

October 2nd, 2026

Adecoagro S.A.

Adecoagro is a company founded in 2002 by Mariano Bosch, engaged in the production of food, fertilizers, sugar, and renewable energy. The company acquired farmland in Argentina, Uruguay and Brazil which are the three markets where it currently operates. In 2025, Tether Holdings acquired 50% of the company's share capital in a USD 615 million transaction, becoming its controlling shareholder. Tether's current ownership stake in Adecoagro is 74,3%.

Sugar, Ethanol and Energy – Brazil

Sugarcane production is concentrated in Brazil, where the company owns four mills: three in the state of Mato Grosso do Sul and one in Minas Gerais. The company operates more than 275,000 hectares and has installed capacity to crush 20 million tons of sugarcane at Usina Ivinhema (7.4 mn tons), Angélica (5.6 mn tons), Usina Caarapó (7,4 mn tons) and Monte Alegre (1.2 mn tons). Its facilities also allow it to process one million tons of sugar and one million cubic meters of ethanol. Sugar is sold in international markets and, in Brazil, through its brand Monte Alegre.

In addition, they generate approximately 360 MW of renewable energy from bagasse and biogas from vinasse, both of which are by-products of the main production process.

Fertilizers (Profertil) – Argentina

The industrial operation of the fertilizer segment is concentrated at the Ingeniero White production complex in Bahía Blanca, Argentina. Adecoagro acquired a 90% stake in Profertil in a transaction with YPF and Nutrien in late 2025 for USD 1,100 million. Profertil is the largest urea producer in South America and the only one in Argentina, supplying roughly half of the country's urea demand. The company has capacity to produce 790 thousand tons of

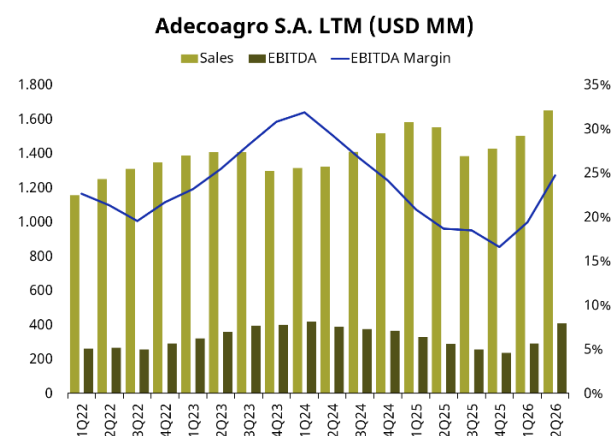
ammonia, the raw material for urea, and 1.3 million tons of urea.

Food and Agriculture

The most relevant segment in terms of sales is food production. The company owns more than 300,000 planted hectares in Argentina and Uruguay, where it grows soybeans, corn, wheat, peanuts, sunflower and rice, as well as 4 dairy farms with more than 14,000 milking cows. Adecoagro operates peanut and sunflower processing plants, along with two grain conditioning and storage plants, six rice mills, one rice snack plant and two industrial dairy plants.

Results

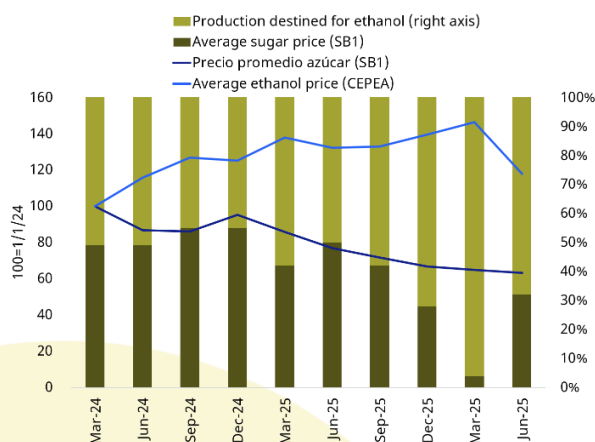
As of the latest financial statements (2Q26), last-twelve-month sales reached USD 1,650 million, 6.2% higher than the same period of 2025. This includes the first six months of 2026 with the consolidation of Profertil.



Source: Sekoia Research based on Financial Statements.

The company crushed 13 million tons of sugarcane over the last 12 months, a 12.3% year-over-year increase. The previous peak was in 2024, when 12.8 million tons were processed. Production costs for ethanol and sugar are similar, so the company is able to allocate output to whichever product offers better relative prices; along these lines, an average of 74% of production was allocated to ethanol over the last 12 months (LTM). For the last 12 months, the

Sugar, Ethanol and Energy segment contributed USD 562 million in sales, 20% below 2Q25 LTM, and EBITDA of USD 288 million.



Source: Sekoia Research based on Financial Statements.

With the acquisition of Profertil, the fertilizer segment contributed USD 296 million in sales in the first six months of 2026. Assuming the Profertil acquisition had taken place in January 2025, this represents an increase of 34% driven by better urea prices. The closure of the Strait of Hormuz blocked close to 40% of global urea exports, and the global urea price doubled between February and June 2026. During the first half of 2026, Adecoagro's average realized urea price was USD 620 per ton, 40% above first-half 2025 prices.

The company produced close to 617 thousand tons of urea and sold close to 404 thousand tons during the first half of the year. Year-over-year this represents a 16% increase in production and a 7% decline in sales, meaning the company built up inventories over the period.

The food segment posted a negative performance. Over the last twelve months, segment sales were USD 734 million, 8.7% below 2Q25 LTM levels. The decline is mainly explained by a 27% drop in rice sales, the segment's main product with a 22% share. This reflects a global oversupply in both Asia and Mercosur, with prices 21.5% lower in 6M26 vs. 6M25.

Adecoagro S.A. (USD mn)	2Q26*	2Q25 LTM	Var %	2Q24 LTM	Var %
Sales	1.859	1.553	19,7%	1.323	40,6%
Cost of sales	-1.329	-1.253	6%	-1.025	29,7%
Operating costs	-373	-282	33%	-212	76,5%
EBITDA	514	290	77%	388	32,6%
Operating income	229	87	165%	212	8,2%
Net income	257	61	323%	237	8,3%
Operating margin	12,3%	5,6%	+ 670 bps	16,0%	- 370 bps
EBITDA margin	27,7%	18,7%	+ 900 bps	29,3%	- 170 bps

*6M2026 annualized

Source: Sekoia Research based on Financial Statements.

Debt

At the end of the second quarter of 2026, total financial debt stands at around USD 2,018 million, 38% of which is corporate bonds and the remaining 62% loans and other debt. The company's cash position amounts to USD 331 million.

Adecoagro had two corporate issuances, AGRO 6% 09/21/27 and AGRO 7.5% 07/29/32. The 2027 bond was called September 28th and had an outstanding of USD 234.9 million. Holders will receive 100% of the outstanding principal, plus 0,616 USD of accrued interest per USD 100 of notes. The 2032 maturity, in turn, was issued in 2025 for a total of USD 500 million.

ISIN	Ticker	Pr.	YTM	Dur	Min.	Outstanding	Rating
USL00849AB20	AGRO 7 ½ 07/29/32	95,00%	8,60%	4,7	10k	USD 500 MM	BB-

Source: Bloomberg.

The company also issues locally through Profertil, which gives it the opportunity to take advantage of the abnormally low rates in the local MEP market. Profertil currently has three issuances: Class II of USD 54.3 million maturing in 2027 with a 7.25% coupon, Class III of USD 70 million maturing in 2029 with a 5.75% coupon, and finally a Class IV of USD 90.3 million, issued after the latest reporting date, maturing in 2030 with a 5.5% coupon.

Adecoagro S.A. (USD mn)	2Q26	2025	Var %
Total debt	2.018	1.593	26,7%
Cash & marketable securities	331	473	-30%
Net debt	1.687	1.120	51%
EBITDA*	514	237	117%
Net leverage	3,3	4,7	-30%
Interest expense*	99	49	104%
EBITDA / Interest est.	5,2	4,9	6%

*For 2Q26 the calculation is 6M2026 annualized

Source: Sekoia Research based on Financial Statements.

The company's net leverage stands at 3.3x EBITDA and its interest coverage at 5.2x. Over the last two years, gross debt doubled in connection with the Profertil acquisition, its subsequent consolidation and Capex to expand the other segments.

Outlook

Adecoagro benefits from the flexibility of its sugar and ethanol segment in the face of price shocks; a strong market position in fertilizers, being the largest producer in South America with no local competition in Argentina at least for a few more years until Pampa's urea plant comes into effect; and a food segment depressed by prices but with scope for a rebound should the commodity cycle turn more supportive in 2027.

Its new long-term Fitch rating is BB, placing it within the high-yield universe. We like its existing bonds in the current context of rising rates. Although net leverage exceeds 3.0x EBITDA, the debt raised allowed the company to acquire a highly valuable asset such as Profertil at a very attractive valuation. We expect leverage to gradually decline to 2.5x EBITDA during the second half of the year. This is a group that is growing aggressively, but with controlled ratios, excellent business diversification, and its landholdings as a major asset.

Regards,

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