2014

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2014 was a year of exciting progress providing us with excellent opportunities.

27th May 2015
Carl Heinrich Bruhn
CEO
CEO’S MESSAGE

I am pleased to confirm that 2014 was a year of rapid expansion. In line with our stated strategy, we aggressively deployed our financial resources to grow and geographically diversify our business.

In Zambia, we now own 38,760 hectares (ha) of titled leasehold land, and most importantly have laid the foundations for a significant expansion of the cropping area. A minor delay in receiving environmental approvals led to a small set-back for 2014, however, we remain solidly on track for realizing a tripling of the cultivated area by the end of 2015. Our ranching operation, which we kick-started in 2014 and which now counts around 1,000 ha, has not yet delivered the profitability we want. However, we are very pleased by the progress made so far. We ended the year with the confidence that this is an area we want to expand even further.

We also entered Zimbabwe, where we planted 900 ha. We obviously recognize the specific risks the country poses, but we also recognize the enormous potential of an agricultural revival. Our entry mode is a contract farming concept, and this gives us both strong local partnerships as well as lowers the investment risk.

Towards the end of the year, we secured three strategic acquisitions in the Zambia meat processing area. Due to the Zambia Competition Committee approval process, the deal completion only took place in 2015. This unique opportunity to consolidate three companies into one will create an Amatheon meat operation that has a very strong “number 2” market position, and straddles the whole value chain from ranching through to Real Meat Company branded sausages, as well as an extensive shop-in-butcher network.

We entered the year with solid financial resources, while we further strengthened our balance sheet by the replacement of our short term EUR 100 million bond with a EUR 125 million three-year bond. We continued to strengthen our organisation. The Berlin office has established itself as a functional centre of expertise from where we rapidly deploy in-country support. More importantly though, we succeeded in building stronger in-country teams and, through the Zambia acquisitions, secured a very competent leadership team for our Zambia Meat operations. We do, however, recognize that more work is to be done, as organizational efficiency and talent retention are no doubt the critical success factors for being successful in Africa.

Amatheon’s commitment to sustainable development reaped considerable dividends, with internal and external stakeholders offering solid support for our expansion. We are also pleased to note that the positive reputation we have established facilitates our entry into new countries as well as the creation of on-the-ground partnerships.

Overall, 2014 was a solid year and a strong base for step-change top line delivery and bottom line improvement in 2015. We believe more than ever in the potential of Africa, and its agriculture and food industries in particular. Our commitment to rapid expansion will deliver the scale, synergies and risk diversification our strategy is built on. Our increasingly seasoned management and operating teams and our willingness and capacity to build effective partnerships, is delivering the execution capability required.

I thank all stakeholders for their on-going support to Amatheon Agri. It is your passion and belief in both the Company and in Africa that makes me confident we are on the right track.

27th May 2015

Carl Heinrich Bruhn
It is with pleasure that I present the inaugural Report of the Amatheon Agri Holding N.V. Supervisory Board. My colleagues, H.S.H. Prince Max von und zu Liechtenstein, Ms Yukiko Omura and Mr Gregoire Dusausoy, and I were appointed to the Supervisory Board in December 2014.

The Supervisory Board is responsible for supervising the management of the Management Board and the general course of affairs of the Company. It will also approve important corporate and strategic decisions and concern itself with the achievement of the Company’s objectives, risk management and legislative compliance, amongst others.

Given the Board’s short appointment in 2014, there were no meetings held in 2014 and no committees established. As there are only four members on the Supervisory Board, it is deemed unnecessary to form specific committees at this stage, but this will be reviewed as and when necessary, as the business expands and the number of board members increases in the future.

PricewaterhouseCoopers Accountants N.V. audited the annual financial statements of Amatheon Agri Holding N.V. for the year ending 31st of December 2014 and these were prepared in accordance with the International Financial Reporting Standards. The auditors have confirmed that the Group Financial Statements and the Directors’ Report meet the requirements as set out by the Dutch Civil Code Part 9 Book 2, and have issued unqualified opinions on the annual financial statements.

The documents relating to the annual financial statements and the audit reports were issued to all the members of the Supervisory Board in good time and were subject to deliberations and the approval of the Supervisory Board on the 27th of May 2015. We recommend that the shareholders adopt the annual financial statements as presented.

27th May 2015

For the Amatheon Agri Holding N.V.
Supervisory Board

Edwin Eichler
Chair
A YEAR OF RAPID EXPANSION OF OUR FARMING DIVISION

The year 2014 has seen rapid expansion of our farming division. After our start in Zambia in 2012, we now also have cropping operations in Uganda and Zimbabwe. Whilst cropping remains the cornerstone, we also initiated ranching operations in Zambia in 2014. The Group’s accumulated experience and organizational expertise has started to pay off in lower operational and start-up costs. In addition, as evidenced by our most recent entry into Zimbabwe, the experience of our divisional organization and the opportunity to share resources and know-how across countries allows us to deploy our in-house knowledge faster and with less risk.
In Zambia, where the Group owns a total of 38,760 ha, our cropping operations delivered a solid performance. With the exception of our wheat crop where average yield suffered from a delay in the irrigation infrastructure set-up of one pivot, our production yields met our expectations. Margins were affected by a decrease in maize prices following the release of strategic grain reserves by the Zambian government.

Critical for a step-change in the operational scale, we obtained regulatory approval for a further expansion with 4,000 ha and the construction of two dams that will allow us to increase the total area under irrigation to 2,000 ha. This will deliver a significant increase in crop production as of the second harvest in 2015.

Our cropping remains focused on maize, wheat and soya. Experiments to diversify into rice and forestry have not produced the required results yet. However, we will continue to evaluate the potential of such higher value crops.

Our small scale farmer network consists of more than 1,000 farmers and contributes significantly to the scale of our cropping operations. Already in 2014, we purchased 2,742 tons of grain from the small holders located in the vicinity of our farm. On behalf of these farmers, we negotiated an input financing scheme with Zanaco Bank which enables the farmers to steadily grow their business.

Our ranching operations, which started at the end of 2013, achieved full critical mass. We now own 992 heads of cattle. While its profitability suffered from start-up costs and losses resulting from the imported herd having to adapt to the new environment, the commercial viability of both a breeding herd and our feedlotting operations was confirmed.
In Uganda, the Company’s operations started in earnest in 2014 and, following the recruitment of a senior management team, we established a full farming set-up.

Our farming operations consist of 3 clusters, which are in the same area but not directly connected - something which we aim to address in the coming years through additional land acquisitions and investment in road infrastructure.

We confirmed the potential of non-irrigated double cropping and increased the planted area substantially. Further rapid expansion will be feasible as we have 6,030 ha under lease or longer term sublease.

With 2014 being a first cropping year in a new set-up, yields were low, although they are expected to increase sharply in the coming cycles as soil conditions improve, the best seed varieties are identified and fertilizing practices become optimized.

Our main focus was on maize, but we also experimented with other crops such as sunflower, sorghum, soya and rice. In particular, the potential of non-paddy rice production was confirmed and we will expand this crop in future plantings.

In addition, we initiated a smallholder training scheme. However, it was not operational in 2014 and will only contribute in the following year. The purchase of crops from these farmers is planned for 2015/2016.

We also believe that cattle ranching in Uganda offers great potential, although in 2014 our focus has remained on cropping.
In 2014, we established Amatheon Agri Zimbabwe (AAZim) to tap into the abundant agricultural potential of the country. Its history of being the bread basket of southern Africa has left it with ample infrastructure and ready agricultural land, with this potential only held back by the lack of financing and political risks.

AAZim’s operating mode is one of contract farming. We have established partnerships with 5 farmers, which allowed us to plant 900 ha, which will be harvested in 2015. All land is well located, in the proximity of the capital city Harare, and requires minimum investment in land preparation. Our partners are carefully vetted.

The terms of the partnership are straightforward and equitable. The Company invests in equipment, working capital and runs in full the farming operations. The land owners then receive a percentage of the revenue.

Whilst we keep our neutral position in terms of politics, we have nurtured good relationships and received a strong endorsement of our concept from the government as well as the local community. Our presence in Zimbabwe has given us the necessary operational credibility and we have a local team that is very much connected with the local communities.
Agricultural and food value chains in Africa often suffer from a lack of scale, as well as operational bottlenecks. To overcome these barriers, part of Amatheon’s strategy is to connect and integrate different stages of the value chain.

From the start, building a Foods Division has been a key cornerstone of Amatheon’s strategy. Following a period of extensive scouting, we were able to secure a first major foothold in Zambia. Towards the end of 2014, we signed agreements to acquire the Real Meat Company Ltd., as well as More Beef Ltd. including its subsidiary Buccamore Foods Ltd. These acquisitions required approval from the Competition and Consumer Protection Commission (CCPC), which we obtained in December 2014, with the actual transaction being executed in January 2015. In that month, we also reached an agreement on the acquisition of Best Beef/Best Pork Ltd., which has also received approval by the CCPC.

With these acquisitions, Amatheon has been propelled to the position of being the second largest meat company in Zambia, processing a total of 11,000 heads of cattle per year and 30,000 heads of pigs per year.

All three companies operate in the meat processing sector. Through the Real Meat Company Ltd., we were able to acquire a strong consumer brand, a competitive production platform, as well as a seasoned management team. More Beef Ltd., which operates the Pick and Pay in-store butcheries, ensures the strategic market access to the fast growing retailer sector. Best Beef/Best Pork Ltd. is set to present us with a strong position in the wholesale sector. It offers a further link to the retail channel and also comes with ideally located facilities that allow large scale expansion in slaughtering and processing.

Combining the companies under the Real Meat Company Group umbrella will offer significant savings from back office and logistics integration but also accelerate the growth potential through economies of scale and skills in sales and marketing. Our meat business will also provide synergies with our Zambia ranching operations as it provides a strategic and reliable sales channel for its cattle.
In support of our rapid expansion, we continued to strengthen our organisation. At a corporate level, we reinforced the Finance and Human Resource functions with the recruitment of experienced senior managers. In Zambia, a new contingent of experienced senior managers were brought on board towards the end of the year; while Uganda and Zimbabwe benefitted from the in-house learning and best practice skills transfers.

A great deal of effort was invested in aligning financial and human resource processes and procedures, as we are committed to capturing the full benefits of being a multi-country yet integrated operation. These benefits are evident in our capability to enter new countries, integrate acquisitions faster, achieve lower country operating costs and lower levels of financial and reputational risks. The latter has also been pursued through an increased focus on health and safety standards and the continuous reinforcement of our code of conduct.

We also initiated the roll out of a new ERP system across all entities which, amongst other benefits, will allow for live tracking of relevant activities, seamless integration of all information systems and will streamline financial reporting and consolidation processes. Whilst the system has already gone live in some entities, the final implementation across the Group is scheduled for the Q3 2015.
SUSTAINABLE DEVELOPMENT AS A BUSINESS FUNCTION

The approach of sustainable development is also closely linked to risk management and mitigation, and with that, is mainstreamed throughout our operations. Apart from choosing staff carefully to suit our ethical criteria, tight monitoring systems and policies furthermore ensure compliance. In addition, with every country we enter into, we integrate new areas of focus. While the same base of policies is used for each country, we assess the culture and settings of every operation and adjust certain guidelines according to the region we are active in. This ensures the highest standards of cultural integration of our operations.

FOR US, A SUSTAINABLE BUSINESS APPROACH ENCOMPASSES:

1. Directing our business with high standards of integrity
2. Commitment to our employees
3. Conducting thorough stakeholder engagement
4. Conserving a healthy environment
From the onset of any operation, we engage with all stakeholders impacted directly and indirectly by our operations. We ensure transparency and honesty in all our dealings. This in turn generally nurtures strong bonds between Amatheon, its employees and the community that we operate in.

We believe in engaging in the preservation of heritage and tradition by supporting the celebration of cultural ceremonies and we give back to the societies in which we operate through various initiatives.

In Uganda, Amatheon gathered local councillors, leaders, the surrounding communities, as well as district stakeholders to choose priority projects where it was felt that our support for the community would make the greatest difference. We concluded that in 2015, we would support Village Health Teams catering to the rural population’s health needs which are otherwise not provided for in any close vicinity.

We will furthermore provide seating facilities and desks for 300 children at a nearby school where pupils are currently sitting on the floor during studying time. As we believe that the productivity of communities also depends on the security provided to them, Amatheon Agri Uganda Ltd. (AAU) also supported the local police by setting up three units to house police personnel.

In Zambia, amongst other projects, we continue to support the Kafwikamo Community School, where we constructed various buildings as well as a vegetable garden. In Zimbabwe, we have rural communities bordering the farms where we work. For the next phase, it is planned that AAZIm will conduct a community needs assessment and feasibility study to identify cooperation opportunities.

HIV/AIDS remains a burden on rural populations across Sub-Saharan Africa, with the prime challenges being access to and uptake of testing, counselling and treatment. Amatheon stays involved in this topic by raising awareness amongst employees and teaming up with local non-profit organisations to provide counselling and testing for the workforce and increasingly also for the surrounding community.

While we screen social projects according to a set of criteria and implement those that we find sensible, we are increasingly moving these activities to the Amatheon Foundation, which has a heavy focus on training local communities in subjects ranging from agriculture to project development and nutritional education. We believe that by shifting this aspect into an entity much more focused on community development, the impact for the communities will increase immensely.
In 2014, we finalised the outline of the overall strategy, mission and vision of the Amatheon Foundation, which was founded in late 2013. As social and economic development rank high on our agenda, the Foundation supports people in Sub-Saharan Africa to achieve their true potential through access to knowledge, business education and capital. Furthermore, the Foundation has also made it a goal to raise awareness about Africa and its potential. We feel that Africa is all too often characterised as being the continent of starvation and poverty, insecurity, corruption as well as being economically challenged and confronted by many more insurmountable obstacles. Alongside directly supporting communities, the Amatheon Foundation therefore also aims to help correct this misunderstanding by raising awareness about the African reality in the western world.

The Foundation supports local NGOs and organisations surrounding Amatheon’s business operations to tackle key issues that act as bottlenecks for growth in those areas. In collaboration with our local partners, we focus on realizing commercial and social opportunities presented by the food value chain, which dominates rural economic activity in Sub-Saharan Africa.

www.amatheon-foundation.org
The current food security outlook necessitates an intensive but sustainable approach to farming, and the use of resources needs to be planned carefully. The Amatheon Foundation aims to increase rural farmers’ productivity through the promotion of effective and lasting agronomic practices. Conservation Farming is a minimum tillage system that incorporates other key practices such as early planting, mulching, crop rotation and stringent weed control which have been proven to increase yields, counter climate change and lower environmental impacts such as soil erosion and more.

Benefits of this practice have been documented by reputable institutions and adopted by hundreds of thousands of farmers across Sub-Saharan Africa.

In rural areas, a proper understanding of agribusiness is often lacking. It is therefore not uncommon that a farmer sells products at the best price that can be obtained on a particular day, without having a clear understanding whether he or she is actually making a profit or a loss.

We aim to ensure that farmers earn more from what they are producing by fostering a change in mentality through a shift from subsistence agriculture to farming for a profit. By enabling a level of business-minded farmers, we believe that we can make our mark in leading communities out of poverty for the long term.

It is estimated that about two-thirds of the world do not have access to credit facilities. Access to capital, as well as its intelligent use, is in many cases vital for a successful transition from subsistence farming to an increased income status.

The Amatheon Foundation supports the facilitation of input credits for farmers as well as credits for future mechanised service providers. It furthermore helps to establish financial training.

We believe that agricultural production should be market driven. Access to viable in- and output markets is therefore essential. Therefore, the Amatheon Foundation facilitates market linkages to make increased productivity profitable. As strong partners, the Amatheon Foundation leverages on Amatheon’s potential to act as a solid off-taker for the surrounding communities’ crops.
Amatheon’s investment and expansion during 2014 can be observed in the following charts:

Amatheon’s Agri Zambia (AAZ) has, as of December 2014, a herd of 992 animals (2013: 1,053 animals), and there are currently two schemes being carried out: breeding and feedlotting. The intention is to increase the size of the herd by incorporating better breeds to guarantee high-quality cattle and meat revenues. There were no animals held in the other countries in 2014.

The Group has gained a considerable understanding of agriculture in Zambian, Ugandan and Zimbabwean environments since 2013, as demonstrated by the successful implementation of this experience in the latest 2014 cropping. The results of the two seasons were consistent with our expectations, taking into account the establishment of operations from the beginning. The Group cultivated a total of 3,505 ha in 2014. For the second semester, the production scheme developed 337 ha under pivot irrigation, and 2,627 ha under a rainfed scheme for crop production.

The net decrease in cash and cash equivalents was EUR 25,950,749, which was used to finance the operational cash outflow.

On the 31st of July 2014, AFin issued the first tranche of an up to EUR 125 million 8.25% bond on the open market of the Frankfurt Stock Exchange. The purpose of the bond issue was to repurchase EUR 100,000,000 of the outstanding 8.5% bonds due in 2014 (ISIN XS0990660911), repurchase EUR 10,000,000 of the outstanding 8.5% bonds due in 2018 (ISIN NL0010418794) on the open market, finance further investments in Sub-Saharan Africa and fund general corporate purposes of the Group.

On the 9th of October 2014, the final tranche of the 2017 bond was issued, totalling EUR 125 million. Between the 31st of July 2014 and the 9th of October 2014, the EUR 100 million 8.5% bond due in November 2014 was fully repurchased and then cancelled along with EUR 8.9 million of the EUR 10 million 8.5% bond due in 2018. The EUR 100 million bond was repurchased at an average price of 102.75%, being less than the early redemption price of 103%.

On the 31st of December 2014, Amatheon Agri Holding purchased from Sapinda Asia Ltd. EUR 10 million of Amatheon Financing’s EUR 125 million 8.25% bond due in 2017 for consideration of EUR 2 million, thereby creating a EUR 8 million profit in Amatheon Agri Holding.

Further, on the 31st of December 2014, Sapinda Asia Ltd. made a contribution towards the capital reserves of Amatheon Agri Holding in the form of EUR 26.8 million of the EUR 125 million 8.25% bonds issued by Amatheon Financing. The contribution by Sapinda Asia Ltd was made unconditionally and irrevocably, with all rights to the bonds transferring to Amatheon Agri Holding.

At the end of 2014, Amatheon Agri Holding held EUR 36.8 million of the EUR 125 million 8.25% bonds issued by Amatheon Financing.
The year 2014 confirmed the exceptional investment opportunities that exist in Sub-Saharan Africa. Despite the economic turmoil evident in other parts of the world, African economies continue to thrive, with growth rates well ahead of developed markets. Economic and population growth, improved macro-economic policies and better governance practices lead us to be very upbeat about current macro-economic and political developments. Furthermore, an ever stronger commitment by politicians and investors to improve the continent’s infrastructure additionally increases our confidence that the continent’s agricultural potential can be tapped.

The decline in oil prices is a concern to some, and obviously for the major oil producers. For our operations however, we expect the development to further boost our prospects by reducing input costs. Additionally, government budgets will get some relief from lower fuel subsidies, while consumer spending power should significantly increase due to lower utility and transport costs.

Not surprisingly, the agricultural sector is attracting an ever increasing interest from foreign investors, in particular from those who can see the logic of our diversified strategy. With currently often low yields in Africa, the introduction of improved farming techniques and double cropping systems permits the substitution of expensive grain imports with local products and hence offers an enormous upside for local farming.

The food sector in general should equally benefit from the above macro-economic trends. Additionally, we see significant opportunities for growth through product innovation, brand development, cost optimization through technology transfer and industry consolidation.

Whilst we already cover three Sub-Saharan African countries, we will not only seek to accelerate the growth of existing operations but also further drive geographic and sector diversification. This will not only expand the opportunities for growth, but will also minimize over-exposure to a single country or currency.

In summary, our vision remains unchanged: We aim to be a leading agribusiness and foods company in Sub-Saharan Africa. With our Company’s combination of entrepreneurial zeal, a growing cadre of seasoned executives and access to financing, we are in an excellent position to achieve this goal.
Amatheon Agri Holding N.V. is a publicly listed company on the Euronext Paris Marché Libre. The Company was incorporated in The Netherlands and has its registered address in Berlin, Germany. The Company operates a two-tiered board system. The Management Board comprises solely Mr. Carl Heinrich Bruhn. Mr. Bruhn was re-appointed to the Management Board by the shareholders on the 8th of December 2014 for a further term of three years.

Furthermore, the Company’s inaugural Supervisory Board was appointed by shareholders on the 8th of December 2014. During the start-up phase of the Company, no Supervisory Board had been appointed. The Supervisory Board’s role is to supervise the management of the Company and to oversee the Company meeting its objectives while concerning itself with matters such as risk management and legislative compliance. Four members were appointed to the Supervisory Board. Members’ remuneration is determined by the shareholders.

During the start-up phase of the Company, an informal Advisory Board was established to provide ad hoc advice to the Company’s Management. After the appointment of the Supervisory Board, the Advisory Board has since been dissolved.

The Company strives for diversity and equality throughout the business and in its management. In accordance with Dutch legislation requiring companies to pursue a policy of at least 30% of Management and Supervisory Board seats being held by women, we can report that 25% of seats on the Supervisory Board are held by women. Since the Management Board is only composed of one member, we are unable to report any percentage of seats being held by women.

In the short term, gender targets have not been met on the basis of relevant selection criteria and the availability of suitable candidates. As the Company continues to grow, and greater and more varied expertise is sought, we will continue to pursue a diverse and balanced composition of our boards.
Under the Company’s Articles of Association, shareholders will agree a remuneration policy for the Management Board. This remuneration policy is expected to be agreed during 2015. The Supervisory Board is tasked with determining the remuneration for each Management Board member in line with the remuneration policy.

In the absence of a Supervisory Board, Mr. Bruhn’s remuneration package was approved by shareholders at their Annual General Meeting of Shareholders on the 27th of June 2013. Mr. Bruhn’s remuneration in 2014 consisted of a fixed salary and discretionary bonus payment.

List of companies and branches in the Amathea Group with country of incorporation and abbreviation

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
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<tbody>
<tr>
<td>Amatheon Agri Holding N.V.</td>
<td>The Netherlands (AAH)</td>
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<tr>
<td>Amatheon Agri Holding N.V.</td>
<td>registered branch in Germany (AAH)</td>
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<td>Amatheon Financing B.V.</td>
<td>The Netherlands (AFin)</td>
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<td>Amatheon Foundation gGmbH</td>
<td>Germany (AFn)</td>
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<td>Amatheon Farming GmbH</td>
<td>Germany (AFa)</td>
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<td>Amatheon Food GmbH</td>
<td>Germany (AFo)</td>
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<td>Amatheon Trading GmbH</td>
<td>Germany (AT)</td>
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<tr>
<td>Amatheon Agri Zambia Ltd.</td>
<td>Zambia (AAZ)</td>
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<tr>
<td>Amatheon Agri Uganda Ltd.</td>
<td>Uganda (AAU)</td>
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<tr>
<td>Amatheon Agri Zimbabwe (Pvt) Ltd.</td>
<td>Zimbabwe (AAZim)</td>
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In addition from January 2015:
- The Real Meat Company Ltd.      | Zambia |
- More Beef Ltd.                  | Zambia |
- Buccamore Foods Ltd.            | Zambia |
RISK MANAGEMENT

PRICING OF COMMODITIES

The pricing of the various commodities produced – maize, soya, wheat and rice – is a key variable for the profitability of our business. In each of the countries where we operate, the pricing is impacted by world market trends, local weather conditions and government interference through import/export bans.

In the coming years, the Amatheon Group intends to achieve a higher integration with local markets and a more diversified product portfolio to mitigate this risk.

FOREIGN EXCHANGE EXPOSURE

All our operations have costs and financing denominated in a mixture of US dollars and local currency. Fluctuations between the currencies can have a material impact on the Group’s results. Whilst most of the cropping business is US dollar linked, the expansion of the Group’s activities into foods, with its dependence on local currency-denominated demand, will increase our economic foreign exchange exposure. We will aim to mitigate this risk by maximizing the local cost component. Our geographic diversification will also further reduce our economic foreign exchange exposure.

The Group’s debt financing is Euro denominated, with only a small proportion in local currency. We have decided not to hedge this exposure as the cost is considered to be prohibitive.

IT SYSTEMS FAILURE

Amatheon’s Information Technology (IT) infrastructure is currently fragmented and run in challenging circumstances. The risk of failing accounting systems as a result of human error or infrastructural weaknesses is present. In the course of 2015, our IT structure will be heavily improved and harmonized to mitigate this risk.

LOSS OF KEY TALENT

We are located in remote locations where attracting and retaining talent – in particular in the area of Finance – is a constant challenge. The loss of key operators can expose the Group to financial control risks.

We mitigate this risk by ensuring a favourable working environment, clear career objectives, regular salary benchmarking as well as on the job training.
Our strategy recognizes the above average risks involved and as such seeks to mitigate threats through geographic and sector diversification. In addition, our approach to execution minimizes our exposure through short reporting lines and strong operational involvement from the corporate centre.

The economic risk is mainly driven by crop price volatility and currency movements. The former is monitored closely, and in the future, we will increasingly rely on in-house trading expertise to manage sales as well as drive our cropping strategy.

We enter a country after careful consideration of the country risks. However, we cannot fully exclude the risk of political instability or government interference having an impact on the business. Reputational and political risks are recognized in the choices we make. Country entries and partnerships are carefully vetted to avoid political or reputational exposure.

We place a high value on stakeholder engagement, our sustainable approach to business and our Code of Business Conduct, which is hence heavily embedded in our operations – not least to safeguard our reputation within and outside the operating countries. We also have improved Health and Safety policies as a way to protect our employees and the Amatheon brand. We have furthermore strengthened our governance infrastructure with the installation of a Supervisory Board that will help to oversee our risk management through the quarterly review of our risk matrix.

Credit risk is the risk that any counterparty will default on its contractual obligations resulting in a financial loss to the Group. Therefore, Amatheon implements the policy to only engage in activities with reputable, well-established banks and financial institutions. In addition, the credit quality of the customer is assessed, taking into account its financial position, past experience and other factors. In our trading operations, credit risk is minimal as virtually all sales are cash on delivery.

Agricultural operations use a great deal of natural resources, and they have a strong link with rural societies and the environment. Exposure to adverse effects and impacts such as those emerging from climate change could present great challenges to countries’ food security and the Company’s profit outcome. Amatheon continuously works hard in this field to improve distribution and efficiency in the local communities, enhance the crop production schemes through efficient resource usage, achieve increases in yields, and reduce crop losses. The Group has adopted the latest policies and procedures to comply with global environmental laws, and furthermore, it has incorporated crop insurance in its production scheme. Moreover, hedging is planned for the coming years.
2014

THE YEAR 2014 IN PICTURES