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Zacks Small-Cap Research

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Bioceres Crop Solutions (BIOX-NYSE)

Initiating coverage of Bioceres Crop Solutions, which is poised to benefit from regulatory approvals in China for HB4 soybeans and in Brazil for HB4 wheat

A discounted cash flow (DCF) model that applies a 15% discount rate and a terminal price-to-sales ratio (P/S) of 0.59 (which is the median P/S ratio of a large agricultural products company) indicates a share price target of $16.25.

Current Price (02/26/21)	$8.20
Valuation	**$16.25**

OUTLOOK

Bioceres Crop Solutions is an integrated, global provider of **crop productivity solutions** and is on the verge of globally commercializing HB4 drought-tolerant technology with two highly significant Go-To-Market opportunities: **HB4 soybeans** and **HB4 wheat**. Bioceres has advanced the HB4 seed trait, which assists in increasing crop yields by 12% to 19% (particularly in areas prone to drought conditions) through R&D, field trials and highly significant bio-agricultural regulatory approvals. The company is **building up seed inventories** in preparation for fast-tracking commercialization for when importation approvals are granted by China and Brazil.

SUMMARY DATA

52-Week High	**$9.15**
52-Week Low	**$4.33**
One-Year Return (%)	**49.36**
Beta	**0.45**
Average Daily Volume (shrs.)	**59,444**
Shares Outstanding (million)	**40.59**
Market Capitalization ($mil.)	**$332.9**
Short Interest Ratio (days)	**0.2**
Institutional Ownership (%)	**11.5**
Insider Ownership (%)	**73.6**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/M**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2021 Estimate	**N/M**
P/E using 2022 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small - Growth**
Industry	**Ag Biologics**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2019	29.6 A	62.5 A	18.7 A	49.8 A	160.6 A
2020	36.3 A	63.0 A	25.7 A	48.2 A	173.1 A
2021	42.4 A	48.7 A	29.8 E	53.1 E	174.0 E
2022					

Earnings per share
(EPS is operating earnings before non-recurring items)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2019	-$0.07 A	$0.19 A	-$0.72 A	-$0.04 A	-$0.60 A
2020	-$0.20 A	$0.31 A	-$0.09 A	$0.06 A	$0.09 A
2021	-$0.19 A	$0.02 A	-$0.03 E	$0.16 E	-$0.03 E
2022					

Quarterly revenues may not equal annual revenues due to rounding.

Quarterly EPS may not equal annual EPS due to rounding or dilution.

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EXECUTIVE SUMMARY

Bioceres S.A., the parent company of the Bioceres Crop Solutions, was founded in 2001 when a group of 23 agricultural growers banded together in order to create a collaborative network with a mission to advance certain agricultural methods that would **improve farmer productivity** and enhance the resilience of agronomic food systems. The company pursued the **advancement of yield-enhancing drought-resistant crops**, and subsequently **no-till farming** with appropriate crop rotations and **double-cropping** in order to advance sustainable and eco-friendly agriculture. Management places a high value on innovation and societal responsibility. The company's platform has evolved to include enhanced crop management practices that both promote agricultural sustainability and help transition agriculture toward carbon neutrality.

Many years of R&D related to the **hahb-4 gene** (a sunflower transcription factor which acts over multiple response mechanisms) resulted in the development of HB4 drought tolerance technology. In support of the initiative, field trials were conducted beginning in 2008 and regulatory approvals were sought for the production and importation of **HB4 soybeans** and **HB4 wheat**. Over time, the membership of the consortium grew to over 300 agricultural shareholders (e.g. farmers, co-ops, etc.).

Starting in 2015, Bioceres S.A. began to search for a method to become a publicly traded company. In the same time frame, in 2016, Bioceres S.A. had the opportunity to acquire 50.01% of Rizobacter, a relatively large, revenue-generating distributor of agricultural products in Argentina with global operations in over 30 countries. Rizobacter's platform not only brought a meaningful revenue base with strong customer relationships, but also provided a distribution network, manufacturing capabilities and R&D programs in biologics and other crop protection and nutrition products.

In late 2018, Bioceres S.A. was approached by Union Acquisition Corp., a Special Purpose Acquisition Company (SPAC) that completed its IPO in March 2018. Bioceres S.A. carved out specific crop-related operations and assets into a subsidiary, Bioceres Crop Solutions, which consummated a business combination with Union Acquisition Corp and **became a publicly traded company on March 14, 2019**. The benefits of the transaction were that

1) Bioceres Crop Solutions Corp. became a publicly-traded company
2) the capital from the business combination
    a. facilitated the acquisition of an additional 19.99% of Rizobacter, bringing the total to 80%
    b. helped deleverage the balance sheet and
    c. provided funds toward expanding the company's commercialization activities

Bioceres S.A. retained 77.3% ownership of Bioceres Crop Solutions, which has subsequently has declined to 55.7%.

The acquisition of 80% of Rizobacter provides Bioceres Crop Solutions the revenues and the consequent cash flow to advance HB4 technology, invest in ongoing R&D for GMO-related projects and develop additional farmer productivity initiatives. As a result, Bioceres Crop Solutions is one of the few small-cap biologics companies that generates positive EBITDA.

Bioceres Crop Solutions has achieved several highly significant bio-agricultural regulatory milestones.

- October 2015 – **Argentina** approved drought tolerant HB4 soybeans for consumption (food & feed) and production. The regulatory approval is contingent upon trade approval by China.
- October 2018 – **Argentina** approved drought and herbicide tolerant HB4 soybeans for consumption and production. The regulatory approval is contingent upon trade approval by China.

- May 2019 – **Brazil** approved drought tolerant HB4 soybeans and drought and herbicide tolerant HB4 soybeans for commercialization (planting and harvesting).
- August 2019 – the **USDA** approved drought tolerant HB4 soybeans for production in the U.S market. The FDA had previously approved the HB4 trait for consumption in 2017.
- November 2019 – **Paraguay** approved drought and herbicide tolerant HB4 soybeans for consumption and production.
- October 2020 - **Argentina** approved the production and marketing of drought-tolerant and salinity-tolerant HB4 wheat. The regulatory approval is contingent upon trade approval by Brazil.

Bioceres Crop Solutions is on the verge of globally commercializing HB4 soybeans and HB4 wheat. Management looks forward to the over **$100 million market opportunities**[i] the will spring from China's regulatory approval for the importation of HB4 soybeans and Brazil's regulatory approval for the importation of HB4 wheat. The company continues to build up inventories of HB4 soybeans and HB4 wheat in preparation for fast-tracking commercialization when these regulatory approvals are granted. The impact of commercializing HB4 technology will be highly significant for Bioceres Crop Solutions.

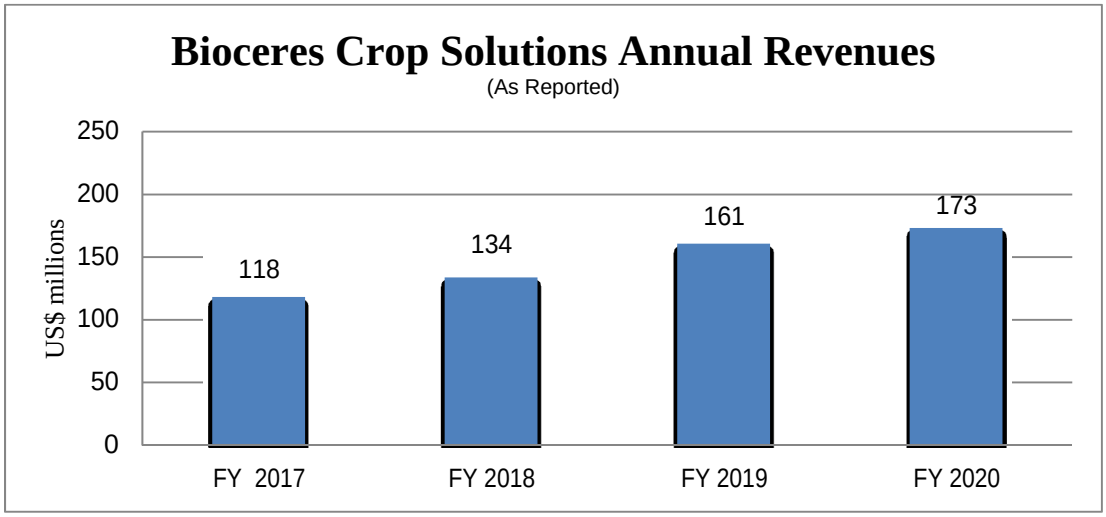
Meanwhile, the company continues

- to advance its HB4 technology through R&D initiatives, field trials and the development of locally adapted varieties of HB4 row crops
- to pursue acquisitions, joint ventures and strategic partnerships to expand its biologics product portfolio and
- to develop additional farmer productivity initiatives, such as digital apps for monitoring crops, such as satellite-based crop images, weather monitoring and drone crop scouting

KEY POINTS

- Bioceres Crops Solutions is an agricultural solutions provider with a portfolio of commercialized bio-agricultural products in areas of seeds, crop protection and crop nutrition
    - **flagship position in Argentina** with over 620 points of distribution
    - strong positions in nearby Brazil, Uruguay, Paraguay and Bolivia
    - **global reach** with 30 international distributors outside of Argentina
- Proven platform for developing, sourcing, and commercializing biologics internally and through acquisitions, joint ventures and strategic partnerships
- **Two highly significant Go-To-Market opportunities** based on HB4 technology
    - HB4 assists in increasing crop yields by 13% to 19%[ii] in areas prone to drought conditions
    - only the final regulatory approvals are necessary for 2 high-profile drought tolerant seeds
        - **HB4® Soy in China**
            - requires regulatory approval for importation and feed & food use in China
            - potential huge demand in China would stimulate farmers in the Southern Cone to significantly increase production of HB4 soybeans
        - **HB4® Wheat in Brazil**
            - Requires regulatory approval for importation into Brazil
            - wheat demand in Brazil would encourage Argentinean farmers to ramp up production of HB4 wheat
    - once the regulatory approvals are obtained, these opportunities could potentially double the company's top line
- Acquisition of 80% of Rizobacter in a two-step process culminating in March 2019
    - Rizobacter brought to Bioceres
        - **a large portfolio of agricultural biologic proprietary products** in the **i**noculant, adjuvant, micro-beaded fertilizer and seed treatment categories

- **production facilities for the formulation** adjuvants, inoculants, insecticides and fungicides, along with a micro-granulated fertilizer plant
- **distribution facilities** with over 375,000 square feet of warehouse space
- an **extensive distribution network**
- multiple strategic partnerships
    - **Syngenta** (seed treatment and crop protection products)
    - **Momentive** (exclusive distribution of the adjuvant **Silwet**)
    - **Marrone Bio Innovations** (exclusive distribution of a foliar fertilizer)
    - A growing base of agricultural-related revenues which can help fund the company's R&D and biologics initiatives



- Acquisition of partner's 50% of **Verdeca LLC** brings **full ownership of HB4 Soy** to Bioceres
- **Trigall Genetics JV** with Florimond Desprez has advanced **HB4 wheat**
- Bioceres Crops Solutions holds a portfolio of 399 registered products, 219 patents & patent applications and over 700 trademarks and trademark applications

OVERVIEW

With its principal executive offices, **Bioceres Crop Solutions Corp** (NYSE: BIOX) is an integrated, global provider of **crop productivity solutions** for use in all stages of crop cycle, from pre-planting all the way through harvested crop storage. The company has developed and provides a portfolio of products and services categorized in three segments: **crop protection** (54.4% of FY2020 revenues), **crop nutrition** (28.5%) and **seed & integrated products** (17.0%). This multi-product platform includes seeds, seed treatments, biologicals, adjuvants, chemicals and fertilizers.

Bioceres Crop Solutions						
Segment Analysis (in $US except percentages)	**FY 2019 6/30/2019**	**% of Revenues**	**Gross Margin**	**FY 2020 6/30/2020**	**% of Revenues**	**Gross Margin**
Revenues						
Crop protection	$90,199,405	56.2%	40.2%	$94,218,189	54.4%	43.2%
Crop nutrition	$45,093,764	28.1%	48.5%	$49,405,164	28.5%	42.4%
Seed & integrated products	$25,312,127	15.8%	61.3%	$29,468,819	17.0%	60.7%
TOTALS	**$160,605,296**	**100.0%**	**45.9%**	**$173,092,172**	**100.0%**	**45.9%**

The **crop protection segment** (43.2% gross margin in FY2020) is comprised of adjuvants (performance-enhancing molecules that increase the effectiveness of the active ingredients in pest control products), insecticides, fungicides and other control products, while the **crop nutrition segment** (42.4%) is composed of inoculants, fertilizers and microbiological products. The highest gross margin segment is **seed & integrated products** (60.7%), which includes seed treatments (full seed treatment packs that promote plant growth) and seed traits & germplasm.

Bioceres Crop Solutions has a **global distribution and commercial platform** serving many countries; however, significant revenues are concentrated in seven countries with the company's **key market** being **Argentina** (76.0% of FY2020 revenues), along with the nearby countries of **Brazil** (12.3%), **Uruguay** (3.6%), **Paraguay** (2.6%) and **Bolivia** (1.7%). Argentina is one of the largest markets for genetically modified crops, particularly row crops.

Bioceres Crop Solutions

Segment Analysis (in $US except percentages)	FY 2019 6/30/2019	% of Revenues	FY 2020 6/30/2020	% of Revenues	YOY Rev Chg
Revenues					
Argentina	124,011,642	77.4%	130,918,908	76.0%	5.6%
Brazil	17,338,608	10.8%	21,188,655	12.3%	22.2%
Uruguay	4,684,854	2.9%	6,234,956	3.6%	33.1%
Paraguay	2,506,348	1.6%	4,428,078	2.6%	76.7%
Bolivia	2,494,216	1.6%	2,982,953	1.7%	19.6%
South Africa	3,019,474	1.9%	1,927,333	1.1%	-36.2%
United States of America	2,562,376	1.6%	1,515,185	0.9%	-40.9%
Austria	899,045	0.6%	1,085,908	0.6%	20.8%
France	711,522	0.4%	911,140	0.5%	28.1%
Canada	0	0.0%	319,681	0.2%	N/M
Ukraine	611,993	0.4%	309,956	0.2%	-49.4%
Italy	132,206	0.1%	188,604	0.1%	42.7%
United Kingdom	137,044	0.1%	123,844	0.1%	-9.6%
Lebanon	(115,927)	-0.1%	0	0.0%	-100.0%
Rest of the world	1,315,578	0.8%	215,498	0.1%	-83.6%
TOTAL	**160,308,979**	**100.0%**	**172,350,699**	**100.0%**	**7.5%**

Near-term Drivers for Growth

There are several potential **near-term catalysts** that would **drive revenue growth**, EBITDA and earnings of Bioceres Crop Solutions. Regulatory approval for importation of HB4 soybeans into China and/or the regulatory approval for the importation of HB4 wheat into Brazil would drive a dramatic scale-up of production of HB4 soybeans and/or HB4 wheat in Southern Cone of South America. The increase in demand could potentially over double the company's top line. To further facilitate acceptance of HB4, Bioceres launched the HB4 program to increase penetration into the Argentinean, other Southern Cone seed markets and the U.S.

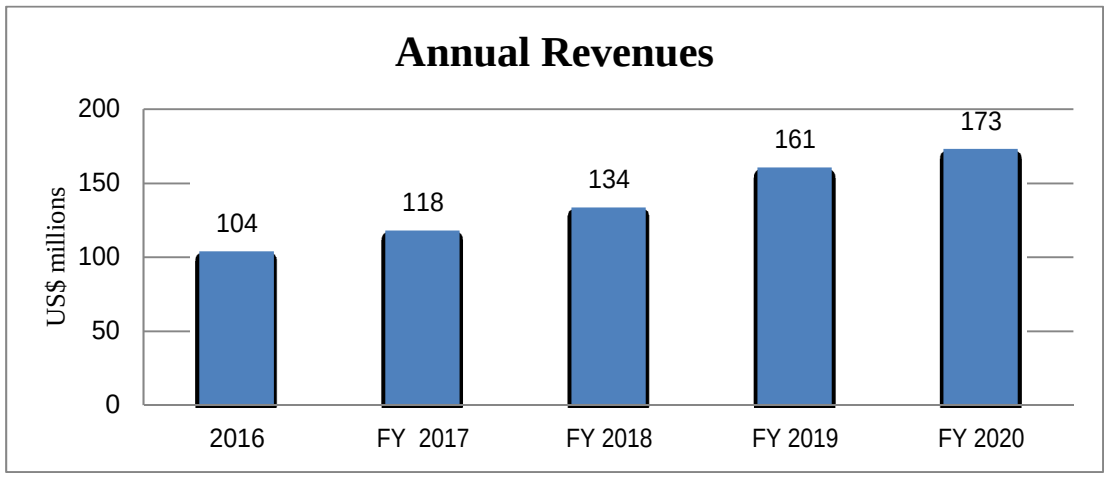
Management is implementing an **adjuvant expansion strategy** targeting **Brazil, Paraguay and Uruguay**. In the first quarter of fiscal 2021, adjuvant volumes increased 38% as volumes grew by 40% in Brazil, 50% in Uruguay and almost 30% in Argentina. However, during the second fiscal quarter, severe drought in some areas of Argentina and Brazil reduced demand for crop protection products, like adjuvants, since the dry weather reduced pest activity. Nevertheless, once weather conditions normalize, the demand for adjuvants in these Southern Cone countries is expected to increase at a double-digit rate again.

Also, Bioceres holds a 40% interest in Synertech, which owns and operates a micro-beaded fertilizer plant with an operational capacity of 50,000 tons. Management intends to ramp up production at the plant. During fiscal 2020, the plant's utilization rate increased to 30% (15,000 tonnes) from 20% in fiscal 2019.[iii]

Acquisition of Rizobacter

In October 2016, Bioceres Crop Solutions acquired 50.01% of Rizobacter, a platform for the commercial distribution of crop nutrition and crop protection products with more than **620 distributors across Argentina** and over 20 international distributors servicing Brazil, Paraguay and Uruguay. Subsequently, on March 14, 2019, Bioceres acquired an additional 29.99% (80.0% total) of Rizobacter. The acquisition **dramatically increased** the company's **distribution footprint**, tapped into Rizobacter's **experience in microbials** and brought on board **longstanding relationships** and **goodwill** that Rizobacter had developed since its founding in 1977.

The **acquisition of Rizobacter** and **management's initiatives** to develop and commercialize agricultural biologics (both through internal efforts and joint ventures/strategic partnerships) has **driven revenue growth** at a 3-year CAGR of 13.6% and brought the company **to profitability** in fiscal 2020. Bioceres has been generating positive and growing EBITDA since 2016.



Intellectual Property IP

Bioceres Crop Solutions has a strong, patent protected series of products. As of June 30, 2020, Bioceres holds a portfolio of 399 registered products, 219 patents & patent applications[iv] and over 700 trademarks and trademark applications.[v]

Significant Corporate Events

1977	Rizobacter Argentina S.A. formed by Miguel Harnan
Oct. 1983	Rizobacter Argentina S.A. incorporated in Pergamino, Argentina
Dec. 2001	Bioceres S.A. incorporated through a consortium of 23 agricultural producers
2008	Bioceres S.A. formed Bioceres Semillas (sales channel for seeds)
Oct. 2016	Bioceres S.A. **acquired 50.01% of Rizobacter** Argentina S.A.
March 2019	Bioceres Crop Solutions (Bioceres S.A.'s crop-related assets) becomes a publicly-traded entity through a business combination with a SPAC (Union Acquisition Corp.)
March 2019	Bioceres Crop Solutions acquired 19.99% of Rizobacter Argentina S.A.

Joint Ventures and Strategic Partnerships

Feb. 2012	Bioceres S.A. formed **Verdeca** LLC JV with **Arcadia Biosciences**
May 2013	Bioceres S.A. formed **Trigall Genetics** S.A. JV with **Florimond Desprez**
Aug. 2014	**Semya S.A.** JV formed by Bioceres S.A. & Rizobacter (renamed BCS Crops S.A. in 2020)
Nov. 2020	Bioceres Crop Solutions acquired Arcadia's 50% of **Verdeca** LLC

Highly Significant Bio-Agricultural Milestones

On October 29, 2018 - **Argentina**'s Secretariat of Food and Bioeconomy **approved HB4 soybeans** drought tolerant trait stacked with herbicide tolerant traits after evaluating the food, feed, environment and commercial impact of the stacked traits. Argentina had previously approved the HB4 drought tolerant HB4 soybeans in October 2015. The regulatory approvals are contingent upon trade approval by China.

On May 24, 2019, **HB4 drought tolerant soybeans** received approval from Brazil s National Technical Commission of Biosafety (CTNBio) for commercialization (planting and harvesting) of HB4 soybeans (for both drought tolerant **and herbicide tolerant traits**)

On August 8, 2019, the U.S. Department of Agriculture (USDA) approved **HB4 drought tolerant soybeans** for the U.S market. The U.S. Food & Drug Administration had previously approved the HB4 trait for consumption in 2017.

On November 12, 2019, **HB4 drought and herbicide tolerant soybeans** received regulatory approval for consumption and production from the Minister of Agriculture of **Paraguay**, through the National Commission for Agricultural and Forestry Biosafety.

On October 7, 2020, **Argentina** approved the production and marketing of **drought-tolerant** and **salinity-tolerant HB4 wheat** developed by Trigall Genetics, a joint venture between Bioceres Crop Solutions and Florimond Desprez. The regulatory approval is contingent upon trade approval by Brazil.

Equity Milestones

Bioceres Crop Solutions' **parent company, Bioceres S.A., was founded in 2001** by a group of 23 growers in Argentina, (which ultimately grew to over 300 shareholders e.g. farmers, co-ops, etc.). Bioceres S.A. was formed to foster the development of a platform, which would

1) facilitate the creation of collaborative networks
2) advance the development of agricultural biotechnologies that improve crop yields and
3) improve farmer productivity, all in a sustainable manner.

Row crops (such as soybeans, wheat, alfalfa and corn) are being strategically targeted. The shareholders of Bioceres S.A. annually plant approximately 2.5 million hectares of row crops in Latin America.

In 2015, Bioceres S.A. attempted to become a public company through an IPO in order to increase corporate visibility, create a public market for its shares and fund management's growth initiatives, which included expansion through acquisitions, research for developing next-generation seeds and capital to invest into strategic joint ventures. However, the acquisitions of Rizobacter and Chemotecnica in 2016 delayed the registration process.

After the acquisition of 50.01% of Rizobacter in October 2016, Bioceres changed its reporting year from a calendar year ending December 31 to a fiscal year ending June 30. A stub period was reported for the six-month period ending June 30, 2017.

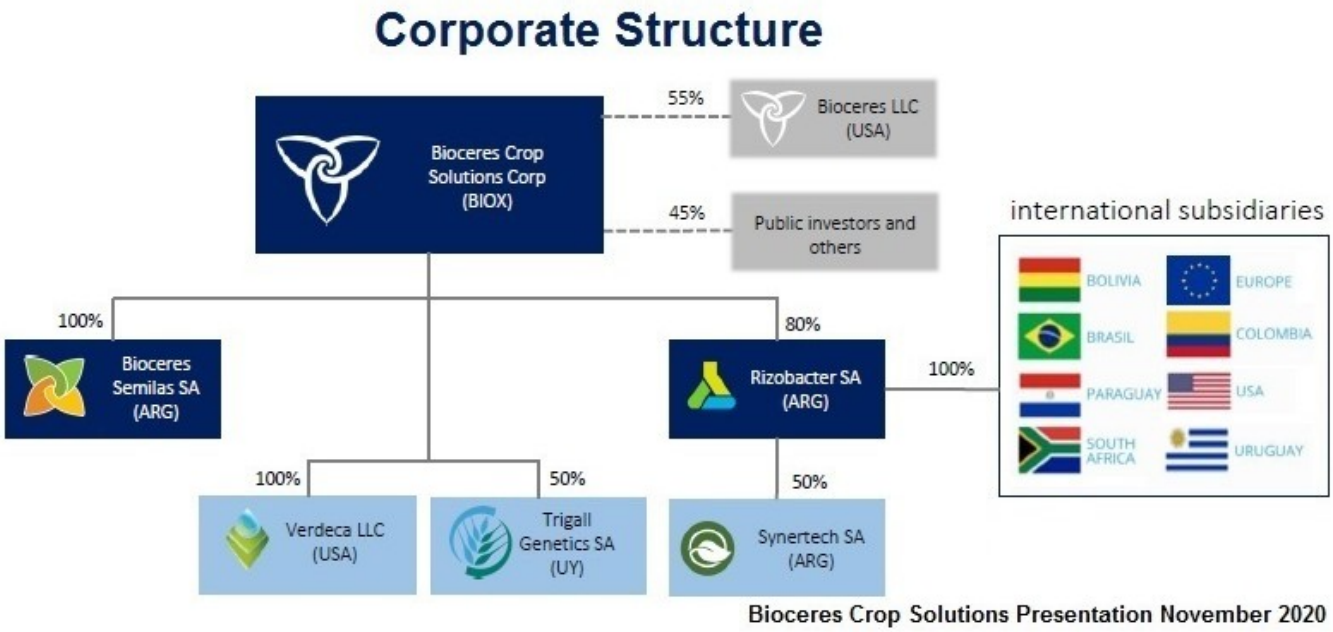
On **March 14, 2019**, **Bioceres Crop Solutions Corp. became a publicly-traded company** through the consummation of a business combination with Union Acquisition Corp., a Special Purpose Acquisition Company (SPAC) formed in December 2017 and which consummated its IPO in March 2018.

Bioceres S.A. carved out specific crop-related operations and assets into Bioceres Crop Solutions such that ownership of 22.7% of Bioceres Crop Solutions was commensurate to the **capital provided by the business combination** ($1.08 million from the trust account and publicly traded shares which totaled **approximately $49.98 million**).[vi] These benefits of the business combination facilitated the acquisition of an additional 19.99% of Rizobacter, helped deleverage the balance sheet and provided funds toward expanding the company's commercialization activities.[vii] Bioceres S.A. retained 77.3% ownership of Bioceres Crop Solutions, which has subsequently declined to 55.7% due to the issuance of shares of BIOX.

ORGANIZATION

Bioceres Crop Solutions holds a **100% interest** in two wholly-owned subsidiaries:

- Bioceres Semillas S.A. - commercial **sales channel** for seeds and integrated seed products
- Verdeca - **HB4 soybeans**



Generating the preponderance of revenues, the company's main operational subsidiary is **Rizobacter**, of which Bioceres owns an **80% controlling interest** of subsidiaries in Argentina, Brazil, Paraguay, Uruguay, Bolivia, India, Colombia, France and the U.S. The ownership in Rizobacter's South African subsidiary is 76.0%.

- Rizobacter
  - R&D and commercialization of agricultural biologic products
  - many **commercial brands** (inoculants, adjuvants, fertilizers & seed treatments)
  - production facilities in Argentina (3 formulation plants & micro-beaded fertilizer plant)
  - extensive **distribution network** in Argentina
  - over 30 **international distributors** (Brazil, Paraguay, Uruguay, the U.S. etc.
    - nine international subsidiaries serving Brazil, Uruguay, Paraguay, Bolivia, South Africa, the U.S., Europe, India and Colombia.
  - strong customer relationships, particularly in Argentina
  - brought **partnerships**

        - **Syngenta** (seed treatment and crop protection products)
        - **Momentive** (distribution of **Silwet**)
        - **Marrone Bio Innovations** (distribution of foliar fertilizer)
    - Rizobacter operates Bioceres Semillas S.A.

PRIMER ON THE ARGENTINAN REGULATORY PROCESS FOR AGRICULTURAL GMOs

Argentina has a **multi-step regulatory process** for the approval of the commercialization of agricultural biotechnology products (aka transgenic crops, including genetically modified seeds and plants). Under the purview of the **Directorate of Biotechnology** within the **Ministry of Agroindustry** (Ministério de Agroindustria and formerly known as the Ministério de Agricultura, Ganadería y Pesca or Ministry of Agriculture, Livestock and Fisheries), the agencies of **CONABIA**, **SENASA** and **DNMA** conduct evaluations of various aspects of new biotech products on a case-by-case basis. Usually, the approval process is composed of:

- Approval from **CONABIA** that the product is harmless to the environment
- Approval from **SENASA** that the product is free of toxic/allergen elements and safe for both human and animal consumption
- Approval from the **Ministry of Agroindustry** for crop growth and consumption in Argentina
- Approval by **DNMA** that the product is compatible with Argentina's trading partners

CONABIA (Comisión Nacional Asesora de Biotecnología Agropecuaria or National Advisory Committee on Agricultural Biotechnology) requires that a product is harmless to the environment and Argentina's agricultural ecosystem. Created in 1991, CONABIA accesses the potential environmental impact of introducing GM seeds/plants into the Argentinean bionetwork. The agency regulates field trials and evaluates the environmental safety of GM products from a technical and scientific perspective.

Created in 1996,[viii] **SENASA** (Servicio Nacional de Sanidad y Calidad Agroalimentaria or National Service of Agri-Food Health and Quality) **evaluates the safety** of transgenic food products. The agency also assesses the GM product's nutritional characteristics and compares them to its conventional counterparts. SENSA requires that GM products be free of toxic or allergen elements and be as **safe and nutritious** as conventional food/feed for human/animal consumption.

The Dirección Nacional de Mercados Agropecuarios (**DNMA** or National Directorate of Agricultural Food Markets) analyses the commercial impact on international commerce in order to avoid a negative **impact on Argentine exports**.

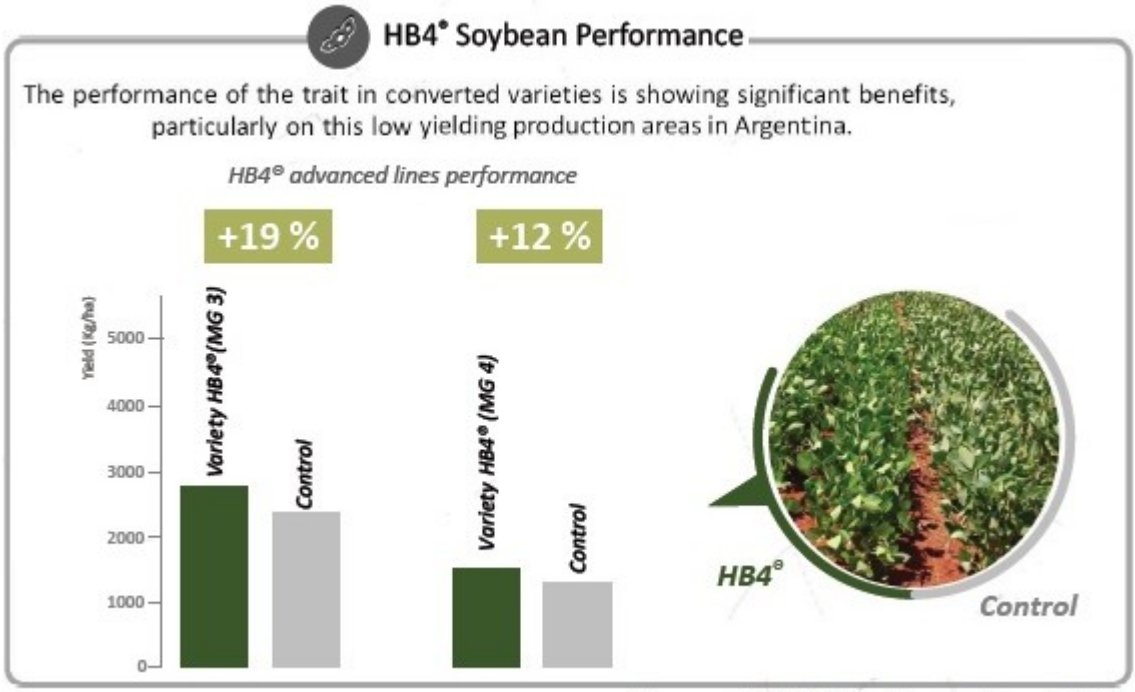
Lastly, **INASE** (Instituto Nacional de Semillas or the National Institute of Seeds) registers and **protects the intellectual property** (IP) in seeds under its mandate to promote the efficient production and commercialization of seeds. Established in 1991,[ix] a GM product's pertinent information is compiled by CONABIA's Office of Technical Coordination, and the product is registered in the National Registry of Cultivars by INASE.

VERDECA LLC - HB4® SOYBEANS (100% ownership)

Through its 100% owned Verdeca subsidiary, Bioceres is focused on the development and deregulation of **genetically modified (GM) drought tolerant soybeans**. Verdeca's flagship product is **HB4 drought tolerant soybeans** stacked with an herbicide tolerant trait (IND 00410-5), which provide a yield advantage over conventional soybeans when grown under the same suboptimal

conditions. These proprietary, genetically modified soybeans have successfully **undergone extensive validation and regulatory field trials**, which were completed at multiple locations in Argentina and the United States. Importantly, field trials in 2018 were conducted during drought conditions, which especially demonstrated the benefits of the HB4 drought tolerant trait, validating HB4's value proposition.

Bioceres' **most advanced seed trait** technology is **HB4** in **soybeans** and **wheat**. HB4 increases a plant's tolerance to abiotic stress, and as a result, assists in increasing crop yields by 12% to 19%. HB4 soybeans are tolerant to drought, and there is a variety with stacked tolerance to both drought and soil salinity.



Bioceres HB4 White Paper August 2020

The demand for HB4 soybeans may be the greatest in locations around the world that are prone to periods of drought conditions, such as specific regions of South America, particularly Brazil and Argentina, the largest and third largest soybean exporters in the world, respectively. Together, Argentina and Brazil produce over 45% of the world's soybeans; Verdeca has received regulatory approvals for HB4 in both of these South American countries.

HB4® Soybean Regulatory Approvals

In order to plant, harvest and sell HB4 soybean products, regulatory approvals are required for food safety and commercialization. In addition, for international commerce, an import approval is required in the country to which the soybean product will be consumed. **Verdeca has advanced the HB4 drought tolerant trait stacked with an herbicide tolerant trait through the regulatory submission and approval in Argentina, the United States, Brazil and Paraguay**, which together account for approximately 80% of global soybean production and almost 80% of the world's total soybean acreage: Argentina (18 MM hectares), Brazil (34.7 MM) and the U.S. (31 MM). Regulatory submissions have also been submitted and are under consideration in India (11 MM), China (9 MM), Paraguay (3.5 MM), Canada (2.5 MM), Bolivia (1.4 MM) and Uruguay (1.1 MM).[x] Regulatory studies are under way in Europe, and management expects that an application for regulatory approval in the European Union will be submitted in 2021. **Import applications are under review by the Republic of China** after consultations with China's Ministry of Agriculture.

Argentina

- April 2015 – received regulatory biosafety approval from **CONABIA**
- October 2015[xi] – HB4 soybean stress tolerance trait **granted regulatory approval for crop growth and consumption** by the **Ministry of Agroindustry**
- October 2018 - received **approval** from Argentina's Secretariat of Food and Bioeconomy for **HB4 soybeans** with drought tolerant trait **stacked with herbicide tolerant traits** (IND 00410-5 x MON-04032-6) which is resistant to both ammonium glufosinate and glyphosate

United States

- August 2015 – U.S. Food and Drug Administration (FDA) completes the Early Food Safety Evaluation process for HB4 stress tolerance trait
- August 2017[xii] - received U.S. Food and Drug Administration (FDA) approval of HB4 drought tolerant soybeans for commercial use in human food and animal feed
- August 2019 - received U.S. Department of Agriculture (USDA) approval for commercialization (planting and harvesting) of HB4 soybeans with both drought and herbicide tolerant traits
    - Verdeca may now begin evaluating potential U.S. germplasm partners for the HB4 trait

Brazil

- July 2015 - announced a collaboration with Tropical Melhoramento e Genética Ltda. (TMG), a Brazilian soybean and cotton breeding company, to help develop and commercialize HB4 soybeans with stress tolerance traits in Brazil
- May 2019 - received approval from Brazil's National Technical Commission of Biosafety for commercialization (planting and harvesting) of HB4 soybeans (for both drought and herbicide tolerant traits)

Paraguay – soybean crop grown on over 3.5 million hectares

- November 2019 - received approval from the Paraguayan Minister of Agriculture (via the National Commission for Agricultural and Forestry Biosafety) for commercialization (planting and harvesting) of HB4 soybeans (for both drought and herbicide tolerant traits)

The **HB4 soybean crop** (harvested in May 2020) was **planted on 3,000 hectares** to build an inventory of seed for the next cycle. After the harvest of the HB4 soybean seed crop, Verdeca has a sufficient to seed supply for 90,000 acres of soybean production. Approximately **23,000 hectares** were planting in the 2021 crop.



Expoagro

Source: Expoagro Commercial Brochure

In March of the last two years (2019 and 2020), Verdeca has showcased HB4 drought tolerant soybeans at **Expoagro**, Argentina's largest farm show, which is attended by over 150,000 attendees. During the exposition, Verdeca recruited South American growers to adopt HB4 soybean varieties for the upcoming growing season.



Verdeca

Pavilion at Expoagro

March 2019

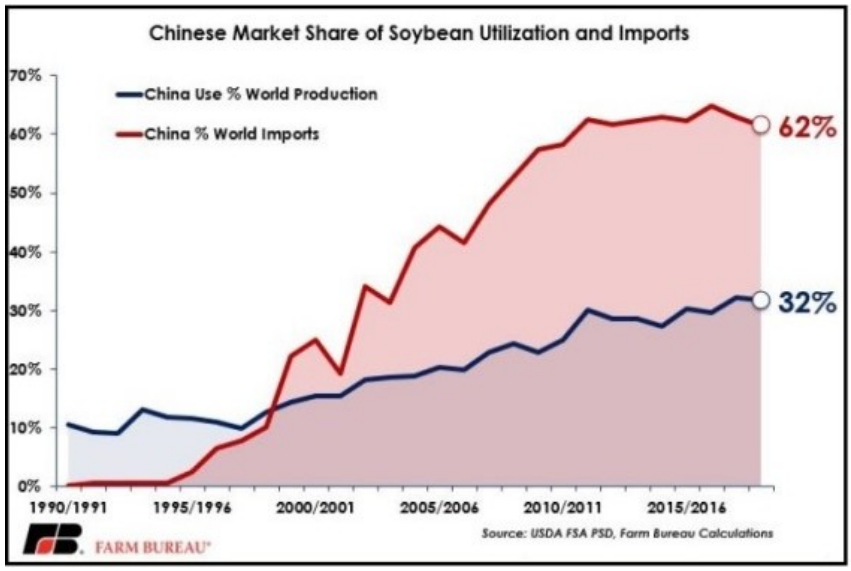
Arcadia Biosciences Presentation May 2019

Bioceres plans to further accelerate the commercialization of this technology by increasing the number of related breeding collaborations and go-to-market partnerships in current as well as new geographies.

Blue Sky Soybean Potential in China

China would be a meaningful market for South American soybean producers if import approval is granted. The growing middle class population in China has increased demand for soybeans as an affordable protein source. In addition, the recent trade was between the U.S. and China has prompted China to seek alternative sources in order to reduce its dependence on U.S. soybean exports. Import approval was sought from China in 2017. The application continues to be under review, and management is hopeful that the approval may be obtained in late 2020.

China is both the leading consumer and importer of soybeans, accounting for roughly one-third of global consumption and 62% of world imports in 2017.[xiii] Once import approval is secured in China, management anticipates that commercial production in Argentina would scale-up rapidly in order to launch an export program of HB4 soybeans to China.



History and Ownership of Verdeca LLC

In February 2012, Bioceres S.A. partnered with Arcadia Biosciences to **form Verdeca LLC**, a U.S.-based 50/50 joint venture company. Verdeca's mission is to develop and deregulate varieties of HB4 soybeans utilizing the agricultural technologies of both Bioceres and Arcadia. Bioceres S.A. provided HB4 soybean technology to Verdeca while Arcadia Biosciences contributed its nutrient-use efficiency technology, along with regulatory capabilities. In March 2019, Bioceres S.A. contributed its crop business, including its 50% equity interest in Verdeca, to Bioceres Crop Solutions.

Between 2012 and 2020, Verdeca pursued the time-consuming breeding process and conducted field trials to develop varieties that targeted specific crop growing areas. The historical yield data was utilized to create a model to predict the optimal HB4 trait performance for particular geographic areas. In addition, Verdeca pursued the required regulatory approvals in many countries as described above.

On November 12, 2020, **Bioceres Crop Solutions acquired the other 50% ownership interest** in the Verdeca joint venture held by Arcadia Biosciences (as well as the Intellectual Property assets related to soybean for Latin America) for $20.0 million consisting of $6.0 million in cash and

1,875,000 shares of Bioceres. In addition, Arcadia will receive $2.0 million upon Verdeca obtaining regulatory import clearance for HB4 soybeans from China. In addition, Arcadia will receive 6% royalty payments of the net HB4® soybean technology revenues realized by Verdeca up to a maximum of $10 million.

TRIGALL GENETICS S.A. - JOINT VENTURE (50/50)

Formed in May 2013, Trigall Genetics S.A. is a **joint venture** with **Florimond Desprez**, a family-owned French agricultural seed company with annual revenues of €230 million.[xiv] After receiving the necessary regulatory approval in November, the joint venture was formally effectuated in December 2013.

HB4 Wheat

TRIGALL GENETICS

BIOCERES CROP SOLUTIONS

FLORIMOND DESPREZ

Trigall Genetics is focused on developing and commercializing **high-yielding wheat** varieties **based on both Bioceres' HB4 technology** and the agronomic qualities of Florimond Desprez's wheat, which were developed in its genetics and breeding programs. This GMO variety of HB4 wheat has been developed to be specifically resistant to drought and salt stress. Water deficits and soil salinity are two factors that impair plant growth and inhibit crop production. In addition, this variety is **herbicide-tolerant** to glufosinate, a broad-spectrum foliar herbicide applied to burndown existing broadleaf weeds prior to the planting of a wheat crop.

In Latin America, approximately 200 million hectares of wheat are planted annually, of which over 50 million hectares are genetically-modified (GM). It is estimated that HB4 technology can increase the average wheat crop yield between 13-19%, particularly in farming operations that currently yield less than 2,000 tons per hectare under conditions of moderate water stress, resulting in up to US$110 of additional revenue per hectare (based on the current price of wheat at $5.06 per bushel).

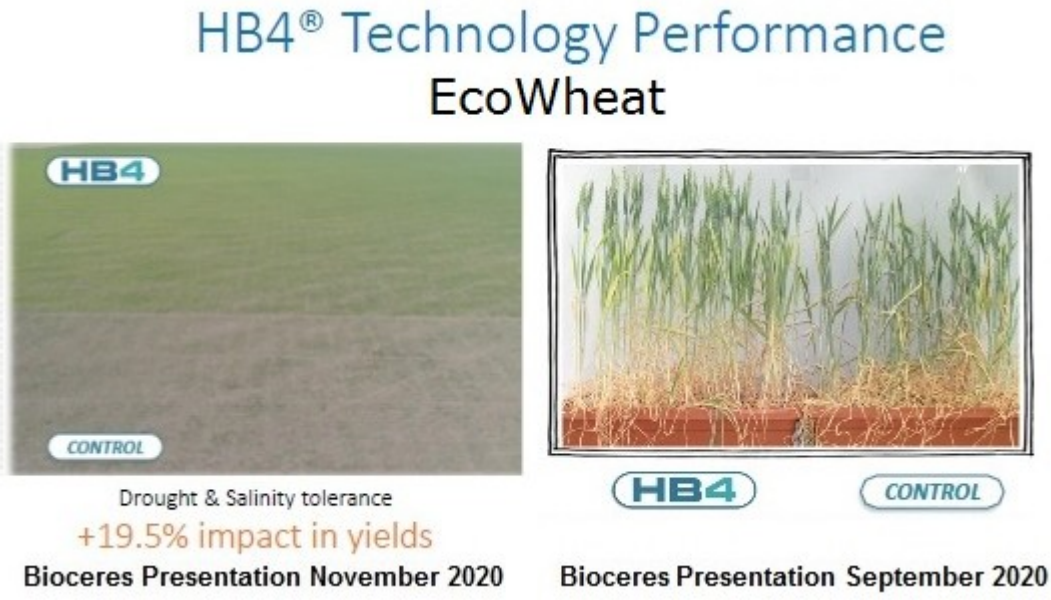
Both joint venture partners (Bioceres and Florimond Desprez) are able to exclusively license trait and germplasm wheat technologies to Trigall for use in South America. On December 19, 2013, Bioceres granted an exclusive, sub-licensable license to Trigall for HB4 technology for the use of wheat in Argentina, Brazil, Uruguay and Paraguay. Florimond Desprez contributed exclusive rights to its wheat genetics and breeding program.

Founded in 1830 as a sugar beet seed company, Florimond Desprez has expanded into the world's 14th largest seed company[xv] with research programs for various crops, but predominately in sugar beets, chicory, wheat, barley and potatoes. Florimond Desprez entered the wheat seed market in 1919 and continues to pursue efforts to create new high-yield varieties through genetic research.

The joint venture's first products were conventional wheat varieties that are being sold through Bioceres Semillas and other licensees of Trigall. In fiscal 2020, annual revenues were $799,625 and the JV reported profits of $172,670. **Revenues have been steadily increasing since fiscal 2016** and **profitability was achieved in fiscal 2020**.

Trigall Genetics JV				
Fiscal years ending June 30th	Revenues ($US)	Net Income ($US)	Net Assets ($US)	Liabilities ($US)
FY2017	21,041	(12,986)	(216,780)	7,108,209
FY2018	104,037	(194,432)	(411,212)	9,203,626
FY2019	367,646	(33,195)	(401,669)	10,952,623
FY2020	799,625	172,670	270,396	12,532,433

Incorporated in Uruguay (but with headquarters in Bioceres Group's research complex in Rosario, Argentina), Trigall Genetics is a separately-structured entity. For the purpose of funding Trigall's operations, the JV partners have committed up to US$6.0 million in loans in proportion to each party`s ownership interest with another $2.0 million available on a non-proportional basis.



Field trials of HB4 wheat have been conducted since 2009, even prior to the formation of Trigall Genetics. Over the years, field trials have continued In Argentina and Paraguay, along with continuous improvement through investments in breeding programs, as Trigall has pursued regulatory approvals.

HB4 Wheat's Regulatory Milestones

In **Argentina**, **HB4 wheat** (or IND-00412-7) is based on Bioceres' HB4 technology and genetics contributed by Florimond Desprez. HB4 Wheat is both tolerant to drought and herbicides (specifically ammonium glufosinate) and has made significant progress through the regulatory approval process.

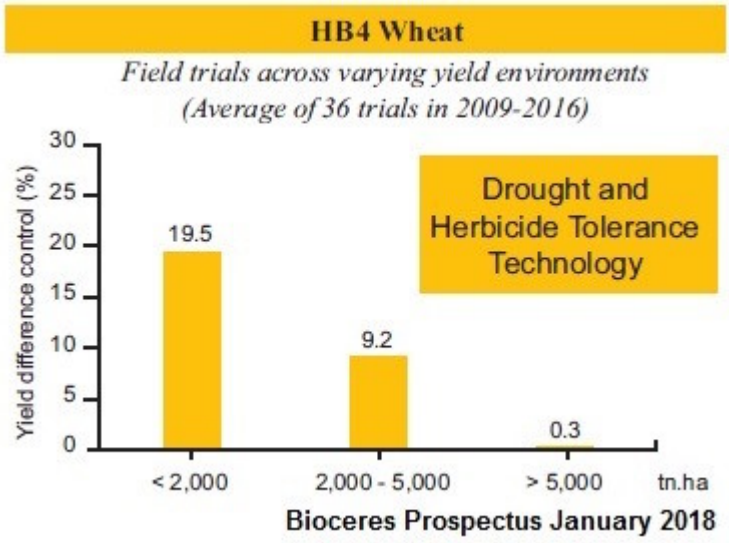
- In 2016, **SENASA** granted its approval on the basis that HB4 wheat is **safe and nutritious** for both human and animal consumption
- In 2019, **CONABIA** granted its approval after concluding that HB4 wheat is **harmless to the environment**
- In October 2020, HB4 wheat (Trigall`s genetically modified wheat product) was **granted approval for crop growth and consumption** in Argentina by the **Ministry of Agroindustry**.

To achieve commercialization of HB4 wheat in Argentina, **the company awaits DNMA approval**, which is **contingent upon import approval by Brazil**, a major importer of Argentinean wheat. Brazil

purchases about 85% of its wheat requirements from Argentina, from where Brazilian wheat imports account for approximately 44% of Argentina's annual wheat crop.[xvi]

In preparation for the potential of a commercial launch, 400 hectares (988 acres) were planted in the winter crop season of 2019 to produce seed inventories, and approximately 7,000 hectares (17,300 acres) were planted this year for the same purpose.

Trigall continues to advance the regulatory processes for HB4 wheat in the United States, Uruguay, Paraguay and Bolivia. In addition, management plans to start the regulatory process in Australia and Russia, along with some countries in Asia and Africa.



RIZOBACTER ARGENTINA S.A. (80% ownership)

Bioceres Crop Solutions currently holds an **80% equity interest in Rizobacter Argentina S.A.** The **controlling interest** was acquired on March 14, 2019 when the business combination with Union Acquisition Corp. (a SPAC) resulted in the transfer of 50.01% of Rizobacter to Bioceres Crop Solutions from its parent company (Bioceres S.A.), along with the simultaneous acquisition of 19.99% for US$14.9 million. **Bioceres S.A. had acquired its 50.01% equity position in Rizobacter in October 2016** for US$76.3 million, after being a joint venture partner with Rizobacter in Semya S.A. (a biological R&D effort for EcoSeed products) for a little over two years.

The acquisition of a controlling interest in Rizobacter is a **highly significant milestone** in the corporate and operating history of Bioceres Crop Solutions. Rizobacter is a bio-based solutions company focusing on crop nutrition and protection products, particularly inoculates. Rizobacter is a leading provider of microbiological and chemical solutions in Argentina with a formable distribution platform. It also has a global presence on over 30 countries. On the R&D front, Rizobacter's focus on microbials complements Bioceres' expertise in germplasm and traits. Rizobacter provides an exceptional platform from which to develop and launch new biological products in the agricultural industry.

Rizobacter brought the following assets and capabilities to Bioceres:

- **commercialized many agricultural biologic products** and continues to advance developmental projects
    - **proprietary flagship brands** (by category)
        - Inoculants: Rizoliq TOP®, Signum® Osmium® and Rizoliq LLI®,

        - Rizobacter has a 21% market share[xvii] of soybean inoculants in Argentina
    - Adjuvants: Rizospray Extremo® and Rizospray Integrum®
    - Fertilizers: Rizostar® (micro-granular)
    - Seed treatments: Rizoderma®
- **formulation plants** for the manufacture of adjuvants, inoculants, insecticides & fungicides
    - micro-granulated fertilizer plant through 40% equity interest **Synertech Industrias**
- **distribution facilities** with over 375,000 square feet of warehouse space
- an **extensive distribution network in Argentina** (over 620 distributors) and **over 30 international distributors** extending the company's reach into Brazil, Paraguay, Uruguay, Bolivia, Colombia, Peru, Venezuela, the United States
    - nine international subsidiaries (France, Bolivia, India, Brazil, the U.S., Paraguay, Colombia, Uruguay and South Africa)
- with a 43-year history of building customer relationships, Rizobacter enjoys the customer loyalty that has been earned from a large base of distributors, large retailers and wholesalers
- brought **multiple partnerships** to Bioceres
    - strategic partnership with **Syngenta** (seed treatment and crop protection products)
    - strategic partnership with **Momentive** for the exclusive distribution of **Silwet**, a silicone-based adjuvant
    - strategic alliance with **Marrone Bio Innovations** for the exclusive distribution of Marrone's foliar fertilizer and plant health technology in Argentina, Uruguay, Paraguay and Bolivia

Rizobacter generates revenue from the formulation and distribution of its own products as well as the resale of third-party products. All told, Rizobacter over **tripled the revenue base of Bioceres**.

Formed by Miguel Harnan in 1977 and incorporated in October 1983, Rizobacter grew in the microbiological products space, first in Argentina, then in neighboring countries and finally globally. The company gained a leading share in inoculants, particularly in soybean inoculants. As the company expanded into more than 30 countries, Becker Underwood attempted to acquire Rizobacter in 2004. At that time, the company was generating revenues of approximately US$18.9 million. The offer was rebuffed.

Similar to Bioceres, **Rizobacter's strategy** was to **develop biologic products**, particularly microbiological products in the plant nutrition and protection areas, not only by in-house research, but also **through joint ventures and strategic partnerships**. A more detailed description of these efforts is in the Strategy section of this report.

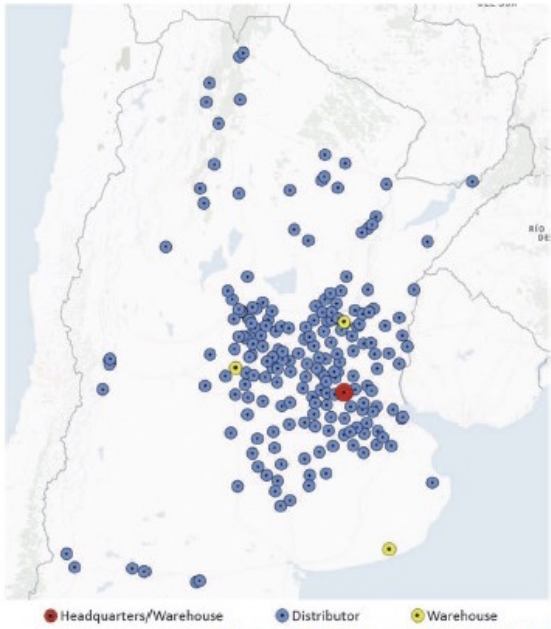
Nevertheless, after establishing itself as a leading microbiological products company in Argentina and developing an international distribution network, **Rizobacter's revenue base** had increased to about US$100 million in 2016, representing a **14.9% top-line CAGR between 2004 and 2016**. On October 19, 2019, Bioceres S.A. acquired 20,004,000 shares of Rizobacter for US$57.3 million. The holding represented a majority 50.01% equity interest. On August 25, 2017, the acquisition was approved by the CNDC (Comisión Nacional de Defensa de la Competencia or Argentine Antitrust Commission).

Across Argentina, Rizobacter has over **620 distributors**, which generate approximately 80% of Rizobacter's total sales. Four warehouses located in Pergamino, Necochea, Paraná and Rio IV support the distribution network. .In Argentina, Rizobacter has **leading market shares in soybean inoculants** (26%), seed treatments (27%), adjuvants (27%), and pest baits (50%).[xviii]

Internationally, Rizobacter distributes crop nutrition and crop protection products through **more than 620 distributors**. In addition, Rizobacter hold 80% equity interests in **nine international distribution subsidiaries** located in (in order of revenues) Brazil, Uruguay, Paraguay, Uruguay,

Bolivia, South Africa, the U.S., Europe (serving Austria, France and Italy, among others) and Colombia.

Distribution Network in Argentina



Bioceres Prospectus January 2018

MISSION & STRATEGY

The company's mission is to develop crop productivity technologies in order to **improve crop yields** and **create added-value** for agricultural producers. Bioceres concentrates on providing crop productivity solutions, particularly in the realm of seeds, seed traits, seed treatments, biologicals, adjuvants and fertilizers. The company's business model for achieving this mission involves:

- **sourcing** innovative **agricultural technologies**
- **developing products** through acquisitions, JVs and collaborations with other companies
- achieving access to markets by **navigating** through each nation's **regulatory process** for agro-biotechnology products
- attaining commercialization through the **production** of products/solutions that improve crop productivity
- and attaining access to the marketplace by **distributing its products** and complementary third-party products through the company's in-house distribution network, along with selling its products through agreements with third parties

SOURCING

Bioceres' biotechnology sourcing business model utilizes an open-architecture approach that involves collaborating with other companies, agencies, academics and research institutions in order to identify and develop promising technologies. In this way, Bioceres de-risks the agro-biotechnology discovery process and the ensuing development phase in a capital-efficient manner.

INDEAR (100% ownership by Bioceres S.A.)

In 2004, Bioceres S.A., along with BioSidus (an Argentina-based biopharmaceutical company) and CONICET (Consejo Nacional de Investigaciones Científicas y Técnicasan or National

Scientific and Technical Research Council, an Argentinean agency that fosters science and technology), founded an agricultural biotechnology R&D company, **INDEAR** (Instituto de Agrobiotecnología Rosario). Initially, INDEAR was funded with $5.0 million from Bioceres and BioSidus (predominately used to purchase instruments and equipment), along CONICET's contribution of land for a R&D center and 60 research personnel. Subsequently, in 2009, BioSidus and CONICET transferred their shares to Bioceres, which became solely responsible for the management of INDEAR.

Under R&D services agreements, INDEAR provides biotechnology R&D services to Bioceres Crop Solutions, partners & subsidiaries of Bioceres (Rizobacter, Bioceres Semillas, Verdeca and Trigall Genetics) and third parties in agricultural and industrial areas. **INDEAR's research is focused on increasing crop productivity**, including tolerance to drought and salinity, resistance to pests and herbicides, the promotion of plant health and the efficient use of nutrients. The R&D services encompass the entire product development process, from the gene discovery phase, through proof of concept and product development (field efficacy trials, variety breeding etc.) to product registration in pre-commercial stage. The R&D services agreement with Bioceres includes ownership for any crop productivity technology that INDEAR develops or sources.

BCS Crops S.A. (90% ownership - formerly Semya S.A.)

Formed as a separate joint venture of Bioceres S.A. and Rizobacter Argentina S.A. in August 2014, BCS Crops is focused on developing and commercializing second-generation agricultural biological products in support of the company's EcoSeed initiative. Utilizing both the biotechnological platforms of Bioceres S.A. (via INDEAR) and capabilities of Rizobacter (microbiology, formulation and production), BCS Crops researches and develops agricultural biological products, particularly soybean, wheat and alfalfa seed treatments customized for specific soil environments.

In June 2019, Bioceres Crop Solutions acquired an additional 50% interest in Semya from Bioceres S.A, adding to the 40% interest held through Rizobacter, by a share purchase agreement for US$670,000. The payments are to be generated and accrued through royalties from Semya. Subsequently, in mid-2020, Semya S.A. was re-named BCS Crops S.A.

PRODUCT DEVELOPMENT – JOINT VENTURES

In order to de-risk the development process and mitigate funding costs, Bioceres enters into **joint ventures** in order to advance promising technologies toward the commercialization of a particular product candidate. Two significant JVs are advancing HB4 soybeans and HB4 wheat:

Verdeca LLC (100% ownership)

Formed Verdeca joint venture with Arcadia Biosciences (NASDAQ: RKDA) in February 2012 to advance HB4 soybean technology in Latin America (now wholly-owned as of November 2020)

Trigall Genetics (50% ownership)

Formed of Trigall Genetics joint venture with Florimond Desprez in May 2013 for advancing HB4 wheat varieties in South America

PRODUCTION

Synertech Industrias S.A. (40% ownership)

Synertech Industrias operates a **micro-beaded fertilizer facility** in Pergamino, Argentina. Construction of the 257,600 sq.-ft. plant was completed in June 2017 at a cost of US$33 million.

The annual nameplate capacity of the facility is 50,000 tons. In fiscal 2019, the plant's capacity utilization rate was 22% (11,000 tons), which increased to 30% (15,200 tons) in fiscal 2020. Management is investing capital to increase market acceptance of this specialty fertilizer in order to further boost the plant's capacity utilization rate.

Rizobacter Argentina S.A. (80% ownership)

Rizobacter Argentina S.A. holds and operates Bioceres Crop Solutions' main **manufacturing and distribution facilities**, which are located in Pergamino, Argentina. The manufacturing facilities produce Rizobacter's crop nutrition and crop protection products and consist of a 2.1 million-gallon **adjuvant formulation plant**, a 6.6 million-gallon **liquid inoculant production facility** and a 530,000-gallon **insecticide & fungicide formulation plant**. Rizobacter's distribution facilities have over 375,000 square feet of warehouse space for packaging and logistics.

Micro-beaded Fertilizer Facility



Bioceres Crop Solutions website

Rizobacter Manufacturing Facilities



Bioceres' subsidiary Rizobacter website

DISTRIBUTION – Acquisitions, Strategic Alliances & Collaborations

Bioceres also makes acquisitions, enters strategic alliances and forms collaborations in order to bolster the company's offerings and also to **establish additional sales channels** to end-consumers in the agricultural sector. **The most significant acquisition was Rizobacter**.

Rizobacter Argentina S.A. (80% ownership)

- Acquired a 50.01% equity position in **Rizobacter** in October 2016, which was increased to 80% in March 2019 - Rizobacter is a well-established supplier of seed treatments, biopesticides, adjuvants and biostimulants, particularly liquid inoculants, in Argentina, Uruguay, Paraguay and Bolivia. Rizobacter has a significant commercial presence with a robust distribution network in the South American agricultural market.

- Entered a **strategic partnership with Syngenta** (through Rizobacter' alliance with Syngenta since 1998) concerning the R&D, marketing and sale of Syngenta's seed treatment products and agrochemicals, including Maxim XL, Maxim Integral, Maxim Evolution, Suren Plus, Compinche, Compinche SX, Tenacius, Tenacius SX, Rizopack® 420 Hc, Ekey Top, Funcion Pack, Cruiser Pack among others. Conversely, Syngenta distributes some of Rizobacter's products into its seed treatment products portfolio

- Entered a **strategic partnership** (through Rizobacter) **with Momentive** in 2010 for the exclusive distribution of Silwet (a spray adjuvant that promote improved adhesion and coverage on foliar surfaces that helps accelerate the uptake of agrochemicals into plants) in Argentina, Paraguay, Uruguay, Bolivia and Brazil

- Entered **strategic alliance** (through Rizobacter) **with Marrone Bio Innovations** (NASDAQ: MBII) in September 2020 for the exclusive distribution of Marrone's foliar fertilizer and plant health technology in Argentina, Uruguay, Paraguay and Bolivia

- As part of the Rizobacter acquisition, Bioceres owns 40% of **Synertech Industrias** S.A., a joint venture formed by Rizobacter and De Sangosse in 2014 in order to produce **Microstar PZ**® micro-granulated fertilizer. The JV completed the construction of a 257,600 sq.-ft. micro-beaded fertilizer plant (with an annual nameplate capacity of 50,000 tons) in June 2017 at a cost of over US$30 million. De Sangosse (a French crop protection, plant nutrition and pest-control solutions company) granted a sub-license for Microstar to Synertech JV. Microstar's highly-soluble micro-granules (0.5 to 1 mm) not only improve yields, but also can be applied at the same time as sowing.

Bioceres Semillas (100% ownership)

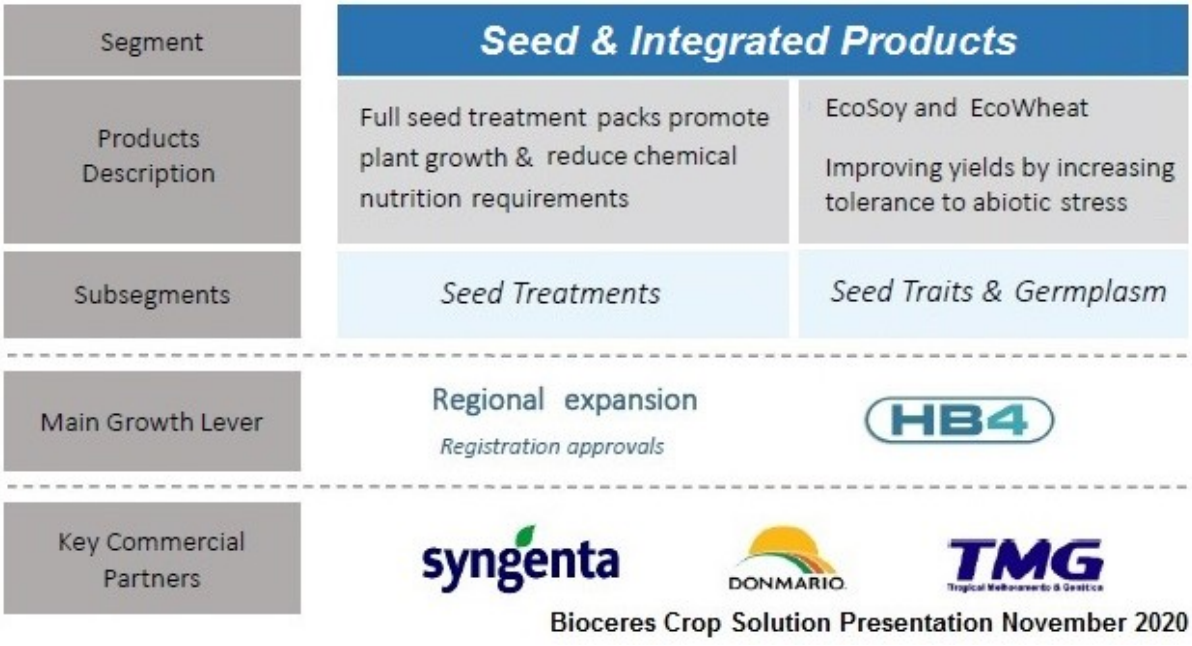
Formed in 2008, Bioceres Semillas is the company's **in-house commercial sales channel** for seeds, primarily wheat and soybean, along with ancillary supportive seed products. Bioceres Semillas sells Bioceres Semillas branded products and solutions both to distributors and directly to end-users. Bioceres Semillas has been operated by Rizobacter since 2017.

Bioceres Semillas sells various varieties of soybean and wheat seeds, each tailored for maximizing yield in specific areas of Argentina (see the wheat seed choices for specific growing regions in the provinces of Argentina in the image above from the company's website). The seed products are supported by other solutions, including fertilizer and adjuvant products, along with the EcoSeed support program.



Bioceres Semillas website

SEED & INTEGRATED PRODUCTS SEGMENT



The seed and integrated product segment focuses on the **development and commercialization of seeds** (and related products that providing crop protection and nutrition), which are designed to **increase yield per hectare**. Utilizing an integrated approach**, seed traits, germplasms** and **seed treatments** are combined to improve plant growth, bolster nutritional intake and reduce the deleterious effects of weeds, insects and disease. Revenues are primarily generated by the sale of seeds, integrated seed packs, royalties and licenses charged to third parties. The go-to-market initiative, **EcoSeed**, is within this segment

Crop	Technologies			R&D Phase	Entity
	Germplasm	Protection	Yield		
Soybean	MG III-VIII	glyphosate tolerance.	HB4	Advanced Develop.	BCS Holding
Wheat	Spring / Winter	glufosinate tolerance	HB4	Advanced Develop.	Trigall Genetics

FY2020 10-K

Seed Traits & Germplasms

Through breeding programs, **germplasms are advanced** by identifying optimal sets that exhibit genetic gain. The company focuses on elite germplasm that increases yield in environments contending with abiotic stresses, particularly drought conditions and/or soil salinity in specific agricultural regions.

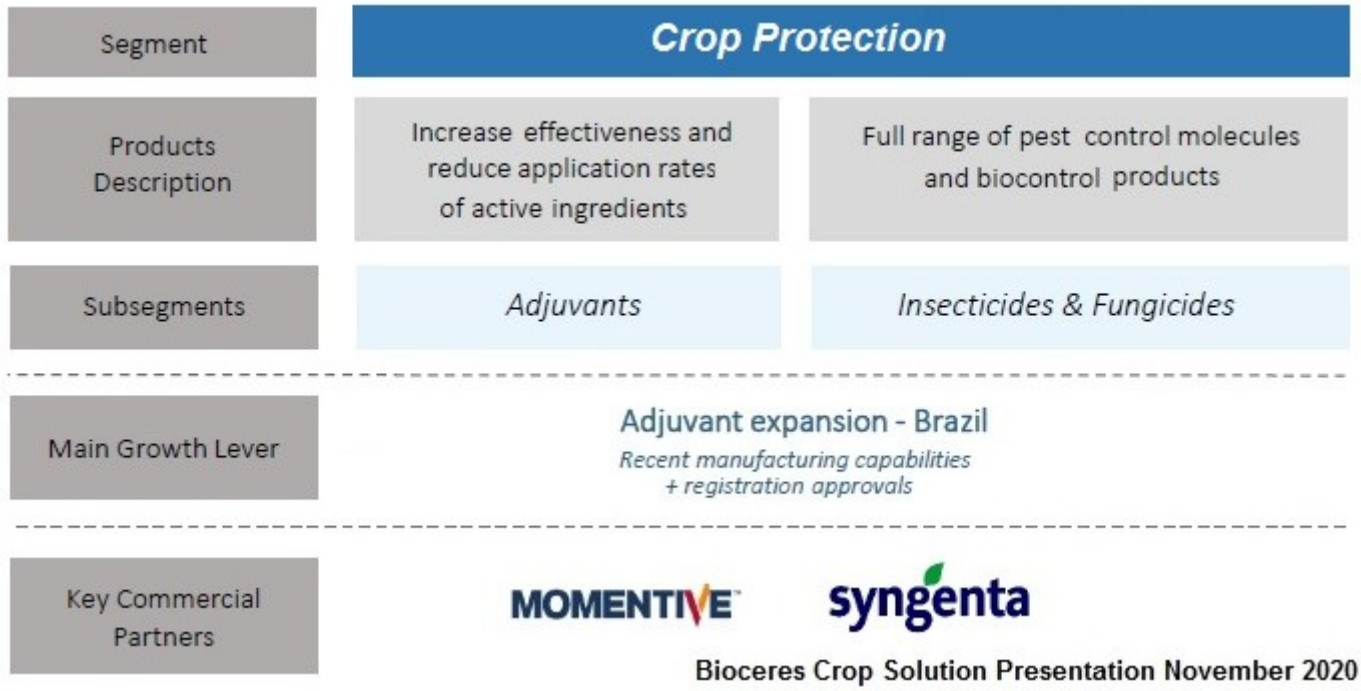
Seed trait packages allow genetically modified seeds reach their full potential by protecting them from other pressures, generally in the categories of herbicides and pests. In almost all cases, plant yields can be increased by instilling seed traits **of tolerance to herbicides** and/or **protection from insects and other pests**.

In addition, **seed treatment packs** are produced and sold by the company's subsidiary, Rizobacter. Seed treatments are the application of biological organisms and chemical products onto seeds in order to control, repel or eliminate pathogens and pests that harm seeds and seedlings. Product technologies include inoculants, insecticides, fungicides, herbicides, micronutrients and nematicides for various crops, such as soybeans, wheat, peanuts, beans, chickpeas, and rice among others. Rizobacter developed **Rizoderma** (a bio-fungicide seed treatment for soybeans, wheat and rice seeds) in partnership with INTA (Instituto Nacional de Tecnología Agropecuaria aka National Institute of Agricultural Technology). Rizobacter also distributes the **Maxim** family of fungicidal seed treatment products through a strategic partnership with Syngenta: **Maxim XL** (fungicide for soybeans, peanuts and corn), **Maxim RFC** (bio-fungicide for soybeans, wheat, corn, cotton, sorghum and sunflower), **Maxim Evolution** (fungicide for soybeans, vetch, chickpeas, peanuts and corn) and **Maxim Integral** (fungicide and insecticide for soybeans).



Rizobacter website

CROP PROTECTION



Bioceres Crop Solution Presentation November 2020

The scope of the crop protection segment encompasses the development, production and sale of a full range of adjuvant, pest control and biocontrol products, namely adjuvants, insecticides, fungicides and baits. Bioceres Crop Solutions produces and sell the Rizobacter line of adjuvants (the **RIZOSPRAY** and **RizoOil** brands) and also distributes **Silwet**, a silicone-based adjuvant through a strategic **partnership with Momentive**.



Adjuvants

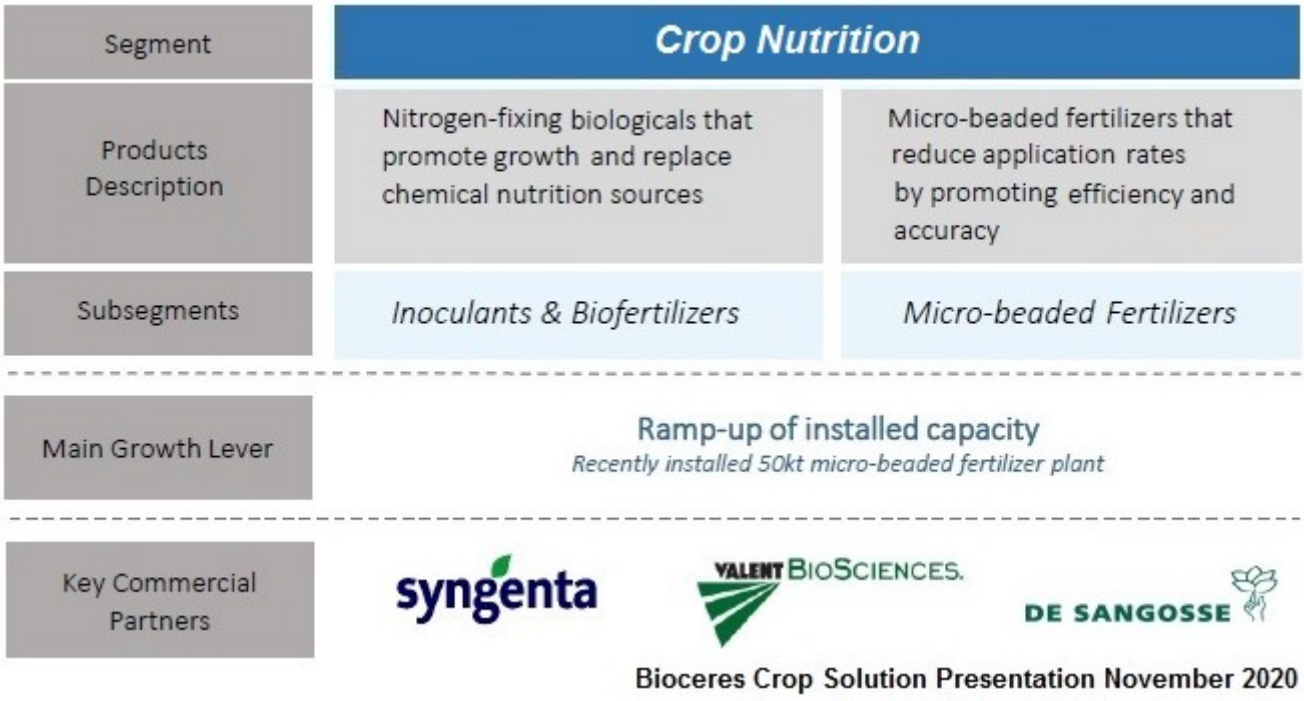
Agricultural adjuvants **increase the effectiveness of sprayed crop protection products** (insecticides, fungicides and herbicides, along with foliar fertilizers) by **reducing the surface tension** of the mixture allowing the molecules to better disperse across leaf's surface. In addition, the lower surface tension allows the crop protection/nutrition product to go through the natural openings of a crop's leaves (i.e. permit entry into the stomata or pores of the leaf's epidermis). This enhanced penetration of the leaf's surface further improves the efficacy of the active ingredients by increasing their resistance to removal by rain. The use of adjuvants results in the application of lower quantities of active ingredients, which is **more economical** and **environment friendly** with less runoff into the water table.

Insecticides and Fungicides

Through a strategic partnership with **Syngenta**, Bioceres offers a range of pest control products tailored for specific crops, including **Actellic50** (insecticide for the stored grains of barley, corn, paddy rice, sorghum and wheat) and **ActellicPlus** (insecticide for the stored grains of rough rice, barley, corn, sorghum and wheat). Also through the Syngenta partnership, Bioceres offers insecticide and fungicide seed treatments: **Tenacius** (insecticide and fungicide for barley and wheat), **Maxim Integral** (insecticide and fungicide for soybeans) and **Maxim Evolution** (fungicide for soybeans, vetch, chickpeas, peanuts and corn). The company estimates that it holds a 25% market share of bio-insecticides and bio-fungicides in Argentina. Bioceres continues its effort to formulate and commercialize new agricultural bio-fungicides and bio-insecticides.



CROP NUTRITION SEGMENT



The crop nutrition segment's effort is concentrated on the development, production and commercialization of biological inoculants, bio-fertilizers and micro-beaded fertilizers. The use of these products increases the supply or availability of primary nutrients, particularly nitrogen, thereby enhancing plant growth and increasing crop yield.

Inoculants and Bio-fertilizers

Inoculants are a class of **biological fertilizers** that support the growth of legumes (soybeans alfalfa, beans, peanuts, chickpeas etc.) usually applied as a seed treatment. Inoculants **promote nitrogen fixation** by introducing a specific species of bacteria that stimulates a plant to form nodules around the bacteria on the plant's roots. Within this protective enclosure, the bacteria convert atmospheric nitrogen (N2) to ammonia nitrogen (NH4), which a useable component in the process to form plant proteins. Inoculants can both replace the need for chemical fertilizers or be used in combination with biologicals and chemical fertilizers in order to enhance crop yields. In either case, **the amount of traditional chemical fertilizer used is reduced**, which has beneficial environmental impact. Bioceres Crop Solutions has approximately a 21% market share of soybean inoculants in Argentina.

Bio-fertilizers are **microbiological products** that contain living micro-organisms that invade a plant's rhizosphere (the area influenced by a plant's roots) and increase the availability of primary nutrients (such as nitrogen, phosphorous, potassium and iron) through various natural mechanisms (such as nitrogen fixation, phosphorus dissolution, potassium dissolution and iron capture). These natural processes stimulate plant growth and enhance crop yields. The bio-fertilizers can be applied to seeds, plant surfaces or the soil adjacent to the plants.

An example of one of Bioceres' innovations is **LLI (Long Life Inoculant) technology**, which allows seeds to be treated up to 60 days before planting. Traditionally, seeds are treated with inoculants less than two weeks prior to planting to ensure the viability and efficacy of the living bacteria on the seeds. Using LLI technology, Rizobacter registered **Rizoliq LLI Garbanzo** (the first long-life chickpea inoculant approved in Argentina), **Rizoliq LLI HC** (for the cultivation of soybeans) and also **Rizoliq LLI Maní** (a liquid inoculant for peanuts). Pre-inoculation of the seeds can be up to 60 days

prior to planting, which simplifies the sowing operation by sparing the grower the time, labor and risks of performing the on-farm process of applying the inoculant.



Micro-beaded Fertilizers

Bioceres produces micro-beaded (aka micro-granulated) fertilizer via the Synertech Industrias JV, which equally owned by Rizobacter and De Sangosse. Rizobacter sells the formulated micro-granulated fertilizer **Microstar PZ** (sub-licensed from De Sangosse). Due to its micro-size (0.5 to 1 mm), it **can be applied simultaneously with the planting of the seed**, allowing for early nutrient availability of nitrogen, phosphorus, sulfur and zinc to the seedlings. In addition, lower doses are required than conventional fertilizers providing both logistical and environmental benefits.

RECENT NEWS

Second Quarter of Fiscal 2021 - Operational Highlights

On October 7, 2020, **Argentina's** Ministry of Agriculture approved the production and marketing of **drought-tolerant** and **salinity-tolerant HB4 wheat**. The regulatory approval is contingent upon trade approval by Brazil. Argentina is the largest wheat producing country in Latin America.

During the quarter, under severe drought conditions in certain regions, **HB4 wheat** out-yielded commercial varieties **on average by 13.5%.** In low-end productivity environments, HB4 wheat increased yields by an average of 42%. These drought conditions enabled Bioceres Crop Solutions to showcase HB4 technology under real world conditions; however, the drought conditions also negatively impacted overall revenues and profits as farmers used less plant nutrition and protection products.

With approximately 7,000 hectares planted (up from 400 hectares last year), **HB4 wheat seed inventory** is sufficient to plant between 60,000 (without Brazil's approval) and 130,000 hectares (with Brazil's approval) of HB4 wheat during the next crop season. The number of HB4 wheat growers increased YOY from 4 to 25.

Approximately **23,000 hectares** of **drought-tolerant HB4 soybeans** were planted (up from 3,000 hectares last year) with the number of growers increasing from 15 to 148.

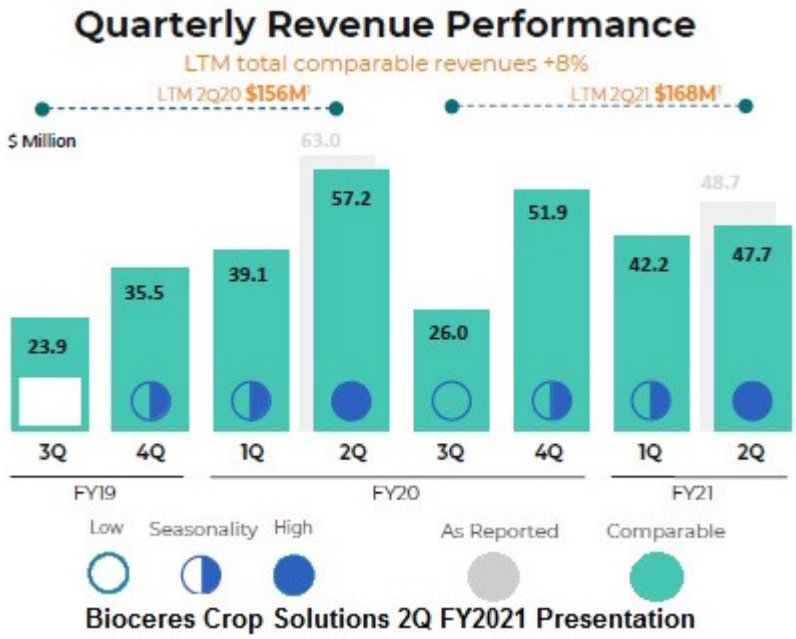
Second Quarter of Fiscal 2021 Financial Results

Bioceres Crop Solutions reports financial results where its Argentinean operations are subject to **IAS 29**, since Argentina's economy is currently classified as hyperinflationary. Under IAS-29, comparable financial information is provided so that investors can make better informed decisions. In order to adjust nominal cash flows in terms of purchasing power, prior-period accounting line items in the

income statement are restated so that they are expressed on the basis of the purchasing power of the hyperinflationary functional currency at the end of the reporting period. In this manner, cash flows are adjusted for the effects of general inflationary price index changes, and investors are provided relevant and comparable information for a company's operations.

On February 11, 2021, Bioceres Crop Solutions reported financial results for the second fiscal quarter ending December 31, 2020. During the quarter, severe drought conditions affected some of the company's key growing areas in South America. Total **comparable revenues declined 16.6%** YOY to approximately **$47.7 million** from $57.2 million in the second quarter of fiscal 2020.

The dry weather conditions in some areas, mainly in Argentina and Brazil, reduced the demand for Crop Protection and Nutrition products leading to comparable revenue declines of 12% and 37%, respectively. In **Crop Protection** segment, the dry weather reduced the demand for insecticides, fungicides and adjuvants due to less pest pressure resulting in fewer sprayings. In the **Crop Nutrition** segment, sales of micro-beaded fertilizer were impacted delayed planting of soybeans and the increased use of commodity fertilizers. In the **Seed and integrated products** segment, comparable revenues declined only 5% as higher seed sales in South Africa was more than offset by pre-buying seed treatment packs in Argentina during the first fiscal quarter, which diminished demand during the second fiscal quarter.



The **comparable gross profit margin improved 69 basis points** to 52.8% versus 52.1% in the comparable quarter last year.

Selling, general and administrative (SG&A) expenses increased to $11.1 million, primarily due to additional outsourced professional services for the acquisition of the other 50% of the Verdeca JV. Without the acquisition costs and stock-based compensation charges, SG&A expenses would have declined to $9.6 million.

Adjusted EBITDA was **$14.2 million** in the second fiscal quarter versus $21.1 million in the second quarter of the prior fiscal year

For the second fiscal quarter, Bioceres Crop Solutions reported a net income of $1.8 million (or $0.045 per diluted share) versus $12.6 million (or $0.350 per diluted share) in the second fiscal quarter last year. Shares outstanding increased to approximately 40.3 million shares, primarily due to approximately 2.6 million shares issued in exchange for warrants in August 2020 and the 1.875 million shares issued to acquire the other 50% of the Verdeca JV.

As of December 31, 2020, Bioceres Crop Solutions has a strong liquidity position with cash, cash equivalents and other short-term investments totaling approximately $35.9 million, compared to around $16 million as of December 31, 2019. Working capital declined sequentially from $30 million to $20.8 million due to investments in the HB4 inventory investments and cash payments related to the Verdeca acquisition.

Research and Services Agreement with Nature Source Improved Plants

On February 3, 2021, Bioceres Crop Solutions announced that the company had entered into a research and services agreement with **Nature Source Improved Plants LLC** for the purpose of designing and launching a **HB4 soybean breeding program** in the **United States**. Nature Source Improved Plants is a U.S.-based plant breeding and propagation company that utilizes optimization analytics to genetically improve a wide variety of plant species. With a team of mathematicians, optimization specialists, statisticians, computer scientists, software engineers, geneticists and breeders, Nature Source will employ computational optimization technologies to **identify and map drought-prone growing areas** so that Bioceres can efficiently develop HB4 soy and wheat seed varieties for specific markets. The effort should accelerate the company's breeding and go-to-market activities through predictive geographical targeting. Another expected benefit is the synergies with Nature Source's genome breeding technologies.

VALUATION

For Bioceres Crop Solutions, a reasonable methodology is a **discounted cash flow** (DCF) **model** that estimates future cash flows and discounts them by using the cost of capital in order to attain a net present value. Utilizing our estimate of fiscal 2021 revenues of Bioceres Crop Solutions, revenues are projected in the out-years based on expected revenue streams from **three business lines**, namely the company's revenue generating businesses (primarily Rizobacter), the expected revenues from HB4 soybeans and the expected revenues from HB4 wheat. A DCF model was composed by these three expected revenue categories.

Revenues for the HB4 products are estimated through the projected amount of hectares planted and the cost of seed per hectare. The adoption of HB4 soybeans and HB4 wheat ramps up in the first three years after **import approvals by China and Brazil**, respectively, the granting of which **are assessed through a probability factor**. Sales of each product rise relatively quickly to $100 million over three-to-five years and then grow at a terminal growth rate of 25%. Since the development of HB4 soybeans is further advanced than HB4 wheat, we assume HB4 soybeans will gain traction before HB4 wheat. .

The model incorporates assumptions related to cash costs, R&D expenses and the tax rate based on historical results. Cash costs are projected to increase at a 3.6% rate annually while R&D expenses are expected to increase at a 3.1% annual rate as the company continues to invest in new and ongoing programs. The tax rate is anticipated to remain steady at 34.2%.

The discount rate for large cap publicly-traded equities is usually in the 5%-to-10% range; however, for small-cap companies, the discount rate is generally in the 12%-to-15% range due to a higher level of business risk. Conservatively, we are using a discount rate of 15% in the DCF model.

It is well known that the results of DCF models are highly sensitive to the input assumptions. As the company reports subsequent quarters, the DCF model will be updated so that it accurately dovetails with reported financial results.

The terminal value is calculated by multiplying the projected sales level in year seven by the estimated terminal price-to-sales ratio (P/S) of 0.59, which is the average P/S ratio of large, profitable agricultural products companies that have market capitalizations over $5.0 billion.

Large Capitalization Industry Comparables	Ticker	P/E Current FY	Mkt Cap ($billion)	TTM Price/ Book	TTM Price/ Sales	TTM EV/ EBITDA
Industry Mean		**15.63**	**30.10**	**1.82**	**0.69**	**11.40**
Industry Median		14.81	26.49	1.81	0.59	12.39
ARCHER-DANIELS-MIDLAND CO	ADM	14.81	31.60	1.58	0.49	13.13
BASF SE	BASFY	19.08	75.64	1.82	1.07	12.73
BUNGE LIMITED	BG	12.39	10.73	2.00	0.28	8.91
WLMAR INTERNATIONAL LTD	WLMIY	18.45	26.49	1.61	0.59	12.39
INGREDION INC	INGR	13.42	6.05	2.03	1.02	9.86

Our **DCF model values Bioceres Crop Solutions at $16.25 per share** on a fully diluted basis.

Bioceres Crop Solutions Corp.

DCF Model

	2022	2023	2024	2025	2026
Revenues	214,504,461	254,580,479	344,672,432	415,991,415	524,067,407
Cash costs	173,004,844	179,267,620	185,757,107	192,481,515	199,449,345
R&D costs	4,749,997	4,895,347	5,045,145	5,199,526	5,358,632
Tax rate	34.2%	34.2%	34.2%	34.2%	34.2%
Free Cash Flow after R&D costs	24,181,250	46,334,723	101,246,579	143,648,226	210,072,705

Discount Rate	**15.0%**			
NPV	**541,353,388**			
Terminal Value	**415,829,912**			
Cash From Option Exercise	**5,460,000**			
Probability	**72.5%**		**Total NPV**	**678,763,192**
Total Sum of Parts	**697,916,393**		**Share Price**	**$16.24**
Debt	**75,112,455**	**2Q:FY2021**		
Cash	**55,959,254**	**2Q:FY2021**		
Current Shares	**40,592,370**			
Warrant Shares	**1,200,000**			
Diluted Shares	**41,792,370**	**2Q:FY2021**		

We attempted to employ comparative analysis to help validate the indicated price derived through the DCF model. Generally, some valuation metric (P/S, P/B and/or EV/EBITDA) denotes some predictive consistency among comparative companies. However, other small-cap companies in the biologics space operate with negative EBITDA. These much earlier-stage companies without a supporting revenue stream exhibit stretched valuation multiples that reflect higher levels of risk. However, comparative valuation analysis versus this subset would lead to an indicated target in the $16-to-$22 range utilizing a P/B range of 8.3-to-11.4.

Industry Comparables	% Chg YTD	Ticker	P/E Current FY	Mkt Cap ($million)	TTM Price/ Book	TTM Price/ Sales	TTM EV/ EBITDA
BIOCERES CROP	**32.3**	**BIOX**	**N/M**	**332.86**	**4.28**	**2.02**	**22.09**
Industry Mean	86.1		N/M	233.87	9.09	55.59	(10.17)
Industry Median	104.4		N/M	253.74	5.99	23.03	(8.60)
S&P 500	1.5	SPX	38.80	N/A	4.04	2.79	N/A
ARCADIA BIOSCIENCES INC	25.3	RKDA	N/M	67.61	5.99	22.44	(3.43)
CALYXT INC	126.1	CLXT	N/M	353.60	10.13	23.03	(8.60)
EVOGENE LTD	24.9	EVGN	N/M	253.74	5.23	190.03	(10.14)
MARRONE BIO INNOVATIONS	104.4	MBII	N/M	427.91	18.52	9.83	(22.34)
YIELD10 BIOSCIENCE	149.8	YTEN	N/M	66.49	5.60	32.62	(6.33)

Bioceres Crop Solutions has attained a level of advancement exemplified by **positive EBITDA**, an attribute shared by more mature, more diversified large-cap companies in the agricultural crop solutions industry. In this large-cap subset, break-through products, like HB4 technology, do not carry the same financial impact on operations as in a small-cap company like Bioceres Crop Solutions. Therefore, comparative valuation analysis versus large-cap companies would not be appropriate.

RISKS

- Bioceres Crop Solutions operates in Argentina, a country that is marked by a history of hyperinflation. The latest hyperinflationary period began in 2013, after almost a decade of the inflation rate remaining below 11%. Most recently, Argentina's CPI (as reported by INDEC) increased 24.8% in 2017, 47.7% in 2018, 53.8% in 2019 and 36.1% in 2020.
    - In June 2018, Argentina's economy was categorized as hyperinflationary by the International Practices Task Force of the Centre for Quality, since the country had a projected three-year cumulative inflation rate greater than 100%.
    - With Argentina's economy classified as hyperinflationary, the company is required to apply inflationary adjustments to its financial statements (beginning with the period ending on December 31, 2018) according to the guidelines of the International Accounting Standard 29 (IAS-29).
    - These adjustments could adversely affect the financial results of the company's operations in Argentina.
- Argentina also has a history of currency devaluations (six within the last 20 years, the most recent occurring in 2018). A significant part of the company's business activities is conducted in Argentine pesos, therefore exposing Bioceres to foreign currency exchange risks.
- The Argentine government can and has intervened in the economy. Such interventions have been in the form of export and import duties and taxation regimes, but could also take the form of expropriations/nationalizations and price controls. Currently, there are export duties of 33% on soybean and soy products and single-digit export duties on corn, wheat and sunflower.
- As a company serving the agricultural industry, Bioceres' crop nutrition and protection operations are exposed to potential disruptions caused by severe weather conditions, particularly drought.

INSIDER AND INSTITUTIONAL OWNERSHIP

Insiders (defined as holders of 10%+ of the company's shares) own 73.6% of the outstanding shares of Bioceres Crop Solutions. Bioceres S.A. (a corporate insider with a 13G filed under an Executive Director) owns 22,604,544 shares or 55.7% of the shares outstanding. An investment group consisting of 5D+ Capital Investment Management Company S.A. (Uruguay), 5D+ Draco I LATAM Income Plus Segregated Portfolio (Cayman Islands) and Biotech Investment Holding Ltd. (British Virgin Islands) holds 7,276,652 shares or 17.9% of the shares outstanding as of the last 13G filing dated December 31, 2020.

Institutional investors own approximately 11.5% of the outstanding shares of the company. The larger institutional holders are Polar Asset Management Partners with 1,060,000 shares (2.6% of the shares outstanding), Westchester Capital Management LLC with 876,725 shares (2.2%), Karpus Management with 842,217 shares (2.1%) and City Financial Investment with 600,000 shares (1.5%).

BALANCE SHEETS

Bioceres Crop Solutions Corp.				
(in $USexcept share data)	FY 2018	FY 201	FY 2020	2Q FY 2021
Period ending	6/30/2018	6/30/2019	6/30/2020	12/31/2020
ASSETS				
Cash and cash equivalents	2,215,103	3,450,873	27,159,421	19,130,20
Other financial assets	4,550,847	4,683,508	28,799,833	16,930,21
Trade receivables	52,888,427	59,236,377	73,546,63	84,653,10
Other receivables	4,240,205	1,981,829	4,770,67	7,789,87
Income & min. pres. inc. taxes recover.	2,082,269	1,263,795	112,220	152,22
Inventories	19,366,001	27,322,003	29,338,54	41,655,40
Biological assets	-	270,579	965,72	10,554,349
Biological assets		-		5,000,000
Total Current Assets	**85,342,852**	**98,208,964**	**164,693,055**	**185,865,37**
Other financial assets	243,358	376,41	322,70	330,67
Trade receivables	-			292,067
Other receivables	4,979,507	1,560,310	1,703,57	1,906,16
Income & min. presumed inc. taxes recover.	126,653	1,184	6,02	8,63
Deferred tax assets	5,601,821	3,743,709	2,693,19	3,326,64
Investments in joint ventures and associates	19,072,055	25,321,028	24,652,79	25,095,26
Property, plant and equipment	40,177,146	43,834,548	41,515,10	41,868,16
Investment properties	-			2,499,206
Intangible assets	26,657,345	39,616,426	35,333,46	57,781,48
Goodwill	14,438,027	29,804,715	25,526,85	25,612,75
Right of use asset	-		1,114,597	1,147,52
TOTAL ASSETS	**196,638,764**	**242,467,297**	**297,561,36**	**345,733,96**
Trade and other payables	27,708,830	40,578,494	57,289,86	62,481,92
Borrowings	65,308,928	66,477,209	63,721,73	89,505,96
Employee benefits and social security	4,411,713	5,357,218	4,510,59	4,103,90
Deferred rev. & advances from customers	1,007,301	1,074,463	2,865,43	1,190,69
Income tax payable	2,569	142,028	1,556,715	6,518,81
Government grants	17,695	2,110	1,27	1,95
Acquisition of assets	20,223,590	2,826,611	0	800,000
Lease liabilities	-		665,098	547,19
Total Current Liabilities	**118,680,626**	**116,458,133**	**130,610,70**	**165,150,46**
Trade and other payables	-	452,654	452,65	771,65
Borrowings	25,708,205	37,079,521	41,226,61	29,324,23
Employee benefits and social security	-		534,038	0
Government grants	15,532	8,098	2,33	0
Joint ventures and associates	2,012,298	1,970,903	1,548,82	1,647,10
Deferred tax liabilities	13,591,942	21,101,871	16,858,12	16,726,26
Provisions	845,486	439,74	417,39	398,43
Acquisition of assets	2,651,019	0	0	7,637,972
Private warrants	-	2,861,511	1,686,64	0
Convertible notes	-		43,029,834	45,788,21
Lease liabilities	-		444,714	438,87
Non-Current Liabilities	**44,824,482**	**63,914,298**	**106,201,178**	**102,732,76**
TOTAL LIABILITIES	**163,505,108**	**180,372,431**	**236,811,88**	**267,883,22**
SHAREHOLDERS' EQUITY				
Equity attributable to owners of the parent	13,713,484	47,301,863	46,179,39	61,267,55
Non-controlling interests	19,420,172	14,793,003	14,570,08	16,583,18
Total Stockholders' Equity	**33,133,656**	**62,094,866**	**60,749,48**	**77,850,732**
TOTAL LIABILITIES & STOCKHOLDERS' EQ.	**196,638,764**	**242,467,297**	**297,561,36**	**345,733,96**
Shares outstanding	28,098,117	36,120,516	36,115,416	40,592,370

ANNUAL INCOME STATEMENTS

Bioceres Crop Solutions Corp.

Income Statement (in $US, except share out. data)	2018 6/30/2018	2019 6/30/2019	2020 6/30/2020	2021 E 6/30/2021
Revenue from contracts w. customers	133,491,118	160,308,97	172,350,699	172,933,077
Government grants	51,586	16,372	24,732	1,940
Initial rec. & chgs in FV of bio. assets	-	279,945	716,74	1,084,193
Total Revenues	**133,542,704**	**160,605,29**	**173,092,17**	**174,019,21**
Cost of Sales	77,094,551	86,964,881	93,575,58	92,590,764
Research and development expenses	3,950,100	3,689,39	4,195,27	4,523,783
SG&A expenses	35,263,688	39,243,800	38,345,02	39,777,194
Share of loss (profit) of joint ventures	2,136,801	(1,012,486)	(2,477,193	(895,031)
Expenses	**118,445,140**	**128,885,586**	**133,638,693**	**135,996,710**
Operating income (loss)	**15,097,564**	**31,719,710**	**39,453,479**	**38,022,501**
Finance (cost)	(17,188,653)	(24,361,73	(20,880,526)	(25,542,180)
Other financial results (losses)	(23,762,063)	(17,096,48	(11,822,116)	(8,090,156)
Other net income (loss)	613,389	365,90	(307,499)	199,713
Total Other Income (Expenses)	**(40,337,327)**	**(41,092,317**	**(33,010,141)**	**(33,432,623)**
Profit (loss) before income tax	**(25,239,763)**	**(9,372,607)**	**6,443,338**	**4,589,87**
Income tax (expense) benefit	10,928,517	(6,986,284)	(2,206,71	(1,569,73
Net profit (loss)	**(14,311,246)**	**(16,358,891**	**4,236,628**	**3,020,14**
Profit (loss) attrib. to equity holders	**(11,039,533)**	**(18,369,045**	**3,359,175**	**(1,009,354)**
Profit (loss) attrib. to non-contolling int.	(3,271,713)	2,010,154	877,453	345,19
Diluted gain (loss) per share	**(0.3929)**	**(0.6027**	**0.0922**	**(0.0258)**
Wgted. Avg. Shares Out. - diluted	28,098,117	30,478,390	36,416,988	39,147,743

QUARTERLY INCOME STATEMENTS

Bioceres Crop Solutions Corp.

Income Statement (in $US, except share out. data)	FY 2019 6/30/2019	FY 202 9/30/2019	FY 202 12/31/2019	FY 202 3/31/2020	FY 202 6/30/2020	FY 202 6/30/2020
Revenue from contracts w. customers	160,308,979	36,229,820	62,272,547	25,716,70	48,131,626	172,350,699
Government grants	16,372	21,838	2,398	747	(251)	24,732
Initial rec. & chgs in FV of bio. assets	279,945	0	719,343	(45,041)	42,439	716,741
Total Revenues	**160,605,296**	**36,251,658**	**62,994,288**	**25,672,412**	**48,173,814**	**173,092,172**
Cost of Sales	86,964,881	20,345,07	32,962,728	14,920,08	25,347,698	93,575,58
Research and development expenses	3,689,391	1,203,739	923,613	1,264,314	803,604	4,195,270
SG&A expenses	39,243,800	8,684,911	10,497,408	8,688,711	10,473,998	38,345,028
Share of loss (profit) of joint ventures	(1,012,486)	(57,547)	(1,240,958)	132,080	(1,310,768)	(2,477,193
Expenses	**128,885,586**	**30,176,177**	**43,142,791**	**25,005,193**	**35,314,532**	**133,638,693**
Operating income (loss)	**31,719,710**	**6,075,481**	**19,851,497**	**667,219**	**12,859,282**	**39,453,479**
Finance (cost)	(24,361,733)	(4,753,095	(3,471,629)	(4,584,952	(8,070,850)	(20,880,526)
Other financial results (losses)	(17,096,484)	(11,643,952	0	0	(178,164)	(11,822,116)
Other net income (loss)	365,900	104,968	(286,534)	(22,098)	(103,835)	(307,499
Total Other Income (Expenses)	**(41,092,317)**	**(16,292,079)**	**(3,758,163)**	**(4,607,050)**	**(8,352,849)**	**(33,010,141)**
Profit (loss) before income tax	**(9,372,607)**	**(10,216,598)**	**16,093,334**	**(3,939,831)**	**4,506,433**	**6,443,338**
Income tax (expense) benefit	(6,986,284)	2,238,853	(3,443,508)	366,382	(1,368,437)	(2,206,710)
Net profit (loss)	**(16,358,891)**	**(7,977,745)**	**12,649,826**	**(3,573,449)**	**3,137,996**	**4,236,628**
Profit (loss) attrib. to equity holders	**(18,369,045)**	**(7,050,377)**	**11,314,881**	**(3,120,733)**	**2,215,404**	**3,359,175**
Profit (loss) attrib. to non-contolling int.	2,010,154	(927,368)	1,334,945	(452,716)	922,592	877,453
Diluted gain (loss) per share	**(0.6027)**	**(0.1952)**	**0.3133**	**(0.0857)**	**0.0608**	**0.0922**
Wgted. Avg. Shares Out. - diluted	30,478,390	36,120,517	36,120,517	36,416,988	36,416,988	36,416,988
Adjusted EBITDA	41,345,206	8,134,275	21,095,798	2,606,073	14,681,055	46,517,201

Bioceres Crop Solutions Corp.

Income Statement (in $US, except share out. data)	FY 2020 6/30/2020	FY 1Q 9/30/2020	FY 2Q 12/31/2020	FY 3Q Est. 3/31/2021	FY 4Q Est. 6/30/2021	FY 2021 Est. 6/30/2021
Revenue from contracts w. customers	172,350,699	42,105,290	48,003,308	29,887,241	52,937,238	172,933,077
Government grants	24,732	604	556	580	200	1,940
Initial rec. & chgs in FV of bio. assets	716,741	249,367	734,826	(50,000)	150,000	1,084,193
Total Revenues	**173,092,172**	**42,355,261**	**48,738,690**	**29,837,821**	**53,087,438**	**174,019,210**
Cost of Sales	93,575,588	23,112,642	25,073,842	17,035,727	27,368,552	92,590,764
Research and development expenses	4,195,270	1,024,21	1,114,82	1,284,75	1,100,00	4,523,783
SG&A expenses	38,345,028	10,092,243	11,219,716	8,514,937	9,950,298	39,777,194
Share of loss (profit) of joint ventures	(2,477,193)	(239,712)	(65,975)	66,040	(655,384)	(895,031)
Expenses	**133,638,693**	**33,989,385**	**37,342,403**	**26,901,455**	**37,763,466**	**135,996,710**
Operating income (loss)	**39,453,479**	**8,365,876**	**11,396,287**	**2,936,366**	**15,323,972**	**38,022,501**
Finance (cost)	(20,880,526)	(5,276,050)	(5,366,13	(5,100,00	(9,800,00	(25,542,180)
Other financial results (losses)	(11,822,116)	(7,459,412)	(530,744)	0	(100,000)	(8,090,156)
Other net income (loss)	(307,499)	5,190	135,132	10,422	48,97	199,713
Total Other Income (Expenses)	**(33,010,141)**	**(12,730,272)**	**(5,761,742)**	**(5,089,578)**	**(9,851,030)**	**(33,432,623)**
Profit (loss) before income tax	**6,443,338**	**(4,364,396)**	**5,634,545**	**(2,153,213)**	**5,472,941**	**4,589,878**
Income tax (expense) benefit	(2,206,710)	(2,005,866)	(3,835,587)	300,242	3,971,473	(1,569,738)
Net profit (loss)	**4,236,628**	**(6,370,262)**	**1,798,958**	**(1,852,971)**	**9,444,415**	**3,020,140**
Profit (loss) attrib. to equity holders	**3,359,175**	**(6,971,558)**	**648,193**	**(1,297,080)**	**6,611,090**	**(1,009,354)**
Profit (loss) attrib. to non-contolling int.	877,453	601,296	1,150,765	(555,891)	2,833,324	345,199
Diluted gain (loss) per share	**0.0922**	**(0.1917)**	**0.0166**	**(0.0320)**	**0.1629**	**(0.0258)**
Wgted. Avg. Shares Out. - diluted	36,416,988	36,367,953	39,038,280	40,592,370	40,592,370	**39,147,743**
Adjusted EBITDA	46,517,201	10,500,000	14,200,000	5,788,237	18,658,719	**49,146,956**

HISTORICAL STOCK PRICE



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[i] Bioceres Crop Solutions Fiscal First Quarter 2020 commentary by Federico Trucco, CEO, October 8, 2020
[ii] Bioceres Crop Solutions, Form F-1, October 25, 2019, page 110
[iii] Bioceres 2020 20-F, page 69
[iv] Bioceres 2020 20-F, page 47
[v] Bioceres Crop Solutions website, https://investors.biocerescrops.com/about-us/our-operational-structure/default.aspx
[vi] Bioceres Prospectus, July 12, 2019 page 334 and Union Acquisition Form S-4/A, February 8, 2019, page 7
[vii] Bioceres Investor Presentation, January 2019
[viii] SENSA was formerly created by created by Decree No. 660 and Law No. 24629 in 1996
[ix] The functions of INASE were originally created in 1973 (Law. No. 20247/73) but the entity was renamed INSAME in 1991 (Decree 2817/91).
[x] UNdata, FAOSTAT (Food and Agriculture Organization of the United Nations.
[xi] Bioceres 2020 10-K, HB4 soybean technology was approved on October 6, 2015, under Resolution N° 397/15
[xii] Bioceres 2020 10-K, U.S. FDA completed full review of the safety evaluation for HB4 soybeans, clearing it for use in human food and animal food on August 10, 2017. Bioceres Crop received USDA approval of HB4 drought tolerant soybeans in August 2019.
[xiii] John Newton, Ph.D., Chief Economist, Farm Bureau, China Uses One-Third of World's Soybeans, https://www.fb.org/market-intel/china-uses-one-third-of-worlds-soybeans

[xiv] Last publicly available turnover was €230 million: Florimond Desprez and Bioceres join forces to develop and commercialize wheat varieties with next generation biotechnologies for the Latin-American region, May 7, 2013; prior figure was €198 million in 2012: Florimond Desprez: Des racines et des ailes, Geneviève Hermann, July 10, 2013
[xv] Seeds: Florimond Desprez puts the turbo on research, June 23, 2016 `
[xvi] USDA Agricultural Biotechnology Annual – Argentina, April 22, 2020, page 5
[xvii] Bioceres S.A. Form F-1, January , 2018, page 161
[xviii] Bioceres Crop Solutions, Form 20FR12B, March 14, 2019, page 74 and Bioceres S.A. Prospectus dated January 23, 2018