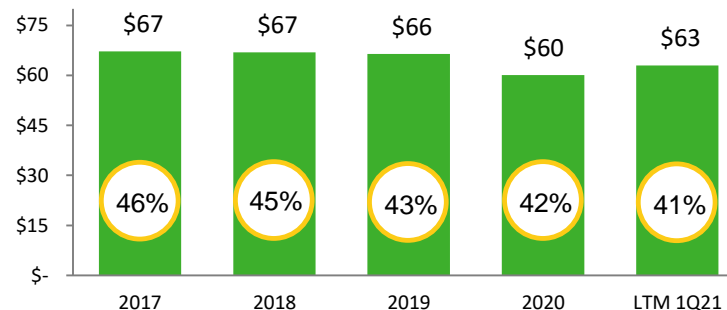


### Revenue & Margin Commentary – 1Q21

- Normal growing season for 2021 Southern Hemisphere (2020 delayed harvest shifted sales to 2Q)
  - Expect to generate consolidated growth in 1H21
- Supply chain efficiencies supporting stable gross margin

## Adjusted EBITDA<sup>1</sup>

○ Operating Expenses<sup>2</sup> % of Revenue



### Operating Results Commentary – 1Q21

- Cost optimization initiatives creating greater efficiency for our business to better align operating structure with our revenue base
- Realized 9% operating expense savings in 2020 and 7.5% savings in 2019
  - 1Q21 SG&A was essentially flat at \$13.6 million versus prior year
- Driving positive trends in Operating Cash Flow:
  - 2018: \$3.0 million, 2019: \$20.1 million, 2020: \$26.7 million

# Leadership with a Vision

An experienced and energized team

Our leadership team brings together deep industry experience and a diversity of perspectives to create exceptional results for customers, stakeholders and employees.



**Clint Lewis**  
CEO

30 years experience in life sciences in national and international roles

Executive roles at Zoetis and Pfizer Animal Health



**Graham Miao, PhD**  
CFO

25+ years global experience in life sciences, specialty chemicals and financial services

CFO in several public companies and executive roles at Symrise and Pharmacia



**Ann Beaulieu, PhD**  
VP, R&D and Regulatory

20+ years of regulatory experience

20+ years with AgroFresh and its predecessors



**Tom Ermi**  
VP, Secretary &  
General Counsel

25+ years of litigation, corporate counsel and M&A legal experience

20+ years with AgroFresh and its predecessors

Audit experience with Price Waterhouse

# Summary



## Global Leadership Position with Scalable Model

- Leader in global post-harvest market
- Expanding our addressable market
- Experienced management team



## Growth Strategy

- Drive organic growth through diversification, internal innovation and registration capabilities
- Leverage global footprint to source external innovation and bring to market
- Thoughtfully pursue strategic acquisitions



## Improved Operating Structure

- Attractive gross margin coupled with cost optimization initiatives enables operating leverage and cash flow generation



# AgroFresh

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## Appendix



# Reg G Reconciliation

## GAAP Net (Loss) Income to Non-GAAP EBITDA and Adjusted EBITDA

<i>(in thousands)</i>	Twelve Months Ended March 31, 2021		Twelve Months Ended December 31, 2020		Twelve Months Ended December 31, 2019		Twelve Months Ended December 31, 2018		Twelve Months Ended December 31, 2017	
<b>GAAP net loss including non-controlling interest</b>	\$	(40,968)	\$	(52,966)	\$	(54,153)	\$	(30,240)	\$	23,562
Expense (benefit) for income taxes		37,030		31,376		(24,500)		1,840		(4,579)
Interest expense <sup>(1)</sup>		22,593		23,669		33,784		34,451		35,755
Depreciation and amortization		46,816		46,970		83,456		47,593		44,356
<b>Non-GAAP EBITDA</b>	\$	65,471	\$	49,049	\$	38,587	\$	53,644	\$	99,094
Share-based compensation		3,701		3,598		2,714		2,897		2,616
Grant income		(2,974)		(2,974)		-		-		-
Litigation recovery		(14,392)		(1,600)		-		-		-
Severance related costs <sup>(2)</sup>		885		885		1,086		1,453		261
Other non-recurring costs <sup>(3)</sup>		2,262		3,240		8,745		7,558		5,486
Debt extinguishment and modification costs		5,028		5,028		-		-		-
Loss (gain) on foreign currency exchange <sup>(4)</sup>		3,030		2,836		4,127		1,722		(13,344)
Contingent consideration adjustments, net <sup>(5)</sup>		-		-		(330)		(3,018)		(26,948)
Impairment of assets <sup>(6)</sup>		-		-		11,424		2,600		-
<b>Total Adjustments</b>		(2,460)		11,013		27,766		13,212		(31,929)
<b>Non-GAAP Adjusted EBITDA</b>	\$	63,011	\$	60,062	\$	66,353	\$	66,856	\$	67,165

(1) Interest on debt, accretion for debt discounts, debt issuance costs and contingent consideration.

(2) Severance costs related to ongoing cost optimization initiatives.

(3) Costs related to certain professional and other infrequent or non-recurring fees, including those associated with litigation and M&A related fees

(4) Loss (gain) on foreign currency exchange relates to net losses and gains resulting from transactions denominated in a currency other than the Company's functional currency.

(5) Non-cash adjustment to the fair value of contingent consideration, including the Tax Receivable Agreement and contingent payment related to the Tecnidex acquisition.

(6) Impairment of assets related to software, investments and long lived assets.