

Notice to the market

Cuiabá, 5 March 2021 – AMAGGI informs all stakeholders, and the market in general, that at the end of day March 5th, 2021, a Share Purchase and Sale Agreement was signed with a view to acquiring 'O Telhar Agro' Group operations in Brazil. The agreement is now conditional subject to the approval of the Brazilian competition authorities.

The 'O Telhar Agro' Group operates in Brazil with the production of soybeans, corn, and cotton. All activities are carried out in the State of Mato Grosso, employing circa 900 employees, and the agricultural production is carried out on 14 farms, located in the municipalities of Alto Paraguai, Campo Novo do Parecis, Nova Ubitatã, Novo Santo Antônio, Primavera do Leste, Rondonópolis and Santo Antônio do Leste.

Together, the 14 farms make up 62 thousand hectares, with approximately 34 thousand hectares of company-owned production areas and another 28 thousand hectares of leased areas. Part of the farms has storage structures and cotton processing plants. And, in addition to the production of grains and fibers, within 2 of the units, nearly 900 hectares are dedicated to livestock (feedlot). The company-owned farms also have over 10,000 hectares of legal reserve, with native vegetation and preserved natural resources.

Expansion and production capacity

With such operation, AMAGGI should consolidate its position as one of the largest agricultural production companies in the country, incorporating circa 62 thousand hectares of production areas

Currently, AMAGGI holds 259 thousand hectares of productive areas, taking into consideration the 1st and 2nd harvests. The acquisition will bring this total to nearly 350 thousand hectares, providing an increase of approximately 34% in the company's annual grains and fibers production capacity, considering both harvests.

This operations' expansion will take AMAGGI to five new municipalities where the company does not yet operate (Alto Paraguai, Nova Ubitatã, Novo Santo Antônio, Primavera do Leste and Santo Antônio do Leste).

The expansion of AMAGGI's presence in these locations also favors synergy with important industrial, logistical, marketing and storage assets that the company already has in these regions; among these assets are the grain crushing plant (in operation for over 10 years) and the new biodiesel plant (expected to start operations from 2022), both in Lucas do Rio Verde, as well as offices, transport company, and already consolidated logistics routes.

Sustainability

The acquisition of the 'O Telhar' Group's assets in Brazil also opens an opportunity for AMAGGI to expand its participation in the soybean market with socio-environmental certification, an objective that, in addition to meeting the current international demand, is in line with the company's socio-environmental commitments. All certified production is free from deforestation, traceable, and audited with socio-environmental criteria which are stricter than the sector's legislation.

To this end, the farms included in the scope of this negotiation will undergo adaptations to meet AMAGGI's production, governance, and socio-environmental management requirements, as well as other possible certifications – such as ProTerra (dedicated to non-GM soy) and the RTRS (Round Table on Responsible Soy). This way, AMAGGI will consolidate its leadership in the certified soy market, in which it is already responsible for circa 30% of the world's volume.

The transaction

The transaction in question is represented by a Share Purchase and Sale Agreement, signed at the end of day March 5th, 2021, for the acquisition of shares which represent the total share capital of the companies that make up 'O Telhar' Group in Brazil.

As established by Brazilian legislation so to protect free competition, the conclusion of this acquisition, of the 'O Telhar' Group's assets in Brazil, is subject to, among others, approval by the Brazilian competition authorities, according to the country's antitrust law.

Cuiabá, 5 March 2021.

Dante Pozzi
CFO
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