Financial Press Release Paris, July 30, 2020

Solid earnings momentum continues in Q1
(APRIL – JUNE 2020)

Stable revenues
EBITDA up 183% at €94 million
Financial structure strengthened
Q1 2020/21 RESULTS

Alexis Duval, Tereos Chief Executive Officer, stated: *« In a profoundly changing food industry which has also been impacted by the Covid sanitary crisis, Tereos' strategy continues to deliver results. In the first quarter - fully in a post-Covid outbreak environment - the Group's EBITDA stands at 94 million euros, up 183% compared to last year.*
The Covid-19 crisis triggered disturbances throughout the whole food chain and modified consumption patterns and behaviours. The Group and its teams have demonstrated adaptability and flexibility since the beginning of the lockdown measures, which allowed Tereos to maintain a sustained level of activity which came almost back to normal since early June and helped limit the reduction in revenues to 1%.
In this context, Tereos continues to accelerate the implementation of its transformation plan which provides it with the required agility and flexibility to address the short-term challenges in relation to the sanitary crisis, while delivering long-term solutions in terms of competitiveness, sustainability, nutrition and health."

Jean-Charles Lefebvre, Tereos Chairman of Supervisory Board, said: *« Tereos results demonstrate the quality of our strategy and the work undergone to deeply transform an industry protected by 50 years of European quota regime and adapt swiftly to the sanitary crisis environment. Regarding the upcoming crop, the ban of the neonicotinoids and related issues will affect beet yields. Consequences will be taken into account in the preparation of the 2020-21 sugar campaign. Tereos and the whole Supervisory Board are fully mobilized, together with inter-profession and technical institutes, in order to develop for our cooperative members long term technical solutions to promote a sustainable sugarbeet culture in France. »*

HIGHLIGHTS

- **Sales** of €967 million in Q1 2020/21, almost stable year-on-year at constant exchange rates (-4% at current exchange rates), demonstrating the swift adaptation of the Group to the profound changes triggered by the sanitary crisis. This performance reflects the Group performance in pharmaceutical alcohol and in the retail sugar segment, as well as the higher volumes sold from Brazil and higher prices in Europe which almost offset the effect of lower volumes sold in certain markets due to the health crisis, including bioethanol and out-of-home catering. By early June the level of activity had returned close to its pre-lockdown level.
- **Adjusted EBITDA**[1] was €94 million in Q1 2020/21, vs. €33 million in Q1 2019/20, a 183% increase. The continued EBITDA strong growth momentum is supported by the performance gains of our *Ambitions 2022* transformation program, increased volumes sold from Brazil, the dynamism of the alcohol segment and sustained pricing in Europe, despite the impact of Covid-19 pandemic that affected sales volumes (sugar and ethanol in Europe, starch and sweeteners). Over the last

[1] *See the definition of adjusted EBITDA in the annex.*

twelve months, the Group's adjusted EBITDA was €481 million, compared to €420 million at the end of March 2020 and €321 million at the end of December 2019. This reflects the result of our performance plan, improved fundamentals in most of our markets, and the resilience of our operations during the Covid-19 crisis.

- Thanks to the flexibility of its operational set-up and the commitment of its teams, the Group sustained a high level of activity in all of its operational activities during the lockdown period and managed to serve all of its customers without disruption, particularly in the essential sectors of food processing, animal nutrition, pharmaceuticals and disinfection products. **Non-recurring costs** of approximately €10 million related to the exceptional measures put in place at our operating sites to implement all health measures to ensure the safety of our employees, Cooperative Associates and all our stakeholders around the world and ensure business continuity have impacted our Adjusted EBITDA for the quarter.
- The **Group's net debt** stood at €2,626 million as of June 30, 2020 (€2,276 million excluding Readily Marketable Inventories), down €249 million compared to June 30, 2019. The Group maintains a solid financial liquidity. It stood at €589 million at the end of June, before the new €230 million financing announced by the Group on July 23, 2020 (*with a French-state guarantee, "Prêt Garanti par l'Etat"*), and at €819 million pro forma of this operation. The Group has also secured in May a 5-year maturity $105 million financing in Brazil.

Key figures M€	**19/20** Q1	**20/21** Q1	***var***	
Revenues	1 003	967	*-36*	*-4%*
Adjusted EBITDA	**33**	**94**	***61***	***183%***
Adjusted EBITDA margin	*3,3%*	*9,8%*	*6,4%*	

Net debt *M€*	**June 30, 2019**	**June 30, 2020**
Net debt	**2 875**	**2 626**
Net debt to EBITDA ratio	**11,5 x**	**5,5 x**
Net debt to EBITDA ratio excluding RMI [1]	***10,0 x***	***4,7 x***

(1) Readily Marketable Inventories of 350 m€ as end of June 2020 and 380 m€ as end of June 2019

OUTLOOK

Sugar and Ethanol Europe

While European sugar market fundamentals remain sound (supply/demand balance), the uncertainties created by the Covid-19 pandemic, have led to an episode of high market volatility (foreign exchange, oil and sugar prices) and a short-term disruption in the agri-food chain (contraction in transportation and fuel consumption, shutdown of out-of-home catering, sharp rise in demand for retail sugar and alcohol for pharmaceutical use).

After a relatively moderate slowdown in volumes sold during the lockdown period, sales are gradually returning to expected levels. Over the current year as a whole, not taking into account an assumption of a second general lockdown, the estimated drop in consumption in Europe (-3%) linked to the Covid-19 crisis does not change the balance of the European market, which is expected to show a deficit, especially since the area under beet cultivation in Europe is in decline (-3%) and yields are threatened by pest attacks and unfavorable weather conditions so far. The solid trend in B2B sales prices in Europe and the first annual contracts reflect the outlook of the anticipated market shortfall. In terms of agricultural supply, Tereos is well positioned for the 2020/21 sugar campaign, with an increase in land under cultivation of 3% in Europe (to nearly 250,000 Ha), and 2.5% in France (204,500 Ha). Consequences of the beet yellows virus affecting several regions will be taken into account in the preparation of the sugar campaign.

The ethanol market, affected by the decline in fuel consumption during the lockdown period, continues to regain momentum in a market structurally in deficit.

Sugar and Ethanol in Brazil

Tereos should benefit from the expected increase in sugarcane volumes processed to more than 20 million tons compared to 19 million tons in 2019, a trend confirmed by the very good start off the campaign since March 2020. In terms of prices, Tereos had hedged more than 85% of its 2020/21 export sales on global futures markets before the crisis. As far as ethanol is concerned, the recovery in consumption will depend on evolving transportation restrictions and measures to re-launch the economy of the country in the coming months. However, the price of ethanol has already returned to levels close to 1.6BRL/liter after hitting a low of 1.2BRL/liter in the first weeks of the crisis. Given its storage capacity, Tereos traditionally sells most of the ethanol it produces during the peak Brazilian season, which spans over the third and fourth quarters of our fiscal year.

Starch and Sweeteners

After a first quarter marked by a deceleration in demand caused by the health crisis, activity should return to the expected level, allowing Tereos to benefit from its plan to transform its starch plants.

Outlook for the Group

Operating in essential and resilient markets such as agri-food, health and animal nutrition, the Group is committed to continue to leverage the flexibility of its industrial facilities toward short-term health challenges and, over the long term, the challenges of tomorrow's food needs. Tereos will continue to rely on its diversification strategy and on the performance gains implemented in the context of its *Ambitions 2022* program, which aims to generate over €200 million in operational gains. Based on this target, and sugar prices in line with pre-Covid market prices, Tereos expects its normative EBITDA upon completion of this plan (2022) to be between €600 and €700 million.

In addition, the Group is continuing the discussions initiated last year concerning its strategic development and the resources to be implemented in this regard. A horizon of 2 to 3 years is envisaged, without a precise timetable, and with regular exchanges with the Supervisory Board and the Cooperating Members.

1. MARKET EVOLUTION

World sugar market: NY11 prices were impacted by the health crisis, which led to a drop in consumption and a slump in oil prices. Prices reached a low of approximately US 9¢/lb in April 2020 and recovered gradually over the quarter to close at levels near US 12¢/lb. It is worth noting that the market is anticipating a sugar deficit in the campaign that has just begun due to projected yield reductions in the northern hemisphere and Southeast Asia, as well as sharp acreage reductions in Thailand and, to a lesser extent, in Europe, and despite forecasts of higher sugar production in Brazil.

Sugar Europe: After a relatively limited decline in sales volumes thanks to shifts between categories or segments (notably out-of-home catering vs. in-home consumption), demand improved in June and consumption is expected to gradually return to normal levels. The European market is expected in deficit due to the decrease in crop acreage as well as the impact of the climate and pest attacks on yields. The prices of current contracts, fixed before the health crisis, were not affected by the crisis. According to European Commission reports, the price of sugar ex-works was €379/ton in April 2020, a year-on-year increase of €59/ton and an increase of €15/ton since January 2020.

Ethanol Brazil: Brazilian ethanol prices were negatively impacted by the 30% decrease in consumption compared to last year, a drop brought on by the lockdown measures as well as by the dip in oil prices. On average, prices have fallen by 14% compared to the same period last year.

Ethanol Europe: Impacted by the sharp drop in fuel consumption due to the lockdown measures, ethanol prices (T2), at levels close to €640/m^3 in early March 2020, declined to €450/m^3 in early April before rebounding above the €600/m^3 threshold in early July thanks to an upturn in demand and limited supply. Ethanol prices averaged €504/m^3 over the quarter, down 16% compared to the first quarter of last year.

Cereals
Wheat: Following a period of stockpiling which triggered an increase in MATIF wheat prices to a level of €206/ton at the beginning of May, prices began to fall and have stabilized at around €185/ton since June. This price trend can be explained by the decent harvest levels expected in the United States and especially in Russia - where production records of 80 million tons could be reached - offsetting the decrease in the 2020 harvest in Europe, particularly in France. On average, MATIF wheat prices were 4% higher in the first quarter of the year compared to last year.

Corn: Compared to the first quarter of 2019/20, MATIF corn prices lowered by 2% to a stable level during the period, averaging €166/ton. Fundamentally, the end of lockdown measures in Europe and the United States has revived ethanol production and in turn demand for corn, an effect counterbalanced by the expectation of good harvests, particularly in the United States if weather conditions remain good.

2. GROUP FINANCIAL RESULTS

Key figures M€	19/20 Q1	20/21 Q1	var	
Revenues	1 003	967	*-36*	*-4%*
Adjusted EBITDA	33	94	*61*	*183%*
Adjusted EBITDA margin	*3,3%*	*9,8%*	*6,4%*	

Net debt M€	June 30, 2019	June 30, 2020
Net debt	2 875	2 626
Net debt to EBITDA ratio	11,5 x	5,5 x
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(1) Readily Marketable Inventories of 350 m€ as end of June 2020 and 380 m€ as end of June 2019

Consolidated revenues were €967 million in Q1 2020/21 versus €1,003 million in Q1 2019/20, a decrease of 4% at current exchange rates (-1% at constant exchange rates). The effect of increases in European sugar prices and volumes sold from Brazil offset the temporary impact of lower volumes sold in certain markets due to the health crisis.

Adjusted EBITDA[1] was €94 million in Q1 2020/21 versus €33 million in Q1 2019/20, a 183% increase at current exchange rates (220% at constant exchange rates). The continued solid growth momentum of our adjusted EBITDA is supported by the implementation of our Ambitions 2022 transformation plans and the related competitiveness gains generated, increased volumes sold from Brazil and the dynamism of the alcohol segment, and despite the impact of the health crisis that affected sales volumes (sugar and ethanol in Europe, starch and sweeteners).

Adjusted EBITDA for the quarter was also impacted by non-recurring costs of approximately €10 million related to the exceptional measures put in place at our operating sites to implement all health measures to ensure the safety of our employees, associates and all our stakeholders around the world and business continuity. Over the last twelve months, the Group's adjusted EBITDA was €481 million, compared to €420 million at the end of March 2020 and €321 million at the end of December 2019. This reflects the result of our performance plans, improved fundamentals in most of our markets and the resilience of our operations during the Covid-19 crisis period.

3. RESULTS BY DIVISION

SUGAR EUROPE

Sugar Europe division's **revenues** totalled €390 million in Q1 2020/21, vs. €366 million in Q1 2019/20, an increase of 6%. This increase reflects higher sugar prices compared to last year in addition to momentum in the alcohol segment, which more than offset the effect of lower volumes sold due to the impact of the health crisis.

[1] *See the definition of adjusted EBITDA in the annex.*

Adjusted EBITDA stood at €45 million in Q1 2020/21, vs. -€5 million in Q1 2019/20, despite cost overruns related to the measures implemented in our factories during the lockdown period. Despite the impact of the health crisis on sales volumes and operating costs, the division's adjusted EBITDA benefited from improved sugar and alcohol prices as well as performance gains.

INTERNATIONAL SUGAR

Revenues for the International Sugar division were €160 million in Q1 2020/21 compared to €163 million in Q1 2019/20, down 2% but up 23% at constant exchange rates due to higher sugar and energy volumes sold and higher world sugar prices in Brazilian reals.

Adjusted EBITDA was €39 million in Q1 2020/21 (€30 million in Q1 2019/20), a 33% increase at current exchange rates and a 73% increase at constant exchange rates. The division's results were driven by the performance of Brazil, which benefited from higher volumes of sugar and energy sold, improved sugar margins based on higher price levels secured before the start of the campaign, and the operational gains achieved, and all this despite the impact of the health crisis, which hurt Brazilian ethanol prices and operating costs.

STARCH AND SWEETENERS

The Starch and Sweeteners division's **revenues** were €343 million in Q1 2020/21, down 8% year-on-year (€375 million in Q1 2019/20) due to the impact of the health crisis on volumes and prices across the Group's geographical regions.

Adjusted EBITDA was €8 million in Q1 2020/21 (€12 million in Q1 2019/20). Despite improved margins in Europe and the operational gains made, the division's adjusted EBITDA was impacted by the temporary impact on volumes sold and on operating costs due to the health crisis.

4. NET FINANCIAL DEBT

Net financial debt as of June 30, 2020 stood at €2,626 million compared to €2,558 million as of March 31, 2020. Excluding readily marketable inventories (€350 million, which can be converted into cash at any time), the Group's adjusted net debt amounted to €2,276 million.

At the end of June 2020, the Group's financial security stood at €589 million, consisting of €378 million in cash and cash equivalents and €211 million in undrawn confirmed long-term credit lines.

The Group also continued to actively manage its financial profile by setting up a new US$105 million financing in Brazil in May 2020 with a 5-year maturity and, on July 23, 2020, a new €230 million loan with an 80% guarantee from the French government. This loan, with a maturity of up to 5 years, at Tereos's discretion, is part of the Group's proactive liquidity management. Proforma of this new loan, the Group's liquidity stood at €819 million at the end of June.

Tereos

Net financial debt as of June 30, 2020 can be summarized as follows:

Net financial debt *June 30, 2020 (M€)*	Current	Non Current	Total	Cash & Equivalents	Total
Net debt excl. IFRS16	544	2 342	2 886	-378	2 508
IFRS 16 impact	25	93	118		118
Net debt	**569**	**2 436**	**3 004**	**-378**	**2 626**

About Tereos

The long-term vision of Tereos is the processing of agricultural raw materials and the development of quality food products. Tereos is a leader in the sugar, alcohol and starch markets. The Group's commitments to society and the environment contribute to the company's performance in the long term while strengthening its contribution as a responsible player. The cooperative group Tereos is a union of more than 12,000 Cooperative Associates and has recognized know-how in the processing of beet, sugarcane, cereals, and potatoes. Through 48 industrial sites, a presence in 18 countries and the commitment of its 22 300 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2019-20, the Group achieved a €4.5 bn turnover.

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APPENDIX

Volumes sold	19/20 Q1	20/21 Q1	var	
Sugar & Sweeteners (k.tco)	1 510	1 481	-29	*-2%*
Alcohol & Ethanol (k.m3)	318	291	-27	*-9%*
Starch & Protein (k.tco)	284	272	-12	*-4%*
Energy (GWh)	321	474	*153*	*47%*

Revenues by division M€	19/20 Q1	20/21 Q1	var	
Sugar Europe	366	390	24	*6%*
Sugar International	163	160	-3	*-2%*
Starch & Sweeteners	375	343	-32	*-8%*
Other (incl. Elim)	99	74	-25	*-25%*
Tereos Group	1 003	967	*-36*	*-4%*

Adjusted EBITDA by division M€	19/20 Q1	20/21 Q1	var	
Sugar Europe	-5	45	50	-
Sugar International	30	39	10	*33%*
Starch & Sweeteners	12	8	-4	*-33%*
Other (incl. Elim)	-4	2	5	-
Tereos Group	33	94	*61*	*183%*

Adjusted EBITDA *corresponds to net income before income tax, the share of income from equity affiliates, net financial income, depreciation and amortization, the impairment of goodwill, the gains resulting from acquisitions on favorable terms, and price supplements. It is also restated for changes in the fair value of financial instruments, inventories, and sale and purchase commitments, except for the portion of these items that relates to trading activities, fluctuations in the fair value of biological assets, the seasonal effect, and non-recurring items. The seasonal effect corresponds to the temporary difference in the recognition of depreciation charges and price supplements in the Group's financial statements according to IFRS and the Group's management accounts. Adjusted EBITDA before price supplements is not a financial indicator defined as a measure of financial performance by IFRS and may not be comparable to similar indicators referred to under the same name by other companies. Adjusted EBITDA is provided for additional information purposes and cannot be considered as a substitute for operating income or operating cash flow.*