

Nasdaq: AGFS

# AgroFresh

We Grow Confidence™

## AgroFresh Solutions, Inc. Investment Overview

ICR Conference

January 12, 2021



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This presentation contains the financial measures EBITDA and Adjusted EBITDA which are not presented in accordance with GAAP. These non-GAAP financial measure are being presented because the Company believes these non-GAAP financial measures provide meaningful supplemental information as they are used by the Company’s management to evaluate the Company’s performance, including incentive bonuses and for bank covenant reporting. Management believes that these measures enhance a reader’s understanding of the operating and financial performance of the Company and facilitate a better comparison between fiscal periods. EBITDA excludes income taxes, interest expense and depreciation and amortization, whereas Adjusted EBITDA further excludes items that are non-cash, infrequent, or non-recurring, such as share-based compensation, severance, litigation and M&A related costs, to provide further meaningful information for evaluation of the Company’s performance. The Company does not intend for these non-GAAP financial measures to be a substitute for any GAAP financial information. Readers of this presentation should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measure. Reconciliations of the non-GAAP financial measures to the most comparable GAAP measures are provided in this presentation.

™ 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>

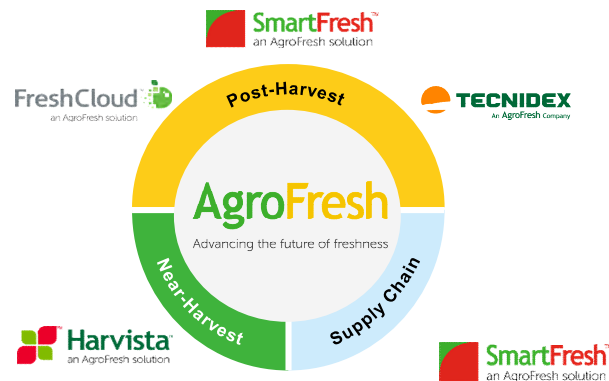
**ONE-HALF<sup>1</sup>**

of fruits and vegetables perish  
before being consumed



## AgroFresh

Advancing the future of freshness



# Real World Benefits of AgroFresh Solutions<sup>1</sup>

## 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 apple 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.

# AgroFresh Snapshot

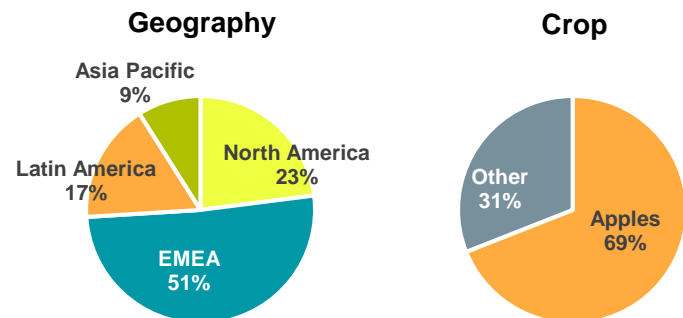
- Global solutions provider focused on **food preservation and food waste reduction** for the fresh produce market
- Unique, sustainable business model – **high-touch service offering, asset-light profile** allows for attractive margins and stable cash flow generation
- Proven track record of product 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 500+ patents and patent applications globally**

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

LTM Revenue	\$167 million
LTM Gross Margin	75%
LTM Adj. EBITDA <sup>3</sup>	\$71 million
Enterprise Value <sup>2</sup>	\$519 million

(1) As of 9/30/20, except as otherwise indicated  
(2) Equity price as of 1/7/2021; balance sheet as of 9/30/20,  
(3) See GAAP to Non-GAAP schedule in appendix of this presentation for a reconciliation of Adjusted EBITDA to net loss

## Revenue Breakdown



# Evolution and Transformation of AgroFresh



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

(1999 - 2014)

- 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

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
- 1-MCP encapsulation patent expired in U.S.
- Modest margin reduction experienced

Driving Continued Success with Expanded Solution Offerings



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

(2018 - Beyond)

- Broadened solutions (Apples comprised 88% of sales in 2014 vs. 69% of sales today<sup>2</sup>)
- Focused on new product development to diversify product offerings
- Driving growth of complementary Harvista solution
- FreshCloud data insights a potential game changer

Strong Cash Flow Generative Platform Well-Positioned for Growth



(1) As of September 30, 2020

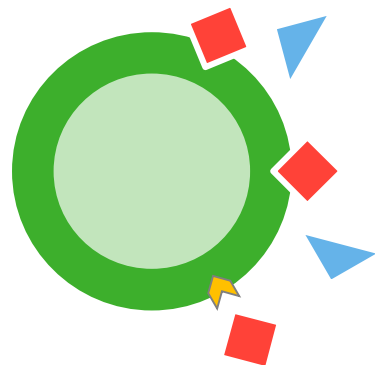
(2) Based on LTM September 30, 2020 sales by crop compared to FY 2014 sales by crop



# 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**

# Large Opportunity to Deliver Solutions for Existing and Unmet Needs



## ◆ Core: \$500 Million

- **Strategy: Strengthen**
- Post Harvest Solutions in Pomefruit & Citrus
- Waxes & Other 'Non-Chemicals'
- Fungicides



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

- **Strategy: Replace**
- Modified Atmosphere Packaging (MAP)
- Sulfur Pads

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

- **Strategy: Expand**
- New Solutions to Address Underserved Crops



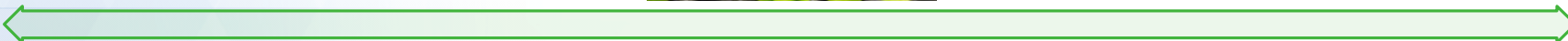
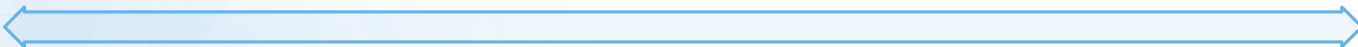


# Solutions Across the Supply Chain

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



Equips Customers with Timely Information to  
Optimize Decision Making and Profits



## 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



# SmartFresh

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



### SmartFresh™ ProTabs

UNTREATED

TREATED WITH  
SMARTFRESH™



### 25 Years of Expertise

- AgroFresh developed the 1-MCP market



### Innovation Beyond Encapsulation

- SmartFresh ProTabs already represents ~60% of SmartFresh sales
  - Aligned with industry demand, provides growers a self-application option for more remote or time-sensitive operations.



### Delivering Value to Customers

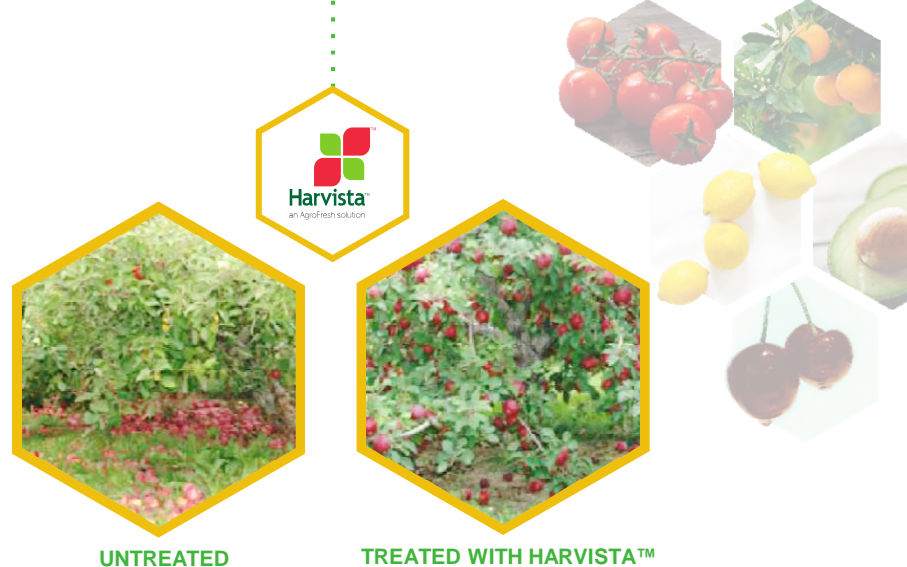
- Less than ½ penny / apple treatment yields outsized benefits for packers
- Allows packers to **capture the increasing value of their crop** generating high ROI in an extended season (global avg. ROI estimated at 500%+)
  - ROI based on improved grower pack-out by approximately 6%<sup>(1)</sup>, marketing & 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>

# Harvista

## A near-harvest, synergistic solution with SmartFresh

- Slows ripening, reduces fruit drop, and holds fruit on the tree longer to promote better color and fruit size
- 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 cherries and blueberries
- Patent protection through 2031

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



Source: Business management  
Note: Orchard located in Ontario, Canada. 2013.

# FreshCloud™

**Combines the Power of Data and Analytics with Deep Agricultural Expertise to Optimize Freshness and Produce Supply Chain Decision-making**



## Created a Breakthrough Quality Management System

- **FreshCloud™ Harvest View:** complements our 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 tool standardizes the produce inspection process with enhanced organization and visualization capabilities to provide grower teams with rapid access for optimized quality decision-making



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

- Will allow for comprehensive insight across supply chain



## Traction with Customers Utilizing FreshCloud Quality Inspection

- Leading player in produce adopting FreshCloud across organization
- Extensive network of growers and logistics experts





# Tecnidex

## A leader in the citrus market



- Provides post harvest crop diversification into citrus, which represents approximately 60% of the core global post-harvest market
- Leveraging existing SmartFresh customer relationships to move into new crops and countries
- Technical expertise in fungicides, coatings and waxes with leading global suppliers
- Service/solution-oriented approach with 700 direct customers

## Strong Product Portfolio

Fungicides, Biocides, Disinfectants, Waxes,  
Coatings, Sanitizers, Equipment, Services

# Strategy to Address \$1.2 Billion Underserved Fresh Produce Markets



## Investment

- Continued investment in internal R&D for future commercialization



## Technology

- FreshCloud opportunity to deliver technological innovations
- Partner with third party technology innovators



## Innovation Centers

- Five global locations support diverse customer base (California, Washington, Pennsylvania, Italy, Chile)



## 50+ Countries with Active Product Registrations Globally

- Expansion of registrations to new crops and regions creates a stronger, more resilient business model

*50+ Countries with  
Active Product  
Registrations Create  
Deep Customer Loyalty*

*Proprietary Database of  
Produce Physiology*



*Proven Track  
Record of Quality  
and Expertise*

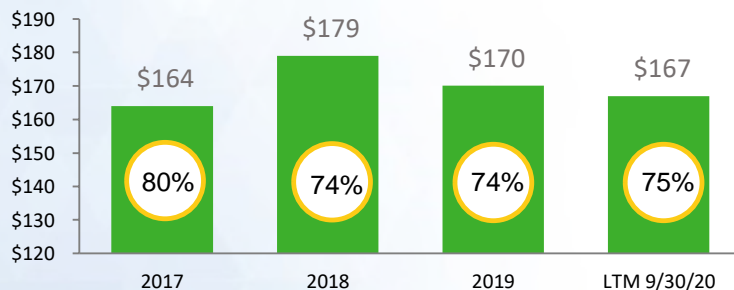
*Extensive  
R&D Capabilities*



# Key Financials

## Net Sales

○ Gross Margin % of Revenue

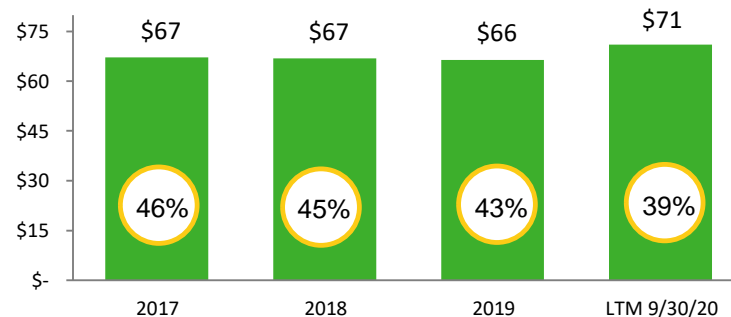


## Revenue & Margins

- **Stable core business;** Tecnidex acquisition added revenue diversification in 2018
- Gross margin reduction was in-line with expectations as business diversifies
- 4Q19 supply chain efficiencies creating gross margin support in 2020

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

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



## Operating Results

- **Cost optimization initiatives creating greater efficiency** for our business to better align operating structure with our revenue base
- Realized normalized 10% SG&A savings in 2019 and are on track to deliver another 5-10% savings in 2020
- Our ongoing R&D spend reflects our resource reallocation strategy that supports initiatives which drive continued diversification beyond apples

# AgroFresh Capital Structure

## Overview and key shareholders

- Closed comprehensive refinancing on July 27, 2020
- Reduces net debt-to-adjusted EBITDA ratio on a pro-forma basis<sup>1</sup> from 5.4x to 3.5x
- \$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 <sup>3</sup>	
The Dow Chemical Company	40%
T. Rowe Price Associates	16%
First Manhattan Co.	4%
Remaining Ownership	40%

Highlights	
Shares Outstanding <sup>1</sup>	51M
Share Price <sup>2</sup>	\$2.16
Equity Value <sup>1,2</sup>	\$110M
Debt <sup>1</sup>	\$277M
Cash <sup>1</sup>	\$25M
Preferred Equity <sup>1</sup>	\$150M
Enterprise Value <sup>1,2,4</sup>	\$519M

- (1) As of 9/30/2020 Reflects new reduced term loan principal amount, and \$150M convertible preferred equity investment, less expenses, from its comprehensive refinancing
- (2) As of 1/7/2021
- (3) As of 9/30/2020
- (4) Includes \$6.7M of non-controlling interest

Directors	Title	Credentials
Nance Dicciani	Chairman	Retired President and CEO Honeywell International Specialty Materials; Board member – Halliburton, Lynde and LyondellBasell Industries
Jordi Ferre	CEO & Director	25+ years of int. experience in the food ingredients 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
George Lobisser	Director	CEO of RipeLocker LLC; Former President & CEO of Pace International
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
Alexander Corbacho	Director	Director at Paine Schwartz Partners

# Leadership with a Vision

## An experienced and energized team

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



**Jordi Ferre**  
CEO

25+ years of international experience in food operations, manufacturing, finance, sales and marketing

COO at PureCircle and executive roles at Tate & Lyle and Chupa Chups



**Graham Miao**  
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

# Why Invest in AgroFresh?



## Global Leadership Position with Scalable Model

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



## Poised for Growth

- Drive organic growth through innovation
- Selectively accelerate growth through M&A that diversifies product mix and adds scale
- Leverage partnerships to bring novel technologies to market



## Delivering Operating Structure Improvements

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



# AgroFresh

We Grow Confidence™

## Appendix



# Reg G Reconciliation

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

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended September 30, 2020
(in thousands)				
<b>GAAP net (loss) income including non-controlling interests</b>	23,562	(30,240)	(61,510)	(72,521)
Expense (benefit) for income taxes	(4,579)	1,840	(17,143)	18,043
Interest expense <sup>(1)</sup>	35,755	34,451	33,784	26,164
Depreciation and amortization	44,356	47,593	83,456	81,540
<b>Non-GAAP EBITDA</b>	<b>99,094</b>	<b>53,644</b>	<b>38,587</b>	<b>53,226</b>
Share-based compensation	2,615	2,897	2,714	3,308
Severance related costs <sup>(2)</sup>	261	1,453	1,086	477
Other non-recurring costs <sup>(3)</sup>	5,486	7,558	8,745	4,824
(Gain) loss on foreign currency exchange <sup>(4)</sup>	(13,344)	1,722	4,127	(1,223)
Debt modification and extinguishment costs	(26,948)	(3,018)	(330)	5,028
Mark-to-market adjustments, net <sup>(5)</sup>	-	2,600	11,424	(458)
Impairment of intangible assets <sup>(6)</sup>	-	-	-	10,432
Grant income	-	-	-	(2,974)
Litigation recovery	-	-	-	(1,600)
<b>Non-GAAP Adjusted EBITDA</b>	<b>67,164</b>	<b>66,856</b>	<b>66,353</b>	<b>71,041</b>

(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 refinancing, litigation and M&A related fees.

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

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

(6) Impairment of intangible assets related to software and trademarks.