



AGRIFEX

AGRIFEX REPORT

Main investments, sales, mergers and
acquisitions in Agro

Q4 - 2021

In **Agrifex** we provide financial advisory services with an exclusive focus on Agro.

We focus on two main axes: Corporate Finance and Capital Markets; on which we comprehensively address the Investment and Financing dimensions.

With a boutique profile, we provide tailor-made solutions for each of our clients. Among them, we have worked for investment funds, family offices, individual investors and agricultural companies.

M&A services are enriched by a representation agreement in South America from **Verdant Partners LLC**.



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The **AGRIFEX Q4-2021 REPORT** summarizes the main investments, sales, mergers and acquisitions of the Agricultural sector in Argentina during the fourth quarter of 2021. The circulation is carried out quarterly to develop relevant information. The document consists of three sections:

Investments: In addition to the capital disbursements presented, it may include financing announcements through bank loans.

Capital Market: It exposes the sector's issues in stock market financing instruments

Sales, Mergers and Acquisitions: Along with local transactions, it presents some of the main transactions in the global sphere.

INVESTMENTS

- **Bamba**, a digital platform for financial solutions for agriculture, launched its interoperable wallet with the entire financial system with an investment in technological development and the approval of the BCRA. The wallet allows to send and receive money with any bank and wallet in Argentina. Bamba seeks to transform the finances of agribusinesses, innovating with customized technological solutions.
- **Cono Group**, a producer and exporter of specialties from Córdoba, made an investment of US\$ 3 million to reactivate the Obispo Trejo train station. The firm that also decided to move forward with a strong investment in the incorporation of irrigation equipment, seeks to attract other exporting SMEs in the area to develop exports from there.
- **Grupo Avinea**, from Alejandro Bulgheroni's Family Vineyards group, landed in the country with an investment of US\$ 76.8 million. Currently the group has 355 hectares of organic vineyards, and the investments were destined to the acquisition of vineyards, farms, construction of wineries and incorporation of technology. The group exports 70% of what is produced.
- **Crucianelli Group** located in Santa Fé, announced a new investment of US\$ 9 million for the construction of a second plant for **Metallo** company, a subsidiary of the group dedicated to the manufacture of metal parts and finished assemblies for the industry. With it, it will increase the processing capacity to 1,000 tons of sheet metal per month and will employ 100 people.

- **Newsan Foods**, a leading fishery export company, presented an investment project of US\$ 22 million for the aquaculture production of trout. The company aims to reach a volume of 13,000 tons and generate sales of US\$65 million, in the initial phase of 5 years.
- **Molinos Agro** renovated the plant it has in San Lorenzo in its liquid effluent renovation process for US\$700,000. The circular process generates 27 MWh of electricity (equivalent to the consumption of a city of 100,000 inhabitants). The residual steam is used in the soybean grinding process.
- **The Escuela Superior de Lechería de Villa María** (first milk producer in the country) in conjunction with INTA, presented a state-of-the-art robotized dairy project. The investment will be US\$650,000, which will be financed with the support of public and private entities. The work will be inaugurated at the end of 2022.
- **Boston Seguros**, from the Campici Group, announced an investment of \$1,000 MM for the development of projects in the insurance sector, among which the arrival in the agricultural sector is anticipated. It was highlighted after the first year of management, a growth of \$ 5,628 million, exceeding initial expectations. They project a growth of more than 50% by 2022.
- **Apache**, an agricultural machinery company located in Santa Fe, will invest US\$ 3.5 million in a new industrial plant that will cover 3,500 m2. The investment will go to the assembly of tractors and the production of a new seeder.
- **Rizobacter** (biological company of the Bioceres Crop Solutions group) builds a new plant in Londrina, Brazil. The facilities will be used for the production of premium agricultural adjuvants (crop protection) and two laboratories for research and quality control of adjuvants and biological lines. There will also be an administration center. It will require an investment of US\$ 7 MM.
- **SolFrut**, from the Phrónesis Group, invested more than US\$ 14 million in the province of San Juan to expand its food plant for agriculture, wines, oils and food. They plan to invest US\$ 20 million in the coming years, aimed at expanding the area of olive groves and the production of pistachios and an olive oil production plant.

- **Tropfen** (technologies for agricultural producers based on adjuvants, biostimulants and fertilizers in Pergamino, Argentina), invested \$150 million in the construction of new facilities on Route 8. They consist of a space to provide a comprehensive logistics service, with more than 1000 m2 between premium warehouse, logistics offices and 300 m2 of commercial offices.
- **Bayer** will invest US\$ 150 million in Argentina with a focus on agriculture and the health sector, aimed at new developments to supply the domestic market, import substitution and increased exports. As part of this plan, the production capacity and operational management of the Pilar, María Eugenia (Rojas) and Zárate industrial plants will be enhanced.
- **Molino Chabás SA** inaugurated a new storage plant in the town of Caseros, Santa Fe. The company made an investment of \$120 million for the assembly of three metal silos, with a total capacity of 15,000 tons of wheat. The work was financed with credits from Banco de la Nación.

CAPITAL MARKET

Corporate Bonds

- **Mastellone Hermanos** completed the US\$200 million swap process after obtaining a long-term loan from a foreign bank for US\$50 million. Thus, the company stretches the debt to 5 years, maturing in July 2026, and with a rate in dollars of 10.95%.
- **Agrofin Agrocommodities S.A.** issued a Class I ON, under the Guaranteed SME issuance regime, Dollar Linked of US\$ 100,000, Fixed Rate, initial TNA 0.75%, for a term of 18 months.
- **John Deere Credit Compañía Financiera S.A.** issued its ON Class VIII, for US\$ 13,135,219, Fixed Rate, initial TNA 5.50%, for a term of 24 months.
- **Nirihuau S.A.** issued its ON Series II, for \$100,000,000, under the Guaranteed SME issuance regime, Margin+Badlar Rate, initial TNA 39.50%, for a term of 18 months.
- **Red Surcos S.A.** issued a Series VII ON, Dollar Linked of US\$ 10,000,000, Fixed Rate, initial TNA 4.48%, at 24 months.

- **Futures and Options.com S.A.** issued a Series I ON, Dollar Linked for US\$ 12,313,492, Fixed Rate, TNA 0%, for 24 months.
- **Agroideas S.A.** issued a Series I ON, for \$29,000,000, PyME Guaranteed, Margin+Badlar Rate, TNA 40.69%, for a term of 30 months.
- **Agrícola Noroeste S.R.L.** issued a Class I ON, for \$39,349,846, Guaranteed SME, Margin+Badlar Margin Rate, TNA 39.13%, at 30 months.
- **Agrícola Noroeste S.R.L.** issued a Class II ON, Dollar Linked US\$ 604,000, Guaranteed SME, Fixed Rate, TNA 0.48%, for a term of 30 months.
- **Shorton S.R.L.** issued a Class I ON, for \$100,000,000, under the Guaranteed SME regime, Margin Rate Margin+Badlar, TNA 41.24%, at 24 months.
- **Hijos de Salvador Muñoz S.A.** issued a Class I ON, Dollar Linked for US\$6,327,130, Fixed Rate, TNA 3%, with a term of 24 months.
- **Agroservicios S.R.L.** issued a Series I ON, for \$100,000,000, under Guaranteed SME, Margin Rate Margin+Badlar, TNA 49.19%, with a term of 24 months.
- **Rhizobacter Argentina S.A.** issued its ON Series VII Class B, Dollar Linked US\$ 20,000,000, Fixed Rates, TNA 1.49%, with a term of 37 months.

Financial Trusts

Insumos Agroquímicos S.A.

- Insuagro VIII, Linked Dollar 3,884,857, Fixed Rate, TNA 3%, 15-month term.

Red Surcos

- Red Surcos XIX, \$ 305,653,127, Type of Margin + Badlar rate, initial TNA of 35.19%, term 10 months.
- Red Surcos XX, \$285,079,878, Margin + Badlar rate, initial TNA of 35.13%, 9-month term.

Hector A. Bertone S.A.

- HAB III, Dollar Linked, 6,120,988, Fixed Rate, Initial TNA of 3%, Term of 10 months.

SALES, MERGERS and ACQUISITIONS (M&A)

Global Scope

- **AgBiome**, an American company focused on the development and commercialization of biological products for crop protection, announced that it has raised US\$116 million in a Series D financing round, co-led by **Blue Horizon** and **Novalis LifeSciences**.
- **Pluton Biosciences**, a St. Louis, Missouri-based startup that researches beneficial microorganisms for use in bioproducts, the pharmaceutical industry, carbon sequestration, and biomaterials, raised US\$6.61 million. Its investors include Better Ventures of Oakland **The Grantham Foundation** (lead investor), **Greenwich**, **First In Ventures**, **The Yield Lab Institute** and **Wing Venture Capital**.
- **Bushel**, the US grain trading platform, acquires Cargill & ADM's **GrainBridge**, software used by about 40% of US farmers to trade.
- **Pivot Bio** announced the closing of a US\$430MM Series D financing led by **DCVC** and **Temasek**, bringing the total capital raised to over US\$600MM.
- **CIBO Technologies** (technology for regenerative agriculture) closes US\$30 million in Series C funding to accelerate the commercialization of CIBO Enterprise.
- **Hancock Natural Resource Group** (HNRG, an American Manulife Investment Management company) through its subsidiary Rio Verde Holding, acquired two operating companies with land use rights to 43,332 hectares (107,075 acres) of highly productive eucalyptus plantations in Mato Grosso do Sul, Brazil, from Copa Gestão de Investimentos.

- **Ripple Foods** (American, producer of plant-based dairy alternative beverages) has closed a Series E of US\$ 60 MM led by **Rage Capital, Ajax Strategies** and **S2G Ventures**. Additional investors joining the round included OurCrowd, GV, Prelude Ventures, Euclidian, Fall Line Capital and Tao Capital Partners.
- **Cargill** acquired the epoxides business of **Arkema** (multinational specializing in chemical products) for US\$38.8 million. It converts soybean oil into a plasticizer that is used in a variety of household items and is expected to eventually offer a wider range of bio-alternative products, primarily in the plastics, automotive, medical, furniture and flooring industries.
- **Ceres Imaging** (American, leader in aerial imagery and data analytics) secures US\$23 million in Series C funding to drive the development of AI in agriculture, with investments led by XTX Ventures and REMUS Capital, along with Insight Partners and B37 Ventures. With this investment, the company will expand its development of artificial intelligence applications to improve irrigation management and resource efficiency at the farm level.
- **Biome Makers Inc.** (soil biology) announced a US\$15MM Series B round led by Prosus Ventures, with participation from **Seaya Ventures, Viking Global Investors, JME Ventures** and **Pymwymic**.
- **Farmers Edge** (Canadian digital agriculture company) partners with Banco Santander's Brazilian barter operator for the agricultural sector **Gira** (a multi-platform provider dedicated to supporting farmers and financing crop production through bartering), to generate a more transparent credit environment in which both farmers and those who lend them money benefit from reliable data.
- **FBN** (Farmers Business Network) announced a capital increase of US\$ 300 MM from world-class long-term financial partners led by **Fidelity Management and Research**.
- **JBS** agreed to buy the Spanish company **BioTech Foods**, which specializes in the production of laboratory meat. The acquisition marks the company's entry into the cultured protein market. The Spanish deal includes US\$41 million allocated to build a new plant to increase production and is still pending regulatory approval.

- **Impossible Foods** announced that it has raised US\$500 million in a financing round led by current investor **Mirae Asset Global Investments** from South Korea. Impossible Foods' previous rounds include a \$500 million round in March 2020, \$200 million in August 2020.
- **Meiogenix** (a French agricultural biotechnology company that uses the gene editing process) announces a US\$13 million series A financing round led by **Sofinnova Partners**, with the participation of **Genoa Ventures**, **Bpifrance**, **Casdin Capital** and **Alexandria Venture Investments**. The funding will provide capital for US implementation and further product development.
- **InVivo**, France's leading agricultural cooperative group comprising 192 cooperatives, has completed the acquisition of **Soufflet**, one of the largest wheat mills in Europe. This deal brings together two of France's largest agricultural companies which together have sales of €10 billion (US\$11.3 billion).
- **Stenon** (agtech startup for real-time, no-lab soil testing) raises a \$20 million Series A funding round from **Founders Fund**, **David Friedberg's Production Board** and existing investors including **Cherry Ventures** and **Atlantic Labs**.

Local Scope

- **Grupo Agroempresa Argentina** announced that it acquired the Forratec brand, specialized in “premium” alfalfa seeds, temperate and subtropical forage crops, and service crops. Forratec becomes part of the range of products of the Agroempresa Group, promoting both brands.
- **Bioheuris**, a company from Rosario dedicated to gene editing for crop improvement, incorporates the **ALZ Agro** group as shareholders. This agreement completes the round of investments of US\$ 4 million, which will be used to equip the Rosario and US laboratories.
- **Agrality**, an Argentine company part of the Bioceres group, acquired the seed company **Mendon Seed Growers** in Michigan, United States, which allows it to increase capacity. The company's operations in both hemispheres and off-season operations in Argentina

and the United States allow the acceleration of its production cycles and the arrival of products on the market.

- **Carnes Huinca** (Cordovan refrigerator of the Casino-Cencosud Group), closed since 2014, will reopen after the sale with the Argentine group Vacuno Pacific is finalized. In mid-2014, the refrigerator was closed by Senasa, due to irregularities in terms of health. Its main objective would be to export canned cow to China.
- **Agrotoken**, the first global tokenization platform for agricultural commodities and the first to create a stablecoin backed by real assets, announced that it concluded a seed capital round in which it received US\$5 million. The round was led by Xperiment VC, along with Borderless Capital, Algorand Investment Capital, Barn Investimentos, ByMA, Newtopia, Rapidscale LLC, Santiago Ardisonne, and Los Cebiles SA. The funds collected will be used in technology and scale development in Argentina and expansion in Brazil.

REPORT SUMMARY

The **AGRIFEX Q4-2021 REPORT**, as in previous quarters, continues to show sustained investment by local companies in increasing exports. The exchange gap to import machinery added to the high competitiveness of the Argentine agricultural sector makes this sector relatively attractive for investment. Examples of these are the **Avinea Group** in the wine sector, **Cono Group** in specialties and **Solfrut**.

Also at the local level, but related to the capital market, the large number of Corporate Bonds issued in the last quarter stands out. These were divided between the linked dollar or pesos, with accessible rates in both cases.

At the international level, new investment rounds continue to be seen for different enterprises, many from the agricultural sector. Within this, the segments with the most investments are those that seek more sustainable productions and alternatives to traditional protein consumption. Examples of the latter are the investments received by **Impossible Foods**, **Ripple foods** and **JBS's** foray into the production of synthetic meat in the laboratory.



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