



Biobest signs agreement with Aqua Capital and GIC to acquire Biotrop in Brazil

Westerlo, Belgium and Vinhedo SP, Brazil September 7, 2023

Biobest Group N.V. ("Biobest") and Aqua Capital, GIC and management of Biotrop jointly announce the signature of a binding agreement on the acquisition of Biotrop Participações s.a ("Biotrop") by Biobest. Biotrop, a leading and fast growing player in Brazil's booming market for biologicals, is expected to realize BRL 679m (EUR 128m) turnover in 2023. Biotrop is controlled by Aqua Capital, a São Paulo-based private equity firm with an agribusiness focus.

Biobest will acquire 85% of the shares based on an enterprise value of BRL 2.8bn (EUR 532m) on a fully diluted basis. The remaining 15% will be acquired by Biobest after a transition period of three years. The transaction is expected to close before the end of the year subject to clearance of customary closing conditions. Biobest, once again, raises the stakes in its successful and ambitious M&A strategy, aimed at promoting biological integrated pest control. This transaction allows Biobest to take a major position in South America and to start its transformation journey from a horticulture biocontrol and pollination specialist to a major biologicals player in agriculture, covering biocontrol, inoculants, biostimulants and pollination in covered and in open-field crops.

To finance this transaction, Biobest will proceed to a capital increase which will be subscribed by some of its existing shareholders (Sofina, some Belgian families, and management) and by new shareholders (Tikehau Capital, M&G Investments, Unigrains, Sofiprotéol and several families close to its majority shareholder, Floridienne).

"This is a landmark transaction for Biobest, building further on a successful M&A strategy in addition to healthy organic growth. The Brazilian market for biocontrol and other biologicals is currently estimated at more than USD 1bn. With an annual growth rate of 43%, powered by a supportive regulatory environment tailored to the needs of biological products – Brazil outpaces growth in any other major market" says Biobest CEO Jean-Marc Vandoorne. "Biotrop holds a leading position in that market. Its strengths cover unparalleled new patent registrations based on extensive R&D, high-quality scalable production and a strong multi-channel go to market strategy. We're delighted that Biotrop's top-notch management team will continue to drive the company's growth and become part of our global team. There's an incredible opportunity for synergies at multiple levels. Most importantly, the transaction broadens our scope from horticulture to agriculture, including major field crops and from biocontrol to biologicals including inoculants and biostimulants. We are demonstrating here and now that it is possible to become an ag-major in crop protection and crop nutrition while being highly focused on



biologicals. In a world that urgently needs to shift to more sustainable farming and to reduce the use and risk of chemical pesticides, this is an enviable position in which existing and new Biobest shareholders were eager to invest."

Sebastian Popik, Managing Partner of Aqua Capital adds: "Biotrop is a one-of-a-kind company, as a market leader driving change towards the use of biologicals in agriculture and delivering high margins. It has been an amazing journey, where in six years of ownership, we have been able to create a leading platform in this fast developing domain, driving sustainability and profits. In the process, we have partnered with amazing individuals led by CEO and co-founder Antonio Zem and a world-class institution such as GIC. Biotrop could not have found a better home than with Biobest. Its total commitment to biologicals, global footprint and fantastic culture provide for excellent conditions to maintain Biotrop's path."

Antonio Zem, CEO of Biotrop comments: "With the support of Aqua Capital and GIC, we were able to roll-out a winning biologicals strategy in Brazil and prepare for market entry in other markets. Our company is growing at an exceptional pace. To fully capitalize on global growth opportunities, this was a great time to become part of a global organisation. There was a lot of interest from several major global ag-players. We chose Biobest because of its strategy as a pure-player in biologicals; its agility and its demonstrated track record of successfully integrating companies post-acquisition building on the initiative of local management teams. As part of Biobest, I am convinced that our management can continue executing on its ambitious agenda now leveraged by the capabilities of a global organisation. Biobest and Biotrop together will push forward a broad positive impact agenda: our crop protection portfolio provides sound alternatives to chemical pesticides and our biologicals directly contribute to mitigating climate change by reducing CO2 emissions and restoring healthy soils. By offering farmers the reliable biological solutions they need in combination with solid technical advice, we'll build a virtuous cycle of loyalty driven by mutual business success and contributing to enhanced food security and a more resilient and sustainable agriculture."

On behalf of Biobest's majority shareholder Floridienne, Mr. Gaetan Waucquez comments: "Biobest's impressive growth is set to further accelerate in combination with Biotrop. In today's setting with Brazil showing how to achieve world-record growth in biologicals it is essential to be a strong contender in this market. The EU has a formidable opportunity to increase the speed of its agricultural transition reducing the use of chemical pesticides and accelerating market access for biologicals. We dare to anticipate substantial short-term progress in the EU through the adoption of the Sustainable Use Regulation which would provide a major boost to the EU market for biologicals."

For Biobest Morgan Stanley & Co. International plc acted as M&A financial advisor, Berenberg as equity financing advisor, Stocche Forbes/Jones Day as legal advisors, EY as financial and tax advisors, and Mc Kinsey as strategic advisor.

For Aqua Capital Itaú BBA acted as M&A advisor and Demarest as legal advisor.



About Biotrop

BIOTROP is a leading agtech focused on biologicals and natural sustainable solutions for agriculture. As the result of the dedication of a select group of professionals passionate about agribusiness, with strong presence in South America and over 5M hectares covered with its technologies, the company offers the most high-tech biological inputs to growers. For more information on BIOTROP, please visit www.biotrop.com.br

About Aqua Capital

Founded in 2009, Aqua Capital is an independent private equity manager whose philosophy is to expand companies with potential for leadership and growth in the agribusiness and food chain, with a track record of success and strong stewardship. For further information please contact investor.relations@aqua.capital

About GIC

GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. Headquartered in Singapore, GIC has investments in over 40 countries and employs over 1,700 people across 10 offices in key financial cities worldwide. For more information on GIC, please visit www.gic.com.sg

About Biobest

A global player in biological pest and disease control and bumblebee pollination of high value greenhouse and berry crops, Biobest exports weekly to over 70 countries worldwide.

Biobest has local production and/or distribution subsidiaries strategically sited in 22 countries worldwide, plus an extensive network of local specialized distributors located in an additional 50 countries on six continents. Employing +2.000 employees worldwide, our extensive production, supply chain, sales and technical advisory network provides an efficient global service delivering fresh quality product to countries every week using our highly specialized cold chain logistics.

Today our product portfolio features a comprehensive range of IPM solutions - including beneficial insects, predatory mites, bumblebees, insect pathogenic nematodes and biopesticides as well as monitoring, scouting, High-tech IPM tools and pheromone products.

Our highly skilled technical team – comprising 160 in-house and 250 distributor advisors – assists growers worldwide to provide best-in-class customized technical advice. To further enable the best possible results for growers, Biobest continually invests in R&D programmes to innovate and improve our products and solutions as well as to develop digital tools to help growers collect and record information on pest and disease incidence, severity, and distribution.

To learn more about Biobest, please visit Biobestgroup.com or connect with us on [LinkedIn](https://www.linkedin.com/company/biobest).

For more information, please contact marketing.support@biobestgroup.com