

## **AMATHEON AGRI AIMING FOR 300% GROWTH OF OUTGROWER PROGRAMME AND ADDING HOT PROFIT MARGINS WITH CHILLIES**

- High profit margin crop, chilli, added to the company's portfolio
- Aiming to quadruple the number of farmers participating in the Outgrower Programme
- Significant revenue growth and positive impact on operational results expected
- Sustainable, fair and environmental-friendly business model is a win-win for local communities and Amatheon Agri
- Focus on positive contribution margins and increasing shareholder value

Amatheon Agri Holding N.V. (the "Company"), the Euronext listed agribusiness and farming group (ISIN NL0010273694, Symbol MLA AH), proudly announces that its Zambia-based Outgrower Programme has significantly increased the number of participating farmers and expanded its crop portfolio in the new farming season. The Company's aim is to further scale its overall trading volume – now including chillies - which will bring additional contribution margins for the Company as well as a positive impact in local communities.

### **Outgrower Programme: Providing seeds and know-how to smallholder farmers, and international trading of the harvested products**

During the Outgrower Programme in 2019/2020, the Company supported around one thousand smallholder farmers in Zambia to successfully plant, cultivate and harvest Quinoa grains in accordance to international food hygiene standards. Amatheon guarantees offtake through a contract farming agreement, whereby the farmers receive a fixed buying price pegged to the US Dollar and then markets the products regionally and internationally. This approach provides equal planning security for the farmer and the Company.

Following very positive feedback from the participating farmers, Amatheon has increased the programme's size and scope in the current 2020/2021 planting season. Around 2,000 production and delivery contracts have been signed so far, with a target of reaching 4,000 by the end of the month. A similar growth pattern is projected for the following years.

### **Organic production as a growth lever**

In line with the growing global demand for highly nutritious and organic food products, and with greater awareness of the benefits of organic farming techniques, the first 100 smallholder farmers have been officially certified as Organic Growers by the internationally recognised certification body ECOCERT South Africa (SA). Simultaneously, the Company's processing facility in Zambia received organic status. Looking ahead, the share of organic production and processing will be strongly increased, predominantly for the export market. Amatheon is thus responding to the trend towards more organic demand and, with

its focus on organic production, aims to make a social contribution to environmentally friendly agriculture.

### **Introducing additional high profit margin crop, chilli**

The Company has also introduced an additional crop, chilli, to its trading portfolio for both local and export markets. After detailed analysis, the Company believes that chillies bring better contribution margins to most farmers and the Company. It seeks to benefit from the global market opportunities for chilli, while simultaneously adding a sizable opportunity for smallholder farmers to further diversify their incomes by optimizing the cultivation of their land. Amatheon's state-of-the-art processing, storage and packaging facilities will be used as a nucleus to guarantee highest quality export standards.

### **Chillies up to 100,000 Scoville Heat Units**

The main planting focus will be on Long Slim Cayenne chillies which take around 15 days for germination and 75 - 80 days to harvest. Their spiciness is expected to be in a range of 25,000 - 50,000 Scoville Heat Units (SHU).

The Company will also plant Bird's Eye chillies which have a range of 30,000 - 100,000 SHU. Dried chili powder will be sold regionally and internationally.

A production of over 10,000 metric tonnes of fresh chilli is expected for the coming harvest, which will be processed on-site into flakes, powder or crushed for regional and international markets.

### **A Win-Win Scenario**

“We believe that supporting people's livelihoods in an environmentally-friendly way ensures a win-win for local farmers and for our trading activities,” says Founder and CEO, Mr Carl Heinrich Bruhn. “A sustainable business development and a strong relationship with the communities within which we work have been imperative for us since Amatheon's inception”, says Bruhn.

The Company's commitment to long-term sustainable development can be read in its recently released and fifth Communication on Progress (COP) report, which highlights the Company's integration of the United Nations Global Compact principles into all activities along the value chain: <https://amatheon-agri.com/celebrating-5-years-as-part-of-the-un-global-compact-network/>

### **Focus on positive contribution margins and increasing shareholder value**

A key priority of the Management Board and the new Supervisory Board will be on increasing positive contribution margins and increasing shareholder value in 2021. Over the past few years, significant investments have been made into the development of modern infrastructure and production systems in Amatheon's entities in Africa. As a next step, the connection to international markets to increase the company's value has begun. By ensuring international food and processing certification standards at all levels, Amatheon is able to not only supply local markets with products, but also to respond to an increasing global demand for healthy and natural foods.

As a result, the Company's own consumer brand, ZUVA Foods, was recently launched on the German market with promising growth potential.

The Management Board  
Berlin, Germany, 7 January 2021

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For further information please see the Group's website: <https://amatheon-agri.com>

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**About Amatheon Agri Holding N.V.:**

Amatheon Agri is a European agri-food company with headquarters in Berlin and production sites in Sub-Saharan Africa. Since its foundation by Mr. Carl-Heinrich Bruhn in 2011, Amatheon Agri has established sustainable agricultural value chains from cultivation to product-specific processing and trading processes in Zambia, Uganda and Zimbabwe. With a combination of international distribution network, incorporated local know-how as well as a sustainable vision for the future, Amatheon Agri has been able to establish itself as a strategically aligned global player in the African agricultural sector.

In 2020, Amatheon Agri also launched its new brand for 100% natural, fair and sustainably grown food from Zambia, Uganda and Zimbabwe: ZUVA Foods.

<https://zuva-foods.com>

<https://www.instagram.com/zuvafoods/>

<https://www.facebook.com/zuvafoods>