

INTERIM CONSOLIDATED ACTIVITY REPORT

H1 2020

AGRIA GROUP HOLDING JSC



AGRIA GROUP HOLDING AD

INTERIM REPORT**ON THE OPERATIONS ON A CONSOLIDATED BASIS FOR THE FIRST HALF OF 2020, IN ACCORDANCE
WITH ARTICLE 100n (4), item. 2 of POSA, IN CONNECTION WITH ART. 100N, ITEM 5 OF POSA**

The Board of Directors of Agria Group Holding AD, Varna, announces to all current and future investors that the information presented in this document has been prepared according to the requirements of Ordinance No. 2 of the FSC and POSA. The document contains information on the operations of the company on a consolidated basis for the period 01.01.2020 – 30.06.2020. It is in the best interest of investors to review the provided consolidated financial statements before deciding to invest in securities of the Company.

The persons liable for damages caused by false, misleading or incomplete data in the information herein as at 30.06.2020 are:

Emil Veselinov Raykov – Chairman of the Board of Directors and Executive Director

Stanimir Rusev Buzhev – Member of the Board of Directors

Deyan Rosenov Ovcharov – Member of the Board of Directors

Daniela Dimitrova Taneva – Member of the Board of Directors

Anna Dimitrova Belchinska – Member of the Board of Directors

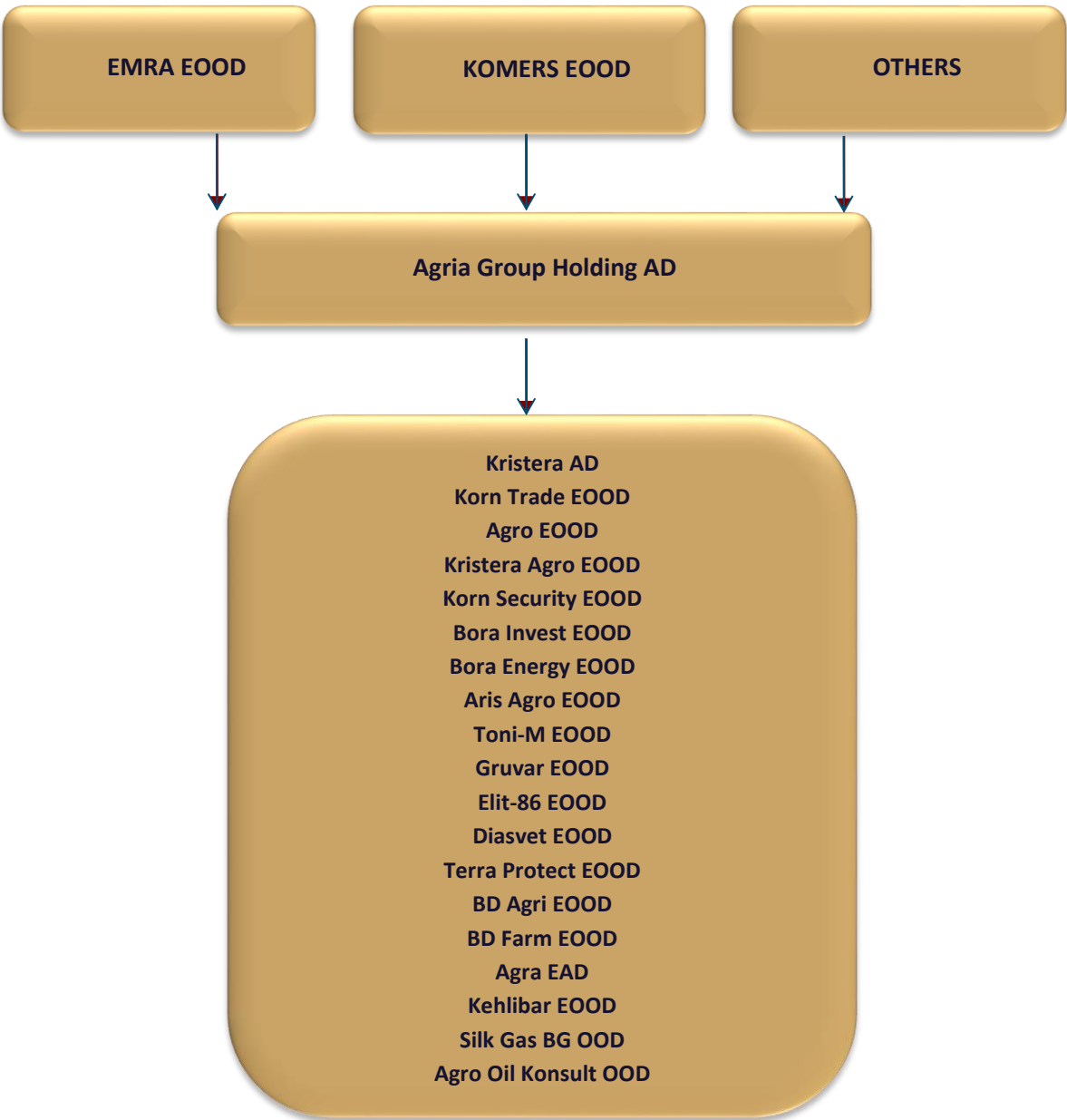
1. IMPORTANT EVENTS FOR AGRIA GROUP HOLDING AD AND ITS SUBSIDIARIES OCCURRING IN THE FIRST HALF OF 2020 (01.01.2020 -30.06.2020)

DATE	EVENT
30.06.2020	<p>1. Agria Group Holding AD has generated consolidated revenues for the first half of 2020 at the amount of BGN 107 612 thousand, which represents 136,59% of the revenues for the first half of 2019.</p> <p>2. Realized profits on a consolidated basis for the first half of 2020 amount to BGN 4054 thousand.</p> <p>3. The amount of the company's equity on a consolidated basis as at 30.06.2020 is BGN 150 337 thousand.</p>
23.06.2020	The company published the invitation for the Ordinary General Meeting of shareholders of Agria Group Holding AD on 29 July 2020 to the FSC, BSE-Sofia AD and the public.
23.06.2020	The company presented an invitation for the Ordinary General Meeting of shareholders of Agria Group Holding AD on 29 July 2020 and the General Meeting materials to the FSC, BSE-Sofia AD and the public.
16.06.2020	The Company presented an annual consolidated report for 2019 to the FSC, BSE-Sofia AD and the public.
12.06.2020	The company presented a quarterly consolidated report for the first quarter of 2020 to the FSC, BSE-Sofia AD and the public.
21.05.2020	The Company presented a quarterly non-consolidated report for the first quarter of 2020 to the FSC, BSE-Sofia AD and the public.
24.04.2020	The Company presented an annual non-consolidated report for 2019 to the FSC, BSE-Sofia AD and the public.
24.02.2020	The company presented a quarterly consolidated report on the fourth quarter of 2019 to the FSC, BSE-Sofia AD and the public.
27.01.2020	The company presented a quarterly non-consolidated report on the fourth quarter of 2019 to the FSC, BSE-Sofia AD and the public.
01.01.2020 - 30.06.2020	In view of the projected for 2020 increase in storage capacity with 40000mt by construction of new silos in a logistic center of the holding located in the Industrial zone of Popovo town, the subsidiary of "Agria Group Holding" AD – Kristera AD, has concluded contracts for the supply and installation of the plant and equipment of the new silos. Due to this investment the logistic center will reach a storage capacity of 170 000 tons of grain.
01.01.2020 - 30.06.2020	Pursuant to the Investment Program of the companies in the holding group, during the first half of 2020 the subsidiaries of Agria Group Holding AD continued the process of expanding their own agricultural land through purchase agreements. The lands purchased are located in the regions where the companies are already cultivating agricultural lands. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the fulfilment of the Investment Program of the holding for expanding its agricultural lands leads to consolidation of the total agricultural lands cultivated by the companies in the Group.
01.01.2020 - 30.06.2020	During the first half of 2020, Kehlibar EOOD, a subsidiary of Agria Group Holding AD, handled transactions related to its usual business activities of storing, processing and trading in grain crops and oilseeds and products thereof.

01.01.2020 - 30.06.2020	During the first half of 2020, Kristera AD, a subsidiary of Agria Group Holding AD, handled transactions related to its usual business activities of storing, processing and trading in grain crops and oilseeds and products thereof.
01.01.2020 - 30.06.2020	During the first half of 2020, Kristera-Agro EOOD, Agro EOOD, Aris Agro EOOD, Toni-M EOOD, Elit-86 EOOD, Gruvar EOOD, Diasvet EOOD, BD Agri EOOD, BD Farm EOOD and Agra EAD, subsidiaries of Agria Group Holding AD, handled transactions related to their usual business activities of producing and trading in grains.
01.01.2020 - 30.06.2020	During the first half of 2020, Korn Trade EOOD, subsidiary of Agria Group Holding AD, handled transactions related to the export of grain crops with counterparties in the EU and outside the EU.

As a holding company, AGRIA GROUP HOLDING AD depends mainly on the activities and results of its subsidiaries. The main objective of the Company is to participate in any form in other commercial companies or in their management. The business policy of the Company, including investments, should be considered mainly in terms of the operations of its subsidiaries, because Agria Group Holding AD functions as a legal entity-holding company, carrying out investment activities and aiming to manage the stakes it holds in its subsidiaries.

Structure of AGRIA GROUP HOLDING AD



Type of Operations of Agria Group Holding AD

Agria Group Holding AD, through its subsidiaries, is engaged in the following types of business:

- **Agribusiness in North-Eastern Bulgaria.**
- **Processing industry (storage and processing of grain and oil-bearing cultures) centred in Lyaskovets.**
- **Trade/export operations near the Port of Varna. Main logistic centers – the towns of Popovo, Devnya and Varna.**



Besides these main activities, the holding also performs other auxiliary activities - trade in farming fertilisers, plant protection chemicals, fuels and lubricants, sowing seeds by world-renowned companies such as Korteve, Monsanto, KWC etc.

The activity of part of the subsidiaries of Agria Group Holding AD is in the field of agribusiness. The Company's **agribusiness** activities include:

- Cultivation of agricultural land, production of grain and oil-bearing crops;
- Services related to various agronomic techniques.

Another type of business the holding is engaged in is **processing industry** and **trade in grain and grain derivatives**, including **export operations**.

The total capacity of the storage facilities of Agria Group Holding JSC amounts to approx. 250,000 tonnes. The storage bases of the holding are concentrated in three main logistic centers located in the town of Popovo, town of Devnya and town of Lyaskovets. There also are auxiliary warehouse capacities in the main agribusiness centers of the Company in the town of Kardam, Provadia, Shumen, Belogradets, Vetrino municipality, Razgrad and Targovishte.

Main logistic centers

Devnya

•The most recent of all storage facilities of the holding is the one located in Devnya, Varna municipality, whose construction dates back to 2007 and currently consists of 12 metal silos and a flat warehouse. Its total storage capacity is 65 000 mt of grain, including wheat, corn, barley, rapeseed and sunflower seed. The storage facility has a key location and is in the immediate vicinity of Hemus Highway and very close to Port Varna West and Port Lesport. The base is equipped with modern laboratory in compliance with EU requirements.

Popovo

•The warehouse facility, which is a property of Kristera AD, with its storage capacity of 130,000 tons of grain forms the logistic center in the Industrial zone of the town Popovo. A modernly equipped laboratory guarantees the quality of the input and output of the traded grain and oil-bearing crops.

Lyaskovets

•An enterprise for sunflower seed production is based in the town of Lyaskovets, which is a property to the subsidiary Kehlibar EOOD, having a trade mark of the same name. The company's trading list includes crude and refined sunflower oil, sunflower husk pellets and sunflower meal. The oil-bearing cultures and grain storage capacity is 20 000 tonnes and the annual processing capacity is 50 000 tonnes. Kehlibar EOOD is certified under the requirements of ISO 22000:2005.

Approx 800,000 tonnes of grain and oil-bearing crops are stored and traded in the holding's grain facilities annually.



The Company has built a mature and effective market structure to procure the incoming raw materials (grain crops), a flexible logistic structure and good positioning of the main locations where grain is stored (grain facilities) near cargo terminals (Port of Varna, Port of Bourgas, Port of Constanta). The closed production cycle, which minimizes the effect of outside factors with regard to purchasing prices and the quality of the main raw materials, and the large quantity of cultivated farmland, including land owned or rented by companies from the holding structure engaging in agribusiness, help to largely secure the foreign trade operations of the company as well.

The main clients for the export transactions of the of the Group's companies are global leaders in grain trade, including Cofco International Romania S.R.L., Cofco International Bulgaria EOOD, ADM Bulgaria Trading EOOD, ADM – Germany, Glencore Agriculture Romania, Cargill Bulgaria, Lecureur France, Dimitriaki S.A. – Greece, Luis Dreyfus Commodities, Ameropa AG, SAIPOL France, Soya Hellas – Greece, Soya Mills- Greece, VAIT Austriaetc.

2. INVESTMENT PROGRAM FOR 2020

Sources of Financing

- The Company plans to finance about 80% of the investment program of Agria Group Holding for 2020 with its own funds.
- The remaining part of the investments will be financed with long-term debt financial instruments.
- In view of the specialisation of the Company mainly in agribusiness sectors, one source of grants is the European Union in the form of grant schemes for supporting the agricultural producers under the Single payment per area scheme, Payment scheme for agricultural practices beneficial for the climate and environment / 'green' direct payments GDP /as well as subsidies under Measure 12 – Natura 2000 and Water Framework Directive payments from Rural Development Programme 2014-2020

Investments per Type of Operations of Agria Group Holding AD

Agribusiness

↳ Purchase of farmland in the areas where farming subsidiaries of the holding cultivate farmland. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the effect of the land purchasing agreements meets the expectations of the Company referring to fulfilment of the Investment Program for expanding its agricultural lands. The lands purchased are located in regions where the companies are already cultivating agricultural lands which will lead to the consolidation of the total lands cultivated by the companies of the Group. For 2020 the Holding plans investments amounting to EUR 1,500,000.

During the period from the beginning of the financial 2020 to the end of the first half of 2020, the subsidiaries of Agria Group Holding AD continued the process of expanding their own agricultural land as they purchased agricultural land in the total amount of EUR 420 thousand.

↳ Augmentation of capacity, reconstruction and modernization of existing storage facilities in the different agricultural bases of the company. For 2020 the Holding plans investment amounting to EUR 500,000.

↳ Investments in agricultural machinery. For 2020 the company plans investments amounting to EUR 900,000.



As at the end of the first half of 2020, investments in agricultural machinery amount to EUR 650 thousand.

Trade/export operations

↳ The investments planned in the field of transportation, specifically in expanding the fleet of the company and improving the logistic structure amount to EUR 555,000.

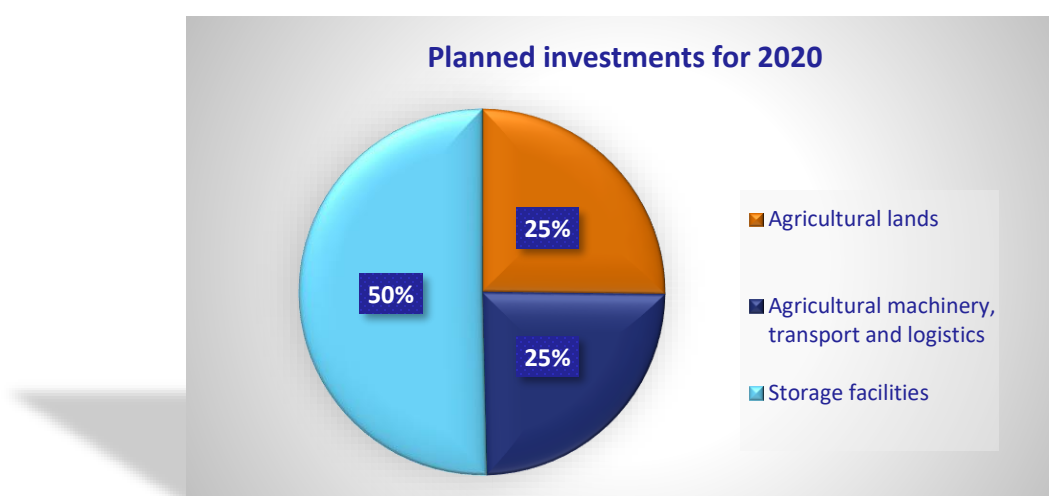
As at the end of the first half of 2020, the investments in the field of transportation, specifically in expanding the fleet of the company and improving the logistics, amount to EUR 590 thousand.

↳ In 2020 the Company plans to increase the capacity of the warehouse facility, which is located in the Industrial zone of town of Popovo, which is property of Kristera AD through construction of new silos with totals storage capacity of 40 000 MT. Due to this investment the logistic center will reach a storage capacity of 170 000 tons of grain. The investment amount approximately to 2, 5000, 000 euro.

As at the end of the first half of 2020, the investments in increasing the capacity of the warehouse facility, located in the Industrial zone of town of Popovo, which is a property of Kristera AD, amount to EUR 3,857 thousand.

The Company uses the potential of different mechanisms creating premises for sustainable development of the companies in the holding group through diversification of the adverse climate change risk on one hand and realization of economies in scale in agricultural production on the other hand.

Taking into account the parameters of the investment program of the companies in the holding structure as well as the conducted analyses and researches, we believe that the impact of the planned investment would cover the Company's expectations for optimization of the segment of own grain production as well as strengthening the export orientation of the holding.



Agricultural land	1 500
Agricultural machinery, transport and logistics	1 455
Storage facilities	3 000
Total planned investments for 2020 (in BGN thousand)	5 955

The parameters of the investment program of the companies in the holding structure have been developed in a situation of a stable market and in managing specific risks for the normal business environment and for the holding group. In compliance with the recommendations of the European Securities and Markets Authority on the impact on financial market participants of the distribution of COVID-19 and in compliance with the requirements of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the Company undertakes to promptly disclose information on the actual or potential impact of COVID-19 on its business, financial and economic position and on its planned investment intentions, as it include a quantitative and qualitative assessment of this impact in its financial reporting information as well as in the form of incidental information.

3. EFFECT OF THE IMPORTANT EVENTS FOR AGRIA GROUP HOLDING AD OCCURRING DURING THE FIRST HALF OF 2020 ON THE RESULTS IN THE FINANCIAL STATEMENTS

There is no information on important events for Agria Group Holding AD OCCURRING DURING THE FIRST HALF OF 2020 which had an effect on the financial statements.

4. INFORMATION ABOUT THE MAJOR RELATED PARTY TRANSACTIONS

During the period 01.01.2020 – 30.06.2020, there were no major related party transactions which can lead or reasonably expected to lead to a favourable or unfavourable change in the amount of 5 or more percent of the company's revenues or profit.

INFORMATION ABOUT MAJOR RELATED PARTY TRANSACTIONS DURING THE FIRST HALF OF 2020

During the period 01.01.2020 – 30.06.2020, Agria Group Holding AD has not entered into any major transactions with related parties, with the exception of ordinary business transactions.

5. INFORMATION ABOUT THE PERSONS THAT DIRECTLY OR INDIRECTLY HOLD AT LEAST 5 PERCENT OF VOTES IN THE COMPANY'S GENERAL MEETING AS AT THE END OF THE FIRST HALF OF 2020. CHANGE IN THE PERSONS EXERCISING CONTROL IN THE COMPANY

At the end of the first half of 2020, the following persons hold 5% or more of votes in the Company's General Meeting.

Shareholding structure of Agria Group Holding AD as at 30 June 2020

Name/Shareholder's name	Number of shares/votes in GM	Percent of capital
<i>Emra EOOD, Varna</i>	2 795 500	41.11 % of capital
<i>Komers EOOD, Targovishte</i>	1 778 752	26.16 % of capital
<i>Svetlomis Iliev Todorov</i>	684 992	10.07 % of capital
<i>Universal Pension Fund "Doverie", Sofia</i>	341 582	5.02 % of capital
<i>Other legal entities and natural persons</i>	1 199 174	17.63 % of capital

6. INFORMATION REGARDING SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS DURING THE FIRST HALF OF 2020

As at the end of the first half of 2020, there is information about shares held by members of the Board of Directors of the Company. The members of the Board of Directors Daniela Dimitrova Taneva and Anna Dimitrova Belchinska own respectively 1,600 shares each in the capital of Agria Group Holding AD.

7. INFORMATION ON PENDING COURT, ADMINISTRATIVE OR ARBITRATION PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES TO THE AMOUNT OF NO LESS THAN 10 PERCENT OF THE COMPANY'S EQUITY

As at the end of the first half of 2020, there is no information on pending court, administrative, or arbitration proceedings concerning liabilities or receivables to the amount of no less than 10 per cent of the Company's equity.

8. OPENING OF INSOLVENCY PROCEEDING FOR THE COMPANY OR ITS SUBSIDIARIES AND ALL SIGNIFICANT STAGES RELATED TO THE PROCEEDING

No insolvency proceeding was opened for "Agria Group Holding" AD or its subsidiaries.

9. RESOLUTION FOR CONCLUDING, TERMINATING AND BREACHING AN AGREEMENT FOR A JOINT VENTURE

No resolution has been adopted for concluding, terminating or breaching an agreement for a joint venture.

10. CHANGE OF THE COMPANY'S AUDITOR

As at the end of the first half of 2020, there is no change of the auditor of "Agria Group Holding" AD.

11. PURCHASE, SALE OR PLEDGE ON SHARES IN COMMERCIAL ENTERPRISES BY THE ISSUER

During the first half of 2020, there is no purchase, sale or pledge on shares in commercial enterprises by the issuer.

12. MAIN RISKS FACING THE COMPANY. GOALS AND POLICY OF THE COMPANY ON RISK MANAGEMENT

The operation of each company is exposed to certain risks affecting its performance. The operation of Agria Group Holding AD is exposed to the risks listed below. The risk factors are listed consequentially in accordance with their significance to the operations of the issuer.

A. Specific risks**1. Market risks**

Market risk is related to the changes in market conditions. It includes income risks, profit risks, interest rate, liquidity and currency risks.

2. Income risks

The Company's future sales are subject to normal market risks. The main future income depends on the possibility for AGRIA GROUP HOLDING AD to perform its market and investment strategy, as well as on the current market situation. To reduce those risks considerably, the Company relies on an increased intra-company capability of effective forecasting and planning, as well as on maintaining stable customer relations..

3. Profit risks

The market risk can also influence the Company's expenses, particularly in cases when the rate of growth of expenses is faster than that of income.

4. Interest rate risk

The interest rate risk manifests itself in the possibility of a rise in the cost of financing the Company's activities. Regarding fixed rate loans, in the case of a potential drop in market interest rates, the issuer may not succeed in obtaining resources at the available lower interest rates. If such circumstances arise, the Issuer would be operating under less advantageous conditions than its competitors. Such development would lead to higher interest payments by the Issuer in comparison to other companies which would finance their activities at the current market rates; consequently, this would lead to lower net profit. Regarding floating rate loans, in the case of a potential drop in market interest levels, the interest rate payable by the Company on its loans will also drop. An interest rate risk for floating rate loans exists in the case of a rise in market levels, when the resources used by the Issuer will become more expensive.

In order to minimise the interest rate risk, the Issuer diversifies the sources through which it ensures the financing of its activity.

5. Liquidity risk

Liquidity risk is a risk related to the ability for the Issuer to cover its trade payables to suppliers and creditors within the negotiated term and amount of payments.

Agria Group Holding AD manages its assets and liabilities in such a way as to guarantee that it will cover its daily payments regularly and without delay. This risk component is minimised by accuracy and commitment in agreements with the trade counterparties with which cash revenue or payments are planned.

6. Currency risk

Currency risk is the risk that the Issuer may suffer losses due to the fluctuation of market prices of the various currencies it uses. Agria Group Holding AD carries out its operations predominantly in Bulgarian leva (BGN) and Euro (EUR). The Euro is the main currency in which the Issuer settles its foreign trade relations – sales of goods/produce and purchase of materials necessary for its activity. Under the conditions of a currency board and a fixed rate of the BGN against the EUR, the management of the company consider that the Issuer is not exposed to a significant risk of changes in currency rates.

B. Operational risks

The chief operational risks and the measures taken to minimise those risks are to be considered in terms of the operations of the Issuer's subsidiaries, because Agria Group Holding AD functions as a legal entity which is a

holding company carrying out investment activities, which aims to manage the stake it holds in its subsidiaries, and which does not directly carry out any other production and/or commercial activity of its own.

The operational risk is related to damage or loss suffered by the Company due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organisation. The probability that the Issuer may suffer damage or loss due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organisation via its subsidiaries is insignificant. Part of the chief operational risks is related to a potential load on capacities and to providing the necessary raw materials. Potential risks could arise in relation to the workforce available in the regions where the subsidiaries of the Issuer perform their commercial activities.

The main risk for the Issuer's subsidiaries which perform commercial activities related to growing and storing agricultural produce includes inclement weather conditions, diseases and other natural risks. In order to minimise those risks and any potential loss, the subsidiaries obtain insurance policies for all areas on the production in progress of all agro-technical activities against all main risks, together with storm, fire and hail, including insurance policies against freezing of all crops being grown.

Insurance policies are obtained for all general risks, including earthquake risk for all real estate and production capacities owned by the companies in the group.

Despite the tight competition, the Company considers that it has a competitive edge on the market owing to its experienced management staff and its established reputation. In this respect it should be noted that the management staff and the Company's employees are highly qualified and motivated specialists, organised in relatively independent active structural units which maintain a maximally complete and up-to-date data base of the development and trends of the respective markets.

C. Non-specific (systemic) risks

The holding company and its subsidiaries are also exposed to systemic risks, mainly related to the macro environment in which they operate. These risks are not subject to supervision and under the control of Agria Group Holding's management.

The main systemic risk to the activity of the company and its subsidiaries could be determined by the impact of the COVID-19 epidemic on the global economy and in particular Bulgaria. Having regard to the declared state of emergency on 13 March 2020 in the Republic of Bulgaria and the related measures to combat the pandemic of COVID-19, the management policy aims to take measures to analyze and limit the impact of this non-systemic risk on the business and to ensure continuity of work and production processes with minimum disruption.

The corporate management considers that currently the implementation of the company's business processes is not significantly affected by the spread of the virus and the restrictive measures taken by the governments in many countries. According to the management's assessment, the crisis with COVID-19 has different potential for direct or indirect effects on the development of the holding company depending on the duration of this crisis. The short to medium term of the pandemic could lead to delays in execution and, consequently, difficulties in the deliveries, but shall not lead to significant changes in trade turnover and liquidity. Longer duration would lead to changes in the supply and demand, redistribution of markets, which in turn would delay the execution of the transactions significantly and would have a greater impact on liquidity and trade turnover.

According to the management's valuation, the potential risks of the COVID-19 crisis and the possible effects can be summarized in the following courses:

- Effects on the supply chain. In view of the specificity of the products offered by the group (cereals and oilseeds) in mid-term perspective, a disruption or termination of the supply chain, respectively a suspension of production, is not expected. The companies of Agria Group Holding AD's group are not explicitly dependent on the receipt of goods and services from the affected regions.
- Effects on the sales and customer operations. In view of the sector in which the companies of the Group develop their commercial activity, an interruption in the sales and downturns in demand are not expected. There may be a delay in the rhythm of execution of trade contracts (sales and purchases). As the portfolio of the Group's clients is limited to those which are multinational companies that have already taken measures to deal with the crisis, no liquidity shocks are expected.
- Effects on the ability of the staff to fulfill their job responsibilities. The state of emergency and the precautions for preventing the spread of COVID-19 impose restrictions on the movement and gathering of people. In accordance with the recommendations made by international and European organizations and implemented nationwide, Agria Group Holding AD has reorganized its daily work. On the basis of the existing infrastructure, a distant mode of work is organized for the commercial and administrative staff of the company and its subsidiaries, while ensuring the effective implementation of the work process. Insofar in those subsidiaries whose business processes are related to agriculture and transport, which cannot be executed remotely, the management has taken measures to ensure the health and safety of the employees. At present, the company and the group are working full-time, with no redundancies being envisaged. Longer duration of the crisis, which is connected with the impact of COVID-19 on the business processes in the sector, may require to review the company's policy in this sphere.
- Effect on liquidity. The management concludes that there are no liquidity restrictions for the company and the group as a whole in short and medium term. To date, the holding group is supported by global financial institutions with which it works, such as BNP Paribas Geneva, European Investment Bank, DSK Bank, UniCredit Bulbank.
- Other risks. The group's management expects that this current COVID-19 situation may lead to other risks, such as cyber-attacks, fraudulent attempts, or missing legal deadlines. The management has taken all possible measures to limit the dangers and minimize the effects of these risks.

Despite the measures taken to ensure the sustainability and continuity of the business, the lack of clarity and predictability about the duration of this unusual situation, and the overall impact of COVID-19 on the economy worldwide and nationwide, the management considers that it impossible at this stage to assess with absolute accuracy the impact of COVID-19 on the operation and financial standing of the Company for 2020.

Given that the company operates in the cereals and oilseeds (essential foods and raw materials) sectors, the plans and projections do not change negatively. The policy of Agria group holding AD is focused on the successful completion of the current season, namely the execution of the concluded trade contracts, and at the moment it is expected that this will happen without any difficulties and delays. The forecasts for the coming season are to maintain the turnover and market share, whereas it is also envisaged a slight increase in the traded volumes according to the initial forecasts made before the crisis, if the situation around COVID-19 has ended by the beginning of the summer season (which coincides with the business season in the agricultural sector).

13. CORPORATE SOCIAL RESPONSIBILITY

The Company follows a consistent policy of Social Corporate Responsibility. Agria Group Holding AD is a public company and its social responsibility finds expression in all aspects of its corporate activities. The management of Agria Group Holding prioritizes environmental protection and people's health in its corporate policy through its products, services and working conditions. The company's social engagements in its capacity of employer toward workers and employees find expression in providing safe and healthy working conditions as well as following an environmental protection policy. Agria's senior management encourages following business standards and practices for public social responsibility regarding the environmental and employee policies.

The company assess regularly the impact of its activities on the environment and observe strictly the requirements and regulations for environmental protection, health and safety of the employees and the society in production of grains in the following aspects.

1. Environmental protection

The company develops practices in connection with soil nutrition and production of grains appropriate for particular soil type and adapted to the specifications of the soil.

Compliance with the following principles and rules is endorsed when using pesticides.

- Use of pesticides' alternatives; use of selective pesticides, keeping biodiversity and fighting particular wreckers in particular timeframes taking in account the biology life and development; harvest of alternative crops resistant to wreckers; crop rotations; mechanic weed control.
- Staff education for using pesticides, observing the quantities recommended by the producers. Pesticides declared by World Health Organization as dangerous are not used.
- Storage in original packages in cool and dry places with active ventilation, which can be isolated and marked with appropriate signs. Mixing and moving pesticide can only be performed by educated staff in places with good lightening and ventilation wearing protective clothing/apparel. The access to the premises where the pesticides are stores is strongly restricted.

Assessment of the necessity of crop nutrition is made, balancing utilization of food substances, rotating crop sowing, plowing organic waste in the soil; providing buffer zones around the water sources in order to diminish the loss of food substances.

In order to prevent loss of genetic resources and in view of providing biodiversity are used plant waste of previous crops for nutritious soil preparation; observation of keeping the eco systems; certified seeds are used.

Agricultural equipment for harvesting of cereals is provided with devices for uniform dispersion of the crop residues which are plowed into the soil and thus recovering part of the nutrients in the soil horizon.

Burning of vegetable waste is not performed, the use of nitrates is reduced.

2. Health and safety of the staff

The company follows a consistent policy in order to minimize the risks of:

- Physical danger – by qualified and experienced staff for the use of machinery and motor vehicles.
- Work in closed spaces – silos, water basins, etc. The access to them is strongly restricted and it is allowed under the supervision of educated staff.
- Chemical danger in case of contact with pesticides – a training is conducted for work with pesticides; following the hygiene and safety practices.
- Fire and explosions risks – precautions are taken about minimizing the risk of fire in the warehouses for grain storage by using modern and quality production capacity and qualified and experienced staff.
- Risk of spread of viruses and infections – the corporate management take precautions and solutions to safeguard the health of the employees and to prevent and limit the spread of viruses and infections.

14. INSIDE INFORMATION

As at the end of the first half of 2020, there are no facts or circumstances that can be considered inside information except for the circumstances described in this activity report.

17.08.2020