Press Release

Paris, June 2, 2021

Annual results 2020/21: EBITDA up and announcement of a strategic plan for 2024

(April 2020 to March 2021)

Audited figures

- **Turnover of €4,317 million, up 1% at constant exchange rates (-4% at current exchange rates) reflecting a contrasting agricultural outcome that combined a record sugarcane crop in Brazil in a context of rising sugar prices, while Europe's sugar beet campaign was impacted by bio-aggressors and adverse weather conditions.**

- **Adjusted EBITDA at €465 million, up 11% at current exchange rates, reflecting the Group's resilience in the context of the health crisis. This improvement was driven by the rise in sugar and alcohol/ethanol prices and operational progress in the face of a poor sugar beet crop and a margin drop for starch activity in Europe.**

- **Net income at -€133 million, mainly impacted by asset depreciations for €76 million.**

- **Debt leverage down to 5.5x; net debt of €2,533 million, down €24 million thanks to positive free cash flow of €65 million.**

- **Announcement of the strategic plan, based on three value creation drivers, which aims to achieve the following objectives in 2024: EBIT margin of 5%; recurring generation of positive free cash flow; net debt below €2 billion and debt leverage below 3x.**

- **The Group expects to reach the previously disclosed EBITDA target of €600-700 million with a lag of two quarters, i.e. at the end of September 2022 on a rolling 12-month basis.**

Gérard Clay, Chairman of the Tereos Supervisory Board, stressed the following:

"Tereos is a cooperative whose primary mission is to ensure and sustain the best possible value for the production of its cooperative members. The Group is at the service of its members, we are therefore determined to enhance the relationship of proximity, trust and transparency that binds us. "

Philippe de Raynal, Chairman of the Management Board of Tereos, says:

"Tereos is turning the page on its former strategy of volume and external growth. The 2020/21 results show that the Group has not yet managed to fully adapt to the post-quota period. There is a lot of room for improvement. With our strategic plan, the focus is clearly on creating value, making our business activities profitable and controlling debt. "

GROUP RESULTS

Key figures € m	19/20 Q4	20/21 Q4	var (current forex)	var (constant forex)	19/20 YTD	20/21 YTD	var (current forex)	var (constant forex)
Revenues	1,255	**1,115**	-11%	-7%	4,492	**4,317**	-4%	1%
Adjusted EBITDA[1]	187	**92**	-51%	-40%	420	**465**	11%	29%
Adjusted EBITDA margin	*14.9%*	*8.3%*			*9.3%*	*10.8%*		
Recurring EBIT[2]	109	**(12)**	-	-	27	**86**	218%	344 %
EBIT margin[2]	*8.2%*	*na*			*0.6%*	*2.0%*		
Net Results	56	**(39)**	-	-	24	**(133)**	-	-

Consolidated revenues amounted to €4,317 million for financial year 20/21, down 4% at current exchange rates and up 1% at constant exchange rates compared to €4,492 million last year.

Despite rising global and European sugar prices, rising alcohol and ethanol prices, profits from the record crop in Brazil and rising volumes of starch products, Group revenues were impacted by the 37% depreciation of the Brazilian real against the euro over the financial year, by the drop in volumes caused by the poor sugar beet crop in Europe and by lower trading of sugar and ethanol.

In Q4 20/21, consolidated revenues amounted to €1,115 million, compared to €1,255 million in Q4 19/20, down 11% at current exchange rates and down 7% at constant exchange rates.

Consolidated adjusted EBITDA[1] amounted to €465 million for financial year 20/21, up 11% at current exchange rates and 29% at constant exchange rates compared to €420 million last year.

Adjusted EBITDA[1] was driven by the turnaround in European sugar prices, the improvement in world sugar prices and alcohol/ethanol prices, a record crop in Brazil, lower energy costs in Europe and finally by the operational progress made across all divisions. Nonetheless, the Group's results reflect the effects of the depreciation of the Brazilian real over the whole financial year. In Europe, results were impacted, particularly in Q4, by the drop in volumes sold due to the poor sugar beet crop, by the decline in margins on starch products in Europe.

Moreover, the Group's adjusted EBITDA[1] was impacted by one-off items for €65 million. They included, among others, exceptional charges for €40 million such as covid-19 sanitary crisis overhead costs. They also included a €25 million phasing effect in adjusted EBITDA from Q4 20/21 to H1 21/22 due to the accounting method applied for the low capacity utilization Group's sugar beet processing plants.

In Q4 20/21, adjusted EBITDA[1] amounted to €92 million, compared to €187 million in Q4 19/20, down 51% at current exchange rates and 40% at constant exchange rates.

Consolidated recurring operating income[2] **(EBIT)** amounted to €86 million in financial year 20/21 compared to €27 million last year.

In Q4 20/21, the Group posted a loss of €12 million, compared to a profit of €109 million in Q4 19/20.

[1] *See the definition of adjusted EBITDA in the Appendix.*
[2] *EBIT excluding non-recurring items (€150 million in 19/20 and -€77 million in 2020/21)*

Consolidated **financial income** amounted to a net financial expense of €128 million for financial year 20/21, an improvement of 17% compared to the net financial expense of €155 million last year due to favorable exchange rate effects and decreasing financial charges.

Consolidated **net income** amounted to a loss of €133 million for the financial year 20/21 compared to the €24 million profit for the financial year 19/20, mainly impacted by €76 million of asset depreciation.

1. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

In **France**, the sugar beet surface areas planted by Tereos' cooperative members increased by 2.3% in 2020 compared to the previous crop. However, the combined impacts of severe attacks of beet yellows virus and unfavorable weather conditions resulted in an average loss of yield for Tereos cooperative members of 26% compared to the average of the last five years with strong regional disparities. Despite a harvest schedule that has had to adapt to this farming reality, manufacturing plants have operated with an increasing level of performance compared to the previous harvest.

In the **Czech Republic**, yields have been affected by attacks by bio-aggressors.

In **Romania**, the higher level of surface areas sown has offset disappointing sugar beet yields.

Revenues for the Sugar and Renewables Europe division amounted to €1,705 million for financial year 20/21, down 1% at current exchange rates compared to €1,727 million for financial year 19/20.

Despite the impact of the drop in volumes sold due to the poor yields of the 2020 sugar beet crop, which was particularly pronounced in the last quarter of the financial year, the division's revenues were bolstered by the turnaround in sugar prices (which is still the case, as the European market is maintaining its importer momentum) and by alcohol prices bolstered by strong demand.

In Q4 20/21, the division's revenues stood at €435 million, compared to €533 million in Q4 19/20, down 18% at current exchange rates.

The division's **adjusted EBITDA** was €149 million for financial year 20/21, compared to €95 million for financial year 19/20, up 56% at current exchange rates.

The division's adjusted EBITDA benefited from higher sugar and alcohol prices as well as improved operating performance and lower energy costs despite combined offsetting factors such as the exceptionally low yields which undermined the last quarter of the financial year and the impact of the health crisis on both operating costs and volumes sold.

In Q4 20/21 the division's adjusted EBITDA was nil, compared to €66 million in Q4 19/20, down 100% at current exchange rates.

SUGAR AND RENEWABLES INTERNATIONAL

In **Brazil**, the crop that ended in mid-November posted a record 20.9 million metric tons of processed sugarcane and increased sugar content compared to the previous year. The Group has achieved good levels of agricultural and industrial productivity through performance plans and investments made in recent years.

In **Reunion Island**, the lack of rain impacted cane volumes, with the loss of yields partially offset by better sugar content and better operational performance.

In **Mozambique**, volumes produced have increased as a result of operational improvements.

Revenues for the Sugar and Renewables International division amounted to €944 million for financial year 20/21, down 2% at current exchange rates and up 26% at constant exchange rates compared to €959 million for financial year 19/20.

Despite the 37% depreciation over the financial year of the Brazilian real against the euro, the division's revenues were driven by the increase in volumes sold, bolstered by the exceptional yields of the Brazilian crop and by rising sugar and ethanol prices.

In Q4 20/21, the division's revenues amounted to €270 million, compared to €277 million in Q4 19/20, down 3% at current exchange rates and up 22% at constant exchange rates.

The division's **adjusted EBITDA** stood at €246 million for financial year 20/21, compared to €222 million for financial year 19/20, up 11% at current exchange rates and 45% at constant exchange rates.

The division’s adjusted EBITDA was driven by higher volumes sold, higher sugar and ethanol prices and the optimization of operating costs in Brazil despite the depreciation of the Brazilian real.

In Q4 20/21 the division's adjusted EBITDA stood at €71 million, compared to €80 million in Q4 19/20, down 11% at current exchange rates and up 12% at constant exchange rates.

STARCH, SWEETENERS AND RENEWABLES

Revenues for the Starch, Sweeteners and Renewables Products division amounted to €1,449 million for financial year 20/21, down 3% at current exchange rates and 2% at constant exchange rates compared to €1,501 million for financial year 19/20.

Despite the increase in volumes sold for starch and sweeteners and the increase in ethanol prices, the division's revenues were impacted by the fall in the prices of starch products and proteins and by the impact of the depreciation of the Brazilian real.

In Q4 20/21, sales amounted to €381 million, compared to €378 million in Q4 19/20, up 1% at current exchange rates and 2% at constant exchange rates.

The division's **adjusted EBITDA** was €70 million for financial year 20/21, compared to €93 million for financial year 19/20, down 25% at current exchange rates.

The division's adjusted EBITDA reflected strong pressure on margins in a context of very slight decline in demand in Europe in addition to pressure on cereal prices, which increased in the final quarter of the financial year. Internationally, both volumes sold and margins rose.

In Q4 20/21 the division's adjusted EBITDA stood at €16 million in Q4 20/21, compared to €33 million in Q4 19/20, down 53% at current exchange rates.

2. NET FINANCIAL DEBT

Net financial debt at March 31, 2021 stood at €2,533 million compared to €2,558 million at March 31, 2020), down by €24 million. Excluding readily marketable inventories (€346 million[1] which can be converted into cash at any time), the Group's adjusted net debt amounted to €2,187 million.

The decrease in debt compared to March 31, 2020 reflects positive cash flow (€65 million) thanks to the excellent operational performance of activities in Brazil and enhanced control of capital expenditure and general expenses since the arrival of the new management team in December 2020, in a context of a turnaround in sugar prices and a positive change in the exchange rate. This made it possible to offset the effects of the impact of beet yellows virus on sugar beet yield in France and the underperformance of the Starches, Sweeteners and Renewables Products division, demonstrating the Group's resilience in what has been a difficult year.

At the end of March 2021, the Group's debt leverage stood at 5.5x, down from the previous year (6.1x).

The Group's financial security amounted to €949 million at the end of March 2021, consisting of €468 million in cash and cash equivalents and €481 million in undrawn confirmed long-term credit lines.

During financial year 20/21, the Group carried out several major financing operations, in particular by putting in place:

- In June 2020: a financing line of $105 million with a 5-year maturity, the first positive impact loan in Brazil in the sugar and ethanol sector
- In July 2020: a loan of €230 million guaranteed at 80% by the French State, with a maturity of up to 5 years, at Tereos' discretion – the Group exercised in May 2021 the 5-year extension option
- In October 2020, an issue of €300 million of senior unsecured bonds with a 5-year maturity
- In October 2020: renewal of the Tereos SCA revolving line with the establishment of a positive impact loan facility for €200 million.

Net financial debt at March 31, 2021 breaks down as follows:

Net Debt € m	31 march 2020	31 march 2021	Current	Non-current	Cash and cash equivalents
Net Debt	2,558	**2,533**	410	2,592	(468)
Net Debt excl. IFRS16	2,443	**2,421**	384	2,505	(468)
Net Debt / EBITDA ratio	6.1x	**5.5x**			
Net Debt / EBITDA ratio excl. RMI*	5.2x	**4.7x**			

**Readily Marketable Inventories: € 358 million as end of March 2020 and €346 million as end of March 2021*

[1] *The amount of "Readily Marketable Inventories" at March 31, 2021 breaks down into (i) €302m of finished products including €275m for sugar and €27m for ethanol (ii) €40m of raw materials including €11m for wheat, €23m for corn, €5m sugar for processing (iii) €5m of coal and gas.*

Significant post-closing items relating to debt:

Since March 31, 2021, Tereos has issued bonds for a nominal amount of €125 million maturing in 2025 at an effective rate of 5.79% at maturity. The terms of these securities are identical to those of the bonds issued in October 2020 at an effective rate of 8.00%.

The success of this issue with a significant drop in the effective rate and in a context of uncertainty linked to the sanitary crisis confirms Tereos Group's access to the bond market and reflects investor confidence in the priorities announced by the new management team: debt reduction, positive free cash flow and recovery of operating profitability.

3. NEW STRATEGIC PLAN FOR 2024

Tereos has defined a strategic plan for 2024 aimed at improving the profitability of its activities and reducing debt. These initiatives will allow Tereos to regain headroom and strengthen its ability to overcome the downturns inherent in its sugar activities and thus ensure the sustainability of the Group and enhance the value of the production of cooperative shareholders.

The Group has emphasized its three strategic pillars (sugar and renewables activities in Europe and Brazil and starch, sweeteners and renewables activities in Europe) to which it intends to dedicate all of its future investments.

Based on the commercial, industrial and financial audits initiated at the start of 2021, the Group has identified three drivers for value creation:

- Commercial excellence
- Organizational excellence
- Operational excellence

These drivers will be implemented in different time frames. In the short-term, Tereos will focus on commercial excellence and organizational excellence before continuing with medium-term initiatives to achieve industrial excellence and reduce financial debt.

Tereos has therefore set the following objectives for 2024:

- EBIT margin of 5%
- Recurring generation of positive free cash flow
- Net debt below €2 billion
- Debt leverage below 3x

As part of the 2021/24 strategic plan, the Group intends to be a key player in continuing to tackle the challenges related to climate, energy and food.

The Group will therefore continue its decarbonization policy by actively investing in projects aimed at reducing the use of fossil fuels.

In terms of energy transition, Tereos will develop its plant energy production activities from biomass (ethanol, methanization, distilleries, electricity from cogeneration, bagasse).

Regarding the food transition, the Group will develop HEV (High Environmental Value) projects, while promoting the circular economy and territorial development. Tereos also intends to develop its positions in plant protein, an area in which it is already a significant player.

ROADMAP FOR CORPORATE SOCIAL RESPONSIBILITY

In terms of Corporate Social Responsibility (CSR), the Group achieved the following performance levels in financial year 20/21: 62% of raw materials were assessed or certified as sustainable, 55% of the energy consumed in the Group's plants were of renewable origin (+5 points compared to 2019/20) and 86% of Tereos' industrial plants were ISO/FSSC 22000 or ISO 9001 certified. At the same time, Tereos continued to set up numerous development programs for the communities in areas where it operates.

The Group plans to announce new, longer-term CSR goals by the end of the year.

SHORT-TERM OUTLOOK

Due to the impact of the poor sugar beet crop in Europe and the consequences of the Europe Starch sales strategy implemented in 2020, the improvement in operating results is set to pause during the first half of 2021/22 (April-September).

Growth in operating income is expected to resume in the second half of 2021/22 (October-March). Thus, the Group expects to reach the EBITDA target of €600–700 million, disclosed in previous press releases, with a lag of two quarters, i.e. at the end of September 2022 over 12 rolling months.

About Tereos

With a long-term vision of valuing agricultural raw materials and developing quality products for the food, health and renewable energy sectors, 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 members 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 23,000 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2020/21, the Group posted €4.3 bn turnover.

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APPENDIX

A. THE GROUP'S DETAILED RESULTS

Volumes sold	19/20 Q4	20/21 Q4	var	19/20 FY	20/21 FY	var
Sugar & Sweeteners (k.tco)	1,734	1,481	-15%	6,498	6,270	-3%
Alcohol & Ethanol (k.m^3)	568	495	-13%	1,689	1,684	0%
Starch & Protein (k.tco)	243	248	2%	1,074	1,072	0%
Energy (GWh)	221	92	-59%	1,273	1,585	25%

Income Statement € m	19/20 FY	20/21 FY	var (current forex)	var (constant forex)
Revenues	4,492	4,317	-4%	1%
Adjusted EBITDA	420	465	11%	29%
EBITDA margin	*9.3%*	*10.8%*		
Seasonality adjustment	(2)	4		
Depreciations, amortizations	(420)	(380)		
Others	29	(2)		
Recurring EBIT	27	86	218%	344 %
Recurring EBIT margin	*0.6%*	*2.0%*		
Non-recurring items	150	(77)		
Financial Result	(155)	(128)		
Corporate income tax	(8)	(21)		
Share of profit of associates	10	8		
Net Results	24	(133)	na	na

***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 favourable 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.*

Net Debt variation € m	19/20 FY	20/21 FY
Net Debt (opening position) excl. IFRS16	(2,500)	(2,443)
Adjusted EBITDA	420	465
Other operational flows	(32)	21
Net financial charges	(152)	(104)
Income tax paid	(2)	(18)
Cash Flow	234	364
Change in working capital	20	73
Cash Flow from operating activities	255	437
Maintenance & Renewal	(271)	(243)
Other CAPEX	(162)	(120)
Financial investments	(61)	(8)
Disposals	285	4
Dividends received	14	11
Cash Flow from (used in) investing activities	(195)	(356)
Cash Flow after investing activities	60	81
Dividends paid & price complement	(87)	(20)
Capital increases/other capital movements	1	4
Cash Flow from (used in) transactions relating to equity	(85)	(16)
Free Cash-Flow	(26)	65
Other (incl. FOREX impact)	83	(43)
Net Debt excl. IFRS16	(2,443)	(2,421)
IFRS16 impact	(115)	(112)
Net Debt (closing position)	(2,558)	(2,533)

B. DETAILED RESULTS BY DIVISION

Revenues by division € m	19/20 Q4	20/21 Q4	var (current forex)	var (constant forex)	19/20 FY	20/21 FY	var (current forex)	var (constant forex)
Sugar Europe	533	435	-18%	-18%	1,727	1,705	-1%	-1%
Sugar International	277	270	-3%	22%	959	944	-2%	26%
Starch & Sweeteners	378	381	1%	2%	1,501	1,449	-3%	-2%
Others (incl. Elim)	66	29	-	-	304	219	-	-
TEREOS Group	1,255	1,115	-11%	-7%	4,492	4,317	-4%	1%

Adjusted EBITDA by division € m	19/20 Q4	20/21 Q4	var (current forex)	var (constant forex)	19/20 FY	20/21 FY	var (current forex)	var (constant forex)
Sugar Europe	66	0	-100%	-100%	95	149	56%	57%
Sugar International	80	71	-11%	12%	222	246	11%	45%
Starch & Sweeteners	33	16	-53%	-51%	93	70	-25%	-24%
Others (incl. Elim)	7	5	-	-	9	0	-	-
TEREOS Group	187	92	-51%	-40%	420	465	11%	29%

C. MARKET EVOLUTION

WORLD SUGAR MARKET

NY11 sugar prices at $16.2 cts/lb over the last quarter of the fiscal year increased by 19% compared to the same period last year, still driven by the drop in supply from sugar producing countries and strong demand. Over the past 12 months, the NY11 has averaged $13.5 cts/lb, up 7% from last year, and the global sugar market is expected to be in deficit by 4.5 million metric tons.

The outlook for NY11 is positive, with the global market expected to be in deficit for the third year in a row given the low yields expected in the southern hemisphere.

SUGAR EUROPE

According to the European Observatory, the price of sugar stood at €394/metric ton in March 2021, an increase of €82/metric ton (+26%) compared to the record low reached in January 2019. During the financial year 20/21, prices have averaged €382/metric ton, up 13% from last year.

Despite the impact of the health crisis on consumption, the European market is expected to be in deficit for the 2020/21 crop due to low agricultural yields, as a result of bad weather conditions, attacks by bio-aggressors (beet yellows virus) and a decrease in planted surface areas (-2%).

For the 2021/22 crop, the rate of decline in planted surface areas is set to continue. Considering the expected rebound in consumption in the context of the end of the health crisis, the European market is still expected to be in deficit despite the improvement in agricultural yields.

ETHANOL BRAZIL

ESALQ ethanol prices continued to rise in the last quarter of the fiscal year, reaching BRL 2.36/liter, up 17% from last year. This rise was driven by the delayed launch of the Brazilian sugar cane harvest, a weak Brazilian real and the rise in oil prices in local currency. These factors offset the impact of the sharp drop on the demand for bioethanol in the first quarter due to the sanitary crisis. Thus, on average over 2020/21, the ESALQ stood at BRL 1.89/liter, up 3% from last year.

ETHANOL EUROPE

T2 Rotterdam ethanol prices averaged €521/m^3 in the last quarter of the fiscal year, down 16% from last year, due to a European market that was unusually in surplus in the quarter. With a year marked by very high volatility mainly caused by successive lockdowns, T2 fell 5% over the year with an average annual price of €586/m^3.

The end of the health crisis should revive European demand. Combined with expected lower production as well as lower import levels, T2 should rebound as the European market returns to a deficit position.

CEREALS

Wheat: After relative stability in the prices of MATIF wheat at around €184/metric ton in financial year 19/20 and in the first half of 20/21, prices rose sharply during the second half and reached €250/metric ton in March 2021, their highest level in seven years. This increase was driven by bad weather conditions in Europe and the Black Sea, the Russian export tax and strong demand, particularly from China. During the year, MATIF wheat prices increased by 12% compared to last year and stood at €202/metric ton on average for financial year 20/21 and €227/metric ton in the last quarter of the fiscal year.

Corn: MATIF corn prices increased by 11% compared to last year. This increase was driven by the decrease in corn volumes under the combined effect of declining European production, fears over the South American crop due to unfavorable weather conditions and strong Chinese demand.