

Amatheon Agri: Investment into Chilli Processing Factory and Adding Paprika to Increase Contribution Margins

- Significant on-farm cultivation of two prominent hot chilli varieties and with smallholder farmers as a win-win business model
- On-site state-of-the-art processing factory to expand the chilli product range offered to off-takers with a short payback period
- Integration of the entire value chain of dried spices on the company's premises
- Paprika added to the product portfolio under irrigated conditions

Amatheon Agri Holding N.V. (the "Company"), the Euronext listed agribusiness and farming group (ISIN NL0010273694, Symbol MLA AH), updates about developments of its new chilli activities with the current start of the first harvest season. In order to achieve additional contribution margins, the Company invests into a state-of-the-art processing facility for chilli and other spices to further scale the Company's superfood value chain and product portfolio. With a flake-milling technology installed on-site at its Zambian subsidiary, the Company will be able to increase the added value with its own grown chilli as a strategic product.

Sizable chilli production on-farm and in partnership with smallholder farmers (outgrowers)

In early 2020, Amatheon Agri started its first large-scale cultivation of two in-demand chilli varieties, *Long Slim Cayenne* and *Bird's Eye*, for both local and export markets. This follows the Company's aim to further scale its trading volume while having positive impact in local communities. Both varieties are currently cultivated on the Company's own farms on a total number of 200 hectares in Zambia and Uganda, as well as in partnership with more than 2,000 smallholder farmers, who benefit through a contract farming agreement with the Company and an income diversification opportunity.

With the choice to cultivate two prominent chilli varieties, Amatheon Agri is able to systematically supply off-takers with chilli products of various pungencies. While the *Long Slim Cayenne* pungency ranges from a moderate 15,000 to 30,000 Scoville Heat Units (SHU) and is predominantly used around the world to flavour food, the *Bird's Eye* chilli have a range of 30,000 to 100,000 SHU and are among the hottest of chilli varieties.

On-site chilli processing to increase the added value (payback period less than 2 years)

With an expected processing volume of 1,500 metric tonnes of dried chilli this year, the Company has now taken further steps to expand the product mix offered to its local and international off-takers and to flexibly act in the market for chilli products. With a German engineered and manufactured facility, the dried chilli will be processed into flakes with seeds, pure flakes and seeds, in accordance with international food and processing standards.

Furthermore, the total investment of around 1 million Euro investment in a new production building and the flake-milling technology, as well as additional components like solar dryers and state-of-the-art sorting equipment, enables the Company to process other dried spices in future. This allows the Company to easily expand its product offering and is a solid longterm operational investment. With an expected payback period of less than 2 years, Amatheon Agri added a supplementary source of contribution margins from processing for the future - in addition to the contribution margins from growing and trading chillies.

“The demand for hot chilli products is unabated”, says Founder and CEO of Amatheon Agri Holding N.V., Mr Carl Heinrich Bruhn. “With the establishment of our own spice processing facility, we have streamlined our superfood value chain even further and can now provide chilli end-products to our off-takers.”

Expanding the product portfolio by adding paprika

To meet strong demands from partners in the spice markets, the Company will also cultivate ca. 80 hectares of sweet paprika in the upcoming Zambian winter planting season, with an expected harvest volume of ca. 300 metric tonnes of dried product. The paprika will be cultivated under irrigated conditions and will benefit from the ideal growing conditions of the Zambian climate. Global demand for paprika products to add moderate spice and colour to dishes is rising. “By first adding chilli and now paprika to this year’s portfolio, we demonstrate the potential and flexibility of our modern farming infrastructure in Africa,” says Bruhn.

The Management Board
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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://www.zuva.de>

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

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

The Shares of Amatheon Agri are listed on the Euronext Paris stock exchange (ISIN NL0010273694, Symbol MLAAH) and on the Lang & Schwarz Exchange in Germany (Symbol/WKN A1J4XD). The Convertible Bonds of Amatheon Agri are listed on the Frankfurt Stock Exchange with ISIN DE000A286BY3 and Symbol/WKN A286BY.