FMC Corporation

Acquisition of BioPhero Conference Call

June 30, 2022

As Prepared for Delivery

Introduction – Zack Zaki

Good morning everyone and thank you for participating in today's call to discuss FMC Corporation's agreement to acquire BioPhero. Joining me today are Mark Douglas, President and Chief Executive Officer, Andrew Sandifer, Executive Vice President and Chief Financial Officer and Dr. Kathleen Shelton, Executive Vice President and Chief Technology Officer. Mark will begin with highlights of the acquisition, introduce the current pheromone market and provide a view of the sizeable market potential for BioPhero's unique technology. Following the prepared remarks, we will take questions.

Yesterday's press release and today's slide presentation is available on our website, and the prepared remarks from today's discussion will be made available after the call.

Let me remind you that today's presentation and discussion will include forward-looking statements that are subject to various risks and uncertainties concerning specific factors, including but not limited to those factors identified in our press release and in our filings with the Securities and Exchange Commission. Information presented represents our best judgment based on today's understanding. Actual results may vary based upon these risks and uncertainties.

Today's discussion and the supporting materials will include references to adjusted EBITDA, which is a non-GAAP financial measure. Please note that as used in today's discussion, "earnings" means "adjusted earnings" and "EBITDA" means "adjusted EBITDA". A reconciliation and definition of these terms, as well as other non-GAAP financial terms to which we may refer during today's conference call, are provided on our website.

With that, I will now turn the call over to Mark.

Introduction – Mark Douglas

Thank you, Zack, and good morning everyone.

Last night, FMC announced a definitive agreement to acquire BioPhero ApS, a Denmark-based pheromone insect control company. This transaction significantly expands FMC's biologicals segment with BioPhero's game-changing, patented synthetic-biology technology which is substantially lower in costs compared to competitive technologies, and is a platform for large scale production of pheromone crop protection products. We expect pheromone-based insect control products to generate approximately $1 billion in FMC revenue at above-average EBITDA margin by 2030. Moreover, BioPhero's synthetic biology platform is unique, differentiated, and has the potential to produce other bio-solutions for agriculture.

Before getting into the details of the acquisition and the pheromone market, let me briefly describe what

pheromones are and how they are used in insect control. Pheromones are chemicals naturally produced by insects to trigger a social response in members of the same species. Pheromones are used in a variety of ways to protect crops. Today we'll focus on pheromones that can be sprayed in a field to disrupt the insect mating process, and hence, results in significantly lower subsequent generations of target insect larvae, which would otherwise damage crops.

There are several methods to manufacture pheromones, including the common route that uses chemical synthesis, as well as a second route known as biocatalysis. BioPhero's proprietary fermentation manufacturing route is unique, enabling high-volume production of pheromones at significantly lower costs than other production routes.

FMC to Acquire BioPhero *(slide 3)*

Turning to slide 3, the acquisition includes BioPhero's technology, patent estate, know-how, supply agreements and all the employees in exchange for approximately $200

million. BioPhero's team consists of world-class technical experts who specialize in pheromone and fermentation technology. The majority of the current team members are PhDs focused on research and development of the technology. The transaction is expected to close by the end of third quarter 2022 and BioPhero will become part of FMC's Plant Health business, which is also headquartered in Denmark at our European Innovation Center in Copenhagen. There will be no impact to FMC's 2022 revenue and earnings due to this acquisition.

In addition to significant revenue potential and a new technology platform, the acquisition of BioPhero also brings strong sustainability-related benefits to FMC and the broader crop protection industry. Pheromones are naturally occurring substances which precisely target specific pests, and do not have any impact on beneficial insects such as pollinators, thereby supporting biodiversity. Finally, since pheromone insect control products use a different mode of action than conventional options, they can be applied in combination with chemical products as

part of an integrated pest management program while also serving as a resistance management tool.

The business case for BioPhero's acquisition was driven by their highly efficient yeast fermentation process that leverages synthetic biology to manufacture pheromone active ingredients at significantly lower costs with fewer production steps, compared to competitors' traditional manufacturing methods. Lower costs expand the pheromone addressable market from today's focus on specialty fruit and vegetables to include the large row crop markets.

In terms of market size and area, this takes the current $500 million, 2-to-3 million hectares pheromone market, and expands it to multi-billion dollars and over 100 million hectares. We estimate FMC's revenue from pheromone-based products to grow to approximately $1 billion by 2030 with commercial sales starting in 2024.

We see this acquisition as a great fit for both companies. BioPhero brings unique yeast fermentation and synthetic biology technology with attractive cost advantages. For FMC, we can leverage our market access in specialty and row crops across geographies to quickly introduce and ramp-up pheromone-based technology. Moreover, the expansion of pheromone use to broad-acre crops will require formulation and application expertise – areas where FMC excels. Finally, opportunities also exist to integrate BioPhero's solutions with FMC's Precision and Digital Ag platforms such as Arc™ farm intelligence. These tools can monitor the current—and next—generation of pests and optimize application timing.

<u>Current Pheromone Insect Control Market</u> ***(slide 4)***

On slide 4, we can see the current mix of pheromone insect control skews towards high-value specialty crops with fruits and vegetables, vines and nuts making up approximately 80 percent of the total market size. From a geographic viewpoint, North America and EMEA lead the current pheromone market. Latin American and Asian

markets are limited due to the costs of current pheromone products.

This is where BioPhero's unique fermentation process stands out with its ability to efficiently scale pheromone production at costs dramatically lower than traditional methods. It opens significant opportunities to expand pheromone use in the larger row crop market.

Pheromone Insect Control Market – Current vs. Future

(slide 5)

Turning to slide 5, you will see a review of the current pheromone market and the future market potential for this technology. Adding row crops such as corn, soybean, cotton, and rice to specialty fruits and vegetables significantly expands area treated and hence addressable market size. Larger treatment area will also require pheromone application technology to evolve from current dispenser-based methods used in small acreage specialty farms to high-throughput equipment using sprayable formulations. To maintain competitiveness with

conventional chemistries and accelerate adoption, end-use formulations will target specific attributes such as shelf-life stability, optimal droplet size and rain-fastness.

Illustrative Insect Control Using Pheromones *(slide 6)*

On slide 6, we illustrate how pheromones can be used in combination with conventional insecticides as part of an integrated pest management program.

In this model scenario, the grower would apply pheromones alternatively along with a conventional insecticide from our portfolio. The pheromone application would disrupt the adult mating process and hence reduce the overall egg-laying and subsequent larvae populations. Fewer larvae would result in even fewer adult insects in the next generation and an overall reduction of pest pressure which would reduce damage to the crop. Following the pheromone application, the conventional insecticide treatment would impact the target pests at all life stages. This rotation can be repeated since the two sprays use different modes of action and reduces the

potential for resistance to build up in the target pest. Moreover, since pheromones precisely target specific pests, they may be applied multiple times in a season without impacting beneficial insects, such as pollinators.

This is just one illustrative example of how pheromones will be used to control target pests in a more comprehensive manner. Depending on the pest and crop—as well as whether the pheromone product is a standalone, tank-mix or pre-mix—the application program can be tailored to maximize yield while promoting biodiversity.

BioPhero's Development Pipeline ***(slide 7)***

Turning to slide 7, BioPhero has been focused on building its product pipeline and has several candidates in various stages of discovery and development. The company's development pipeline is displayed here with five new products expected to launch in the next three to five years. Several of these products have global reach and target

highly destructive pests found in broad-acre crops such as corn, soybean and cotton.

Today FMC has leading insecticide technologies to protect crops from Fall Armyworm. When we couple these with the new pheromone product shown in the middle of this graphic, we can offer growers an integrated solution that combines the mating disruption technology of pheromones with other modes of action from conventional products. Together, these better control this rapidly spreading and destructive pest. Targeting Fall Armyworm in crops such as soy, corn, cotton and fruits and vegetables will involve treating up to 150 million hectares in countries such as USA, Brazil, India, Australia and several countries in Africa. As a reference, the current conventional insecticide market for the broader Armyworm species is over $1 billion.

In addition to the five development products listed on slide 7, BioPhero has more than ten candidates in its discovery pipeline with strong technical feasibility and significant

business potential. Furthermore, this pipeline does not include the potential for pre-mixes with FMC's existing conventional products. Pre-mixes open-up several new product concept opportunities to address country- or region-specific pest challenges facing growers around the world.

BioPhero's Fit with FMC ***(slide 8)***

In conclusion, we are, as you can tell, very excited about bringing BioPhero to FMC.

We have been expanding our technology base in our Plant Health business for some time, and BioPhero is yet another opportunity for us to continue to bring sustainable, biologically sourced products to market.

Our customers will have another cutting-edge technology to fight destructive pests. We look forward to significantly expanding the use of pheromones from the limited application today to be a more broadly used tool in Integrated Pest Management programs.

I will now turn the call back to the operator for questions.

Closing – Zack Zaki

That is all the time that we have for the call today. Thank you and have a good day.