

AgroFresh

We Grow Confidence™

AgroFresh Solutions, Inc.

Second Quarter 2021

Supplemental Earnings Presentation



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This presentation contains certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA and net sales on a constant currency basis. The Company believes these non-GAAP financial measures provide meaningful supplemental information as they are used by the Company’s management to evaluate the Company’s performance, including for incentive bonuses and bank covenant reporting. Management believes that these measures enhance a reader’s understanding of the operating and financial performance of the Company and facilitate a better comparison between fiscal periods. EBITDA excludes income taxes, interest expense and depreciation and amortization, whereas Adjusted EBITDA further excludes items that are non-cash, infrequent, or non-recurring, such as share-based compensation, severance, litigation and M&A related costs, to provide further meaningful information to evaluate the Company’s performance. The Company does not intend for the non-GAAP financial measures contained in this presentation to be a substitute for any GAAP financial information. Readers of this presentation should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures. Reconciliations of the non-GAAP financial measures EBITDA and Adjusted EBITDA, as well as constant currency net sales, to their most comparable GAAP measures are provided in the appendix of this presentation.

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Second Quarter & First Half 2021



2Q Closed the Southern Hemisphere Season

- Better finish than anticipated with 2Q21 revenue growth of 9.7% (constant currency growth of 4.7%¹) versus 2Q20
- Revenue grew across nearly all categories and regions, with the SmartFresh for Apples category experiencing only a slight decline against a difficult comparison



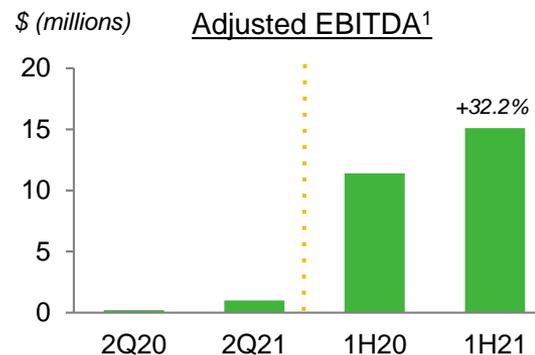
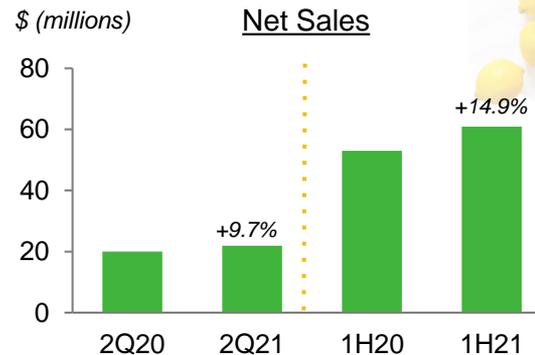
H1 Faced Favorable Growing Conditions

- Strong growth in the Other 1-MCP solutions category, such as SmartFresh diversification and Harvista, as well as strong growth in the Fungicides & Disinfectants category
- SmartFresh for Apples realized modest growth for the period
- Results also impacted by foreign currency fluctuations (constant currency growth of 12.8%¹)



Strong First Half Revenue Growth Driving Adjusted EBITDA Margin Improvement

- 1H21 adjusted EBITDA increased by \$3.7 million or 32.2%
- 1H21 adjusted EBITDA margin increased 320 basis points to 24.8%



Three and six months ended June 30, 2020 and 2021

Diversification



Drove “Diversification” Beyond SmartFresh for Apples

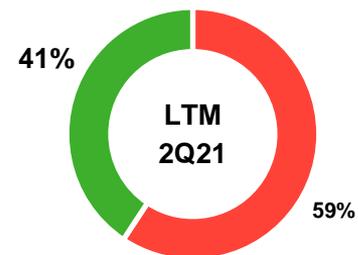
- Focused on leveraging R&D and registration capabilities to expand beyond core SmartFresh for Apples business
 - Diversification = All other crop solutions, ex-SmartFresh revenue for Apples
- Diversification revenue grew 23% year-over-year on a LTM basis, as of 6/30/21



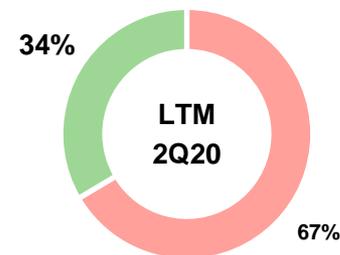
Ongoing Initiatives

- Non-apple SmartFresh – Continue pursuit of new registrations in new crops and geographies; opportunities in avocados, tomatoes, melons and broccoli
- Harvista – Expansion into new geographies for patented near-harvest solution
- Fungicides & Disinfectants – Cross selling broader portfolio of solutions to existing customers
- VitaFresh Botanicals – Plant-based edible coatings
- FreshCloud – Advancing customer pilots with new AgTech capabilities

Sales Mix



- Other Product Solutions
- SmartFresh for Apples



Revenue By Product Solution Category

H1 2021 Southern Hemisphere – Performance Drivers Versus Prior Year



Diversification

SmartFresh for Apples



- Apple production normalized versus difficult prior year season in Brazil and Australia, and a larger crop in South Africa

Other 1-MCP Solutions



- SmartFresh Diversification – strong sales in other crops (beyond apples) driven primarily by pears in Chile and South Africa
- Harvista – strong sales in Brazil after prior year registration; New Zealand first year success supported by labor disruptions
- EthylBloc – sales recovering on pandemic normalization

Fungicides & Disinfectants



- ActiSeal – improved penetration in Argentina
- ActiMist – first year sales in Chile
- Tecnidex (Textar) – strong finish to citrus season in EMEA

Coatings



- VitaFresh Botanicals – 1Q21 launch with Camposol for avocados
- Tecnidex (Teycer) – strong finish to citrus season in EMEA and increased penetration in Latin America

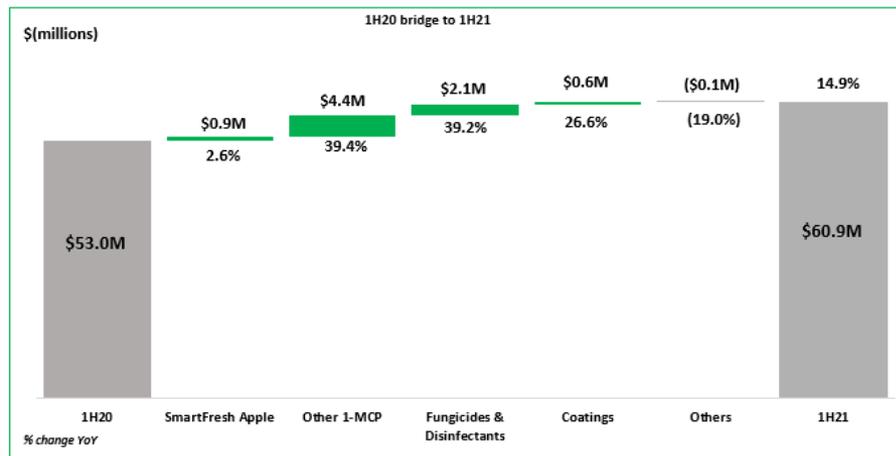
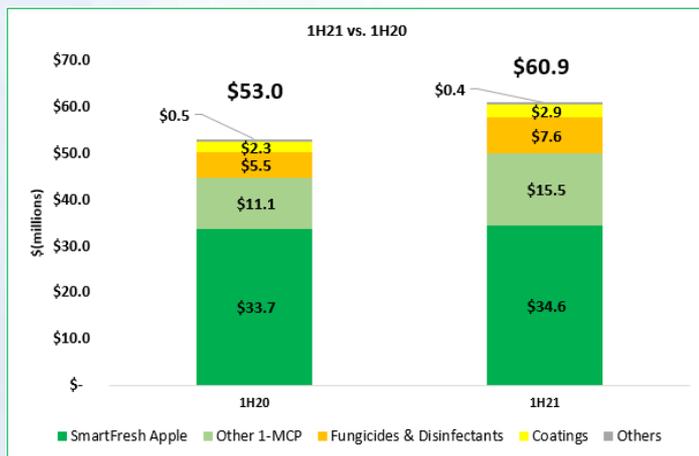
Other



- FreshCloud customer momentum – Hortec (South Africa), Montague (Australia), Blue Star Growers (United States)

Revenue by Product Solution Category – 1H21

Category Mix and Growth Bridge



Revenue By Geography

H1 2021 Southern Hemisphere – Performance Drivers Versus Prior Year



Regional Summary

- Realized growth across each of the operating regions
- Expect to generate consolidated growth in 2H21 Northern Hemisphere season

Latin America

- Brazil – return to normal crop size
- Higher fungicide sales also benefitted the entire region

Europe, Middle East & Africa

- South Africa – larger crop size versus prior year
- Improved citrus production in Europe and Middle East

Asia Pacific

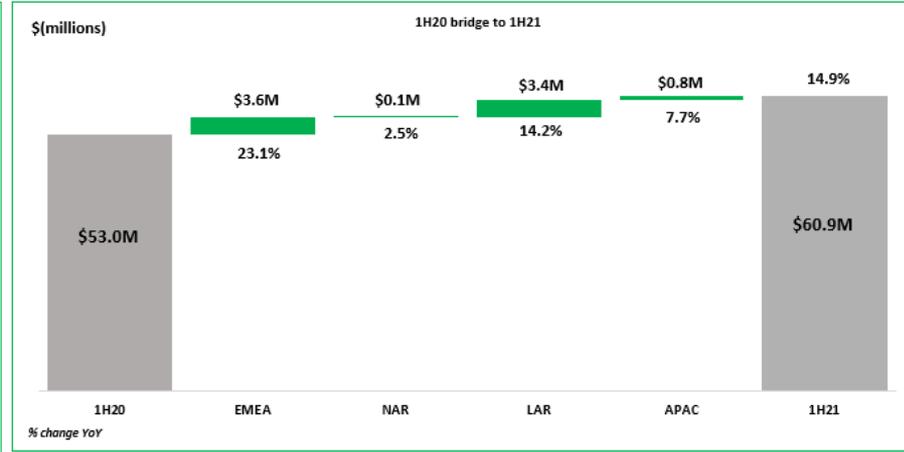
- Australia – recovery in the apple crop
- Harvista growth benefitted from COVID-related labor shortages

North America

- Low exposure to first half season
 - Recovery of EthylBloc (flowers) following pandemic normalization
-

Revenue by Geography – 1H21

Regional Mix and Growth Bridge



Gross Profit



Gross Margin

- 2Q21
 - Gross margin was 67.6% (versus 67.7% in the prior year)
- 1H21
 - Gross margin was 71.4% (versus 71.7% in the prior year)
- Strong post-harvest margins supported by:
 - Service platform
 - Asset-light operating model
 - Continued R&D investment

Operating Expenses



Ongoing Cost Optimization Progress

- Creating greater efficiency for our business to better align operating structure
- Leadership and other restructuring expected to result in a slight increase in reported SG&A for full year 2021; on a normalized basis (excluding non-recurring items), expect to achieve slight savings for the full year



Research & Development

- 2Q21 increased \$0.6 million versus the prior year period
- 1H21 costs increased \$1.3 million versus the prior year period
 - Driven by the timing of projects



Selling, General and Administrative

- 2Q21 expenses increased 7.1% versus the prior year period
 - Excluding non-recurring costs (M&A, litigation, refinancing, severance), SG&A decreased 6.1% versus prior year period
- 1H21 expenses increased 2.8% versus the prior year period
 - Excluding non-recurring costs (M&A, litigation, refinancing, severance), SG&A increased 0.4% versus prior year period

Net Loss & Adjusted EBITDA



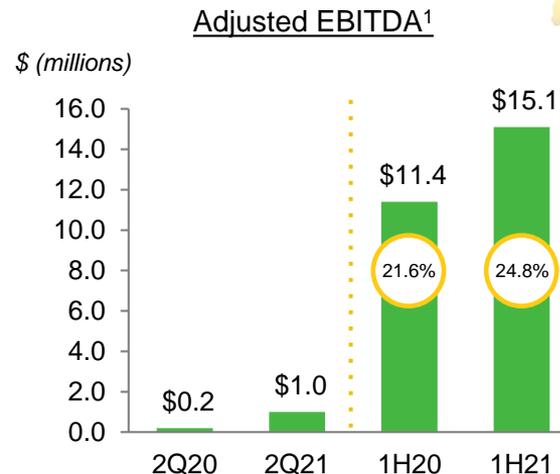
Net Loss

- 2Q21 net loss of \$17.3 million (versus net loss of \$16.8 million in 2Q20)
 - Drivers: higher gross profit of \$1.3 million, offset by higher grant income in the prior year of \$3.0 million
- 1H21 net loss of \$9.1 million (versus net loss of \$20.6 million in 1H20)
 - Drivers: higher gross profit of \$5.5 million and litigation settlement proceeds of \$14.4 million



Adjusted EBITDA¹

- 2Q21 was \$1.0 million (versus \$0.2 million in 2Q20)
- 1H21 was \$15.1 million (versus \$11.4 million in 1H20)
 - Adjusted EBITDA margin improved 320 basis points to 24.8% versus prior year
 - Strong operating leverage from top line growth combined with proactive cost control efforts across entire organization



Three and six months ended June 30, 2020 and 2021

○ Adjusted EBITDA¹ % of Revenue

Key Cash Flow Items and Liquidity



Cash Flow from Operations

- Positive trends in Operating Cash Flow:
- 2018: \$3.0 million
- 2019: \$20.1 million
- 2020: \$26.7 million
- June YTD 21²: \$30.9 million

Cash Flow Items (\$ million)	1H 2021	1H 2020	Change
Cash Flow from Operations ²	\$30.9	\$9.2	\$21.7
Cash Flow from Investing	(\$1.3)	(\$0.9)	(\$0.4)
Capital Expenditures	(\$1.3)	(\$0.9)	(\$0.4)
Cash Flow from Financing	(\$22.0)	(\$1.1)	(\$20.9)
Change in cash, net of foreign currency	\$6.7	\$5.8	\$0.9
Ending Cash	\$56.7	\$35.6	\$21.1



Capital Structure

- Completed comprehensive refinancing on July 27, 2020
- Convertible preferred equity investment by Paine Schwartz Partners
- Net debt-to-adjusted EBITDA¹ ratio of 3.3x
- Term loan maturity extended to December 31, 2024
- Undrawn \$25 million revolver

Liquidity (\$ million)	6/30/21
Gross Debt	\$265.7
Cash	\$56.7
Net Debt	\$209.0
Preferred Equity ³	\$144.7

(1) See GAAP to Non-GAAP schedule in appendix of this presentation for a reconciliation of Adjusted EBITDA to net loss

(2) 1H 2021 cash flow from operations includes litigation settlement proceeds of \$14.4 million

(3) Amount is net of issuance costs

Summary



Global Leadership Position with Scalable Model

- Leader in global post-harvest market
- Expanding our addressable market
- Experienced management team



Growth Strategy

- Drive organic growth through diversification, internal innovation and registration capabilities
- Leverage global footprint to source external innovation and bring to market
- Thoughtfully pursue strategic acquisitions



Improved Operating Structure

- Attractive gross profit margin coupled with cost optimization initiatives enables operating leverage and cash flow generation



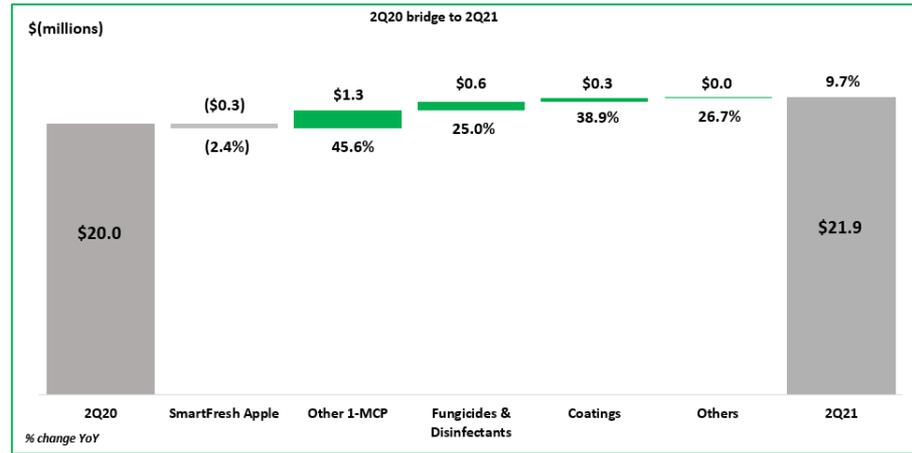
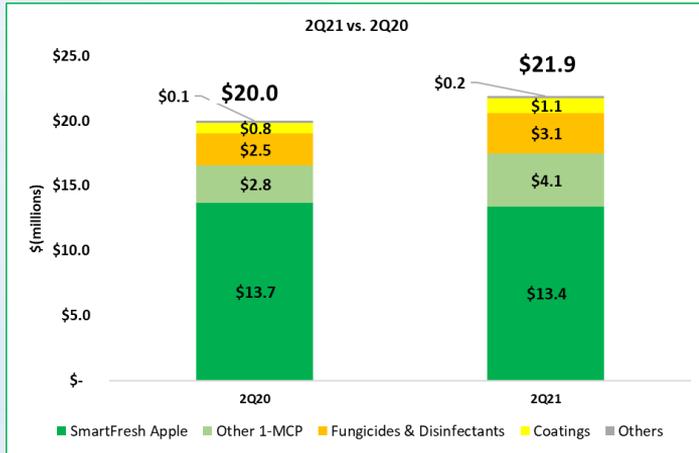
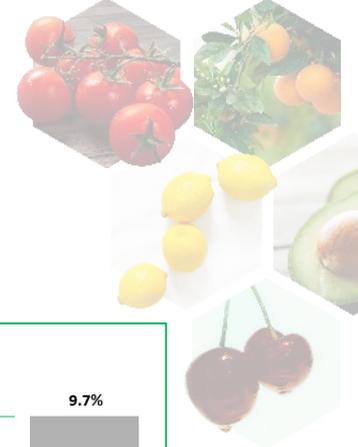
Appendix

AgroFresh Solutions, Inc.



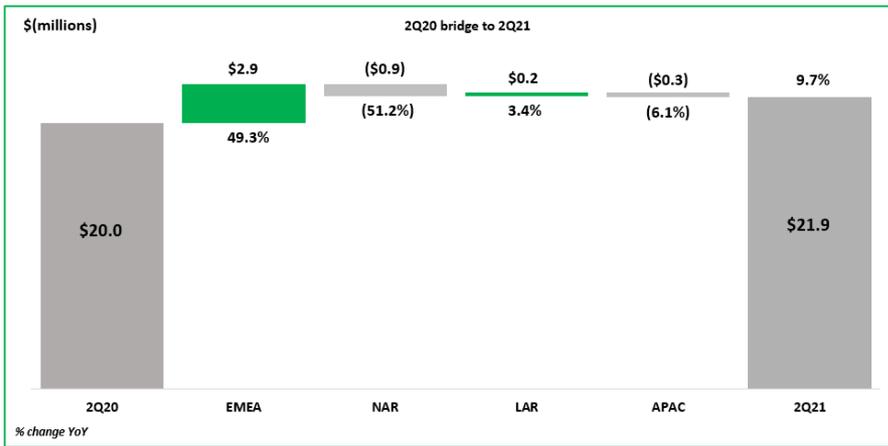
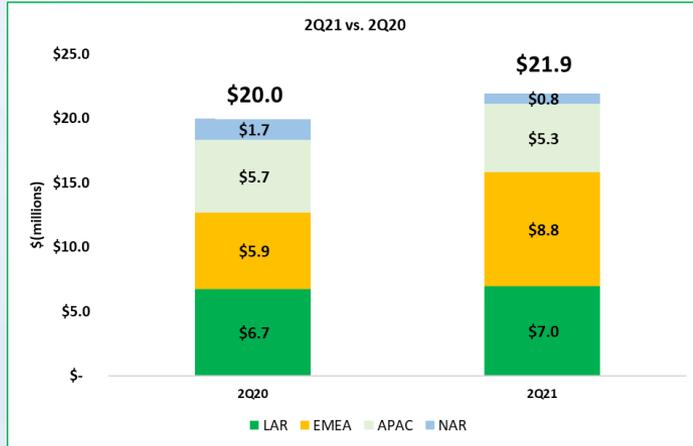
Revenue by Product Solution Category – 2Q21

Category Mix and Growth Bridge



Revenue by Geography – 2Q21

Regional Mix and Growth Bridge



Reg G Reconciliation

GAAP Net Loss to Non-GAAP EBITDA and Adjusted EBITDA



<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
GAAP net loss including non-controlling interest	(\$17,280)	(\$16,751)	(\$9,096)	(\$20,565)
Depreciation and amortization	11,178	11,568	22,600	23,145
Interest expense ⁽¹⁾	5,216	6,513	11,106	13,479
Income taxes expense (benefit)	144	630	\$ 1,967	\$ (3,201)
Non-GAAP EBITDA	(\$742)	\$1,960	\$26,577	\$12,858
Adjustments:				
Share-based compensation	280	974	1,171	1,762
Severance related costs ⁽²⁾	1,587	74	1,587	74
Other non-recurring costs ⁽³⁾	754	639	1,520	2,383
Gain on foreign currency exchange ⁽⁴⁾	(921)	(449)	(1,354)	(1,076)
Grant income	—	(2,974)	—	(2,974)
Litigation settlement	—	—	(14,392)	(1,600)
Total Adjustments	1,700	(1,736)	(11,468)	(1,431)
Non-GAAP Adjusted EBITDA	\$958	\$224	\$15,109	\$11,427

- (1) Interest on debt, accretion for debt discounts.
- (2) Severance costs related to restructuring and cost optimization initiatives.
- (3) Costs related to certain professional and other infrequent or non-recurring fees, including those associated with restructuring, litigation and M&A related fees.
- (4) Gain on foreign currency exchange relates to net gains and losses resulting from transactions denominated in a currency other than the Company's functional currency.

The following is a reconciliation between net sales on a non-GAAP constant currency basis to GAAP net sales:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
GAAP net sales	\$21,924	\$19,982	\$60,916	\$53,005
Impact from changes in foreign currency exchange rates	(1,000)	—	(1,143)	—
Non-GAAP constant currency net sales ⁽¹⁾	\$20,924	\$19,982	\$59,773	\$53,005

- (1) The company provides net sales on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance, by removing the impact of foreign currency exchange rate fluctuations. The impact from foreign currency, calculated on a constant currency basis, is determined by applying prior period average exchange rates to current year results.