

Institutional Presentation

agropec.

Transforming the agribusiness of Angola

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About Us

Message from the Board



The farms under the management of the strategic business alliance companies of Costa Alliance, have been achieving excellent productivity every year, especially in the areas of Angola managed by Agropec, which year by year undergo a biological maturity process of their soils, through the planting and proper management of corn, soybean, beans and sorghum crops, reaching production rates at international levels.

This performance demonstrates the success of the strategy adopted by Agropec, investing in operational efficiency, opting for a business model that seeks to improve the management processes of each of the farms under its administration based on technologies adapted to the local reality of each country, strict expenditure control, and the integration of local communities surrounding the properties.

We are also convinced that the results achieved reflect a long-term work, based on patience, persistence, pioneering and creation of values with all involved.

The results of recent years have been excellent, and we are confident that the next ones will be even more significant. Agropec is prepared to continue with the challenge of developing Angola's agribusiness, doing more and better, increasingly expanding its capacity to generate value and transform the field into large businesses.

Danilo Danelucci
Chairman of the Board

About Us

We mobilize people and transform the field into big businesses. We work with the audacity of those who think big, with innovation and looking to the future. Always committed to ethics, safety and sustainability. And to be what we are today and build an even more promising future, we have a strong culture, born from the inside out, and which makes us believe and be confident in Angola's Agriculture as the country's wealth industry.

Agropec is a management, development and exploitation company of agricultural properties in Angola, a member of the strategic business alliance, Costa Alliance, founded by the Brazilian Group Costa Negócios, which is present in Angola since 2003 and developing projects in the various sectors of the national economy.

Our focus is the transformation of medium and large size farms into productive and profitable businesses, through grain agriculture and beef cattle breeding, using process standardization, implementation of tropical agriculture technologies, precision agriculture, strict cost control, and socio-economic and environmental responsibilities.

We have a specialized technical team in Angola ready to develop the best solutions, alternatives and agribusiness projects in the country.

For further information about Costa Alliance, please visit www.costaalliance.com



Our Essence

"Commitments are not in uniforms or badges. There is no point in wearing our shirt if first you do not dress with our values".

Danilo Danelucci, Chairman of the Board

Mission

Contribute to transform Angola's agriculture into the country's wealth industry.

Vision

Be the leading platform in land development in Angola.

Values

Agropec and its employees share a set of core values, such as honesty, integrity, safety, respect for people and sustainability. We also firmly believe in the importance of trust, teamwork, transparency and professionalism. As part of our business principles, we are committed to contributing to sustainable development, which requires the balance between short- and long-term interests, and a focus on economic, environmental and social issues in decision-making.

. honesty

. integrity

. safety

. respect for people

. sustainability

Our commitment to Angola

Make Angola's agriculture the country's wealth industry.

According to the estimates presented in the National Development Plan 2018 - 2022, GDP is expected to grow between 2018 and 2022, in real terms, at an average rate of 3.0% Including the oil sector, with the natural gas decreasing by an average of 2.0%, and the non-oil sector growing by an average of 5.1%.

PND also identifies Agriculture as one of the main growth drivers, projecting the performance in the production of the crops directly linked to the populations diet: grains (with an average annual production of 4,090.62 thousand tons), fruits (with an average annual production of 6,893.8 thousand tons) and legumes and oilseeds (with an annual average production of 1,004.2 thousand tons) recording, on average, between 2018 and 2022, a real growth rate of 8.9%, with emphasis on the last two years of this cycle.

Agropec believes in the potential of agriculture in Angola as the country's wealth industry, and will support it through its best efforts, so that Angola achieves the goals intended in its 18-22 PND.





Corn Plantation, Province of Malange, Angola

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How We Operate

Our Business

Agropec develops a hybrid business model, which can be subdivided into 3 basic divisions listed below. We intend to continue expanding the business on these three fronts, in order to take advantage of the existing synergies between them, guided by a culture of continuous improvement of our operation.

Land transformation

We identify and acquire underdeveloped land, or which have been developed inefficiently, and then we apply state-of-the-art technology, good agricultural practices, and the vision of a qualified and professional team that can bring this land to its maximum level of productivity. We have a team specialized in the analysis of new opportunities. Since the beginning, we have analyzed more than 700,000 hectares, both in the regions where we operate, and also in other productive areas of the world.

Operations on own land

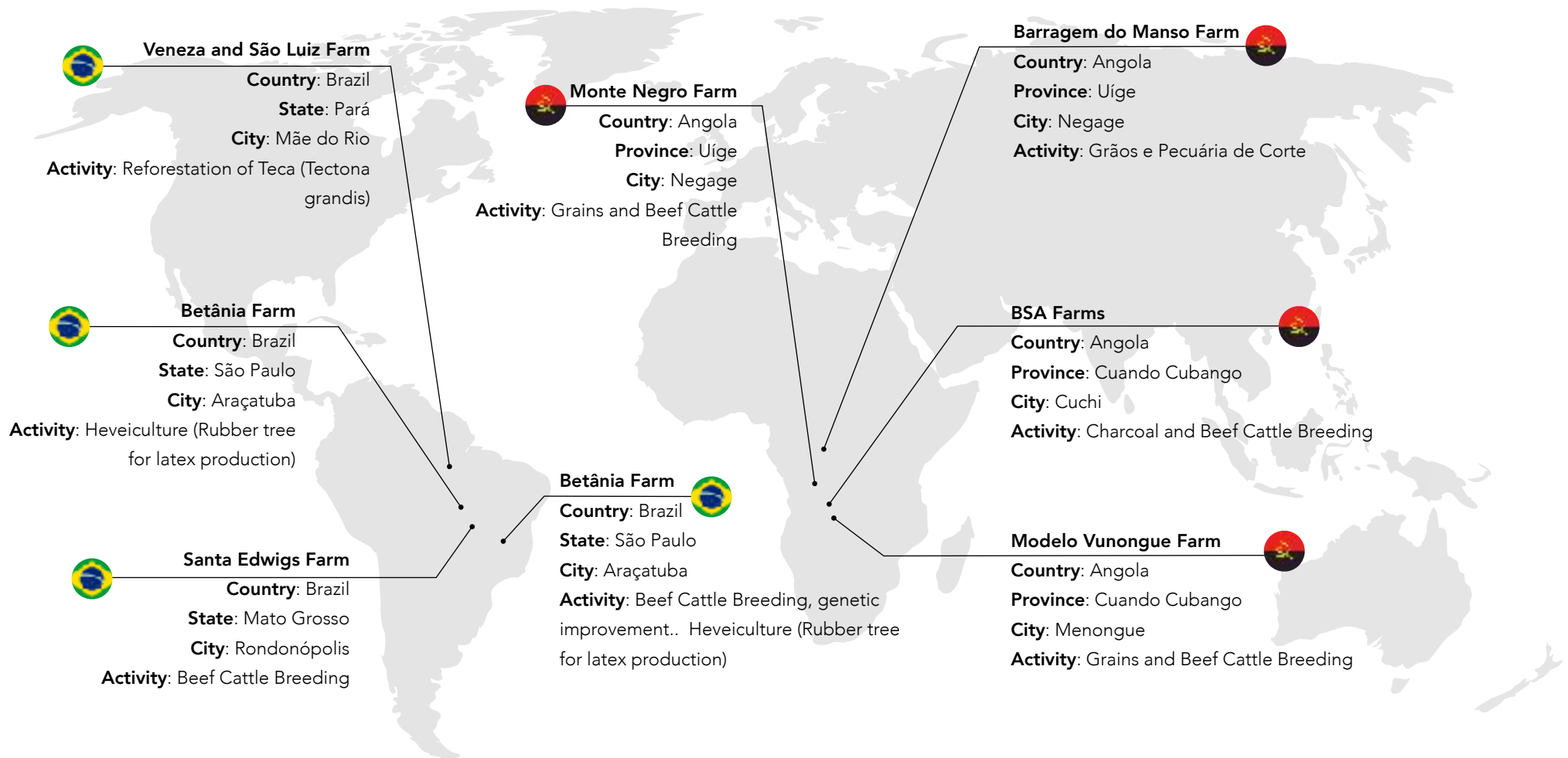
We produce grains in our areas, such as soybeans, corn, beans and sorghum, and invest in the development of Precision Agriculture (PA), a set of innovative techniques and methodologies that aims to improve crop management and enhance our productive areas, and increase our production each year. We also invest in beef cattle production, and the Group currently has more than 40,000 active bovine breeding cows and an animal breeding center located in the city of Araçatuba, in the state of São Paulo, Brazil.

Management and implementation of farms

Agropec believes in Angola's agrarian potential and development capacity, and has seen the opportunity to maximize its results and contribute to the modernization of local agriculture, providing farm implementation and management services, transferring value and knowledge to the country's new generation of investors and farmers. For further information, please contact us or register your rural property on our portal.

Company Agribusiness Portfolio

The land portfolio of companies that make up the business alliance reflects the strategic principles that guide their action: an active management of operations that seek to combine the potential of real estate and operational valuation to the mitigation of possible climatic and crop risks, through the geographical and productive diversification of rural properties. Including own and third-party farms, the strategic alliance companies operate and manage more than 250,000 hectares of land between Brazil and Angola.



Market Strategy

With the goal of seeking a maximum and sustainable productivity of rural properties, Agropec adopts the following strategic points for the Angolan market:

Capture of new underused or non-productive rural properties for the introduction of agricultural and livestock activities, through local partnerships.

The Company partnership scope is to act with already developed and non-productive properties, and also to implement greenfield projects in not yet developed areas, aiming at their transformation into grain crops and / or pastures for scale production.

Application of technology and agricultural best practices to increase operational productivity.

The Company invests in modern technologies adapted to the reality of the country, in the application of best agricultural practices, direct seeding techniques, optimization of production yield through crop rotation and crop-livestock integration, and use of fertilizers and agricultural pesticides, all within the principles of the Guide to Good Agricultural Practices of the United Nations Food and Agriculture Organization (FAO).

Prioritization of Dry Regime

We use dry land agriculture in 99% of the areas we plant, using tropical agriculture techniques that provide production stability and risk reduction, even in years of low rainfall rates. Before starting a project in a new area, studies of rainfall history and other climatic data, soil categories and relief are developed. The area choice will depend on the results of these studies. The goal is to be located in regions where water demand is supplied through rainfall.

Crop and Inputs Planning

Strategic definitions between employees, managers and investors guide the elaboration of the agricultural planning of each year, where the planting areas and the strategy of inputs use are defined according to the peculiarities of each crop and the agricultural year.

Agricultural planning is the crucial stage of the production process and is designed on the basis of detailed local market studies, climate forecasts and production costs. At this stage, the agricultural planning team conducts a careful assessment of the factors that interfere with production and, based on technical decisions, all the necessary inputs are planned to promote the proper development of each crop, aiming to exploit its maximum productive potential. Agricultural planning is carried out with Farms technicians from January to March of each year, when crops, operations, fertilizers, correctives, pesticides, seeds and machinery are defined. Strategic planning also allows long-term analysis and to seek market opportunities, input purchasing opportunities and commodity sales.

Agricultural Planning



Inputs Purchase

Seeds: The seeds definition for the formation of our crops involves the choice of Biotechnologies (traits) and their tests to prove their efficiency in the regions where our farms are located. For that, every year we plant a few hectares with different varieties initially from Brazil, we test their production potential and, depending on the results of this small scale, we will adopt or not a larger scale in the following year.

Pesticides and Fertilizers: Purchases of insecticides, fungicides, herbicides and fertilizers are made directly from the major players of the local and international market. We strive for the correct positioning of applications, always with the recommendation of our agronomists, aiming at product quality, better efficiency in the field, and the lowest cost per hectare.



Preparation, Seeding and Management

How We Plant the Future.

Preparation

Preparing the soil for seeding crops means providing the best conditions for plants development, and involves the use of soil covering plants, adequate physical conditions, efficient erosion control and water infiltration, direct seeding system, and balanced nutrient supply.

Seeding

Efficient planning of varieties of each crop also requires an efficient planning of the seeding system. Crops should be sowed within the ideal planting window of each cultivar, seeking to obtain the maximum potential of each crop. This is only achieved with the efficiency in the process of acquiring inputs in their proper season, constant labor qualification, and use of machines with high operational performance and quality.

Management

The cultivation system in Angola, very similar to the Brazilian cerrado, requires an efficient crop rotation to ensure the of the soil, natural resources, and production system long-term sustainability. During the production cycle, appropriate management activities are conducted to ensure a satisfactory plant development, such as the applications of fertilizer and agricultural pesticide that minimize pest, disease and weeds. All operations are developed according to the agricultural planning and through daily evaluations in the field.

Risk Management

Agropec continuously identifies and monitors the risks that it is exposed to, and which can directly affect the business sustainability, in order to observe in its management and strategic planning, initiatives and operational guidelines that aim to mitigate their possible impacts. The main risks identified are presented below, and also the initiatives to mitigate them:

RISK

Inability to implement programmed strategies

- Lack of necessary government documentation or difficulties in obtaining regulatory and environmental permissions;
- Difficulties in selecting and retaining qualified service providers in technical and administrative areas;
- Increased operating costs affecting profit margins; Risks in the economic, political and social conjunctures, specifically in the geographical areas where investments are made;
- Default of buyers on due dates or at any time;
- Global weather conditions, such as global warming, which can contribute to the frequency of unpredictable weather phenomena, and also unpredictable and unusual patterns of rain, among others. These climate variations have a direct impact on production levels and sales volume during the year.

MEASURE

The Company invests in the education of its managers and professionals to allow the efficient evaluation, new projects and partnerships, seeking to anticipate and adopt the appropriate measures to face the factors that may affect the results of its own business and those that it operates. On the weather conditions, it seeks to monitor and anticipate severe weather conditions and, as far as possible, adopt protective measures to reduce the impact of such conditions on properties. Also in this sense, Agropec believes that the cultivation of different products also offers an additional protection, in addition to the use of deep soil preparation techniques, no-tillage planting and crop-livestock integration.

RISK

MEASURE

Inability to improve agricultural technologies and techniques and to implement investment plans in the properties that it operates.

These aspects are directly linked to increased productivity and expansion of productive areas, and therefore, if Agropec is unable to implement the investment plan proposed to its partners or promote innovation, its operations may be adversely affected

Fires, diseases and other accidents

Agropec operations are subject to various risks that affect rural properties and agricultural facilities, including destruction of farms and crops by fire, occurrence and effect of crop diseases, such as Asian rust and *Helicoverpa zea* corn larva, theft, natural disasters or other unexpected losses.

The Company seeks to add value to the rural properties that it operates through the use of modern agricultural techniques and technologies, with the periodic updating of its technical staff, and with the monitoring of technological advances. Regarding the investment plans, the Company always proposes in advance to its partners and seeks to develop infrastructure and transformations with a focus on production efficiency. In addition, it seeks to make joint investment decisions with its partners, based on the expectation that each property will be able to acquire and pay, in addition to having a work team qualified in the sector and an efficient operational management.

The Company monitors its operations, based on the local presence in each of the properties it operates and from communication and accident prevention mechanisms, and its business plans always include the implementation of fire brigades and fire prevention mechanisms. In addition, to prevent and identify pests and diseases, it uses modern agricultural techniques, constantly invests in pest control, and relies on the diversification of crops, which allows a greater protection.



Nelore Cattle, Province of Cuando Cubango, Angola

03

Governance

Principles of our Governance

From the beginning, still as a business plan, until the consolidation of its operations, all companies that are part of the Group operate with transparency with its partners, investors and suppliers, especially regarding its principles, business management, and operational and financial performance, following the following corporate governance practices:

Policies

Agropec has well-defined policies that are applied to all its employees and cover the Company values and principles regarding duties and responsibilities, labor relations, confidential information, policies, internal procedures and controls, among other topics.

Board of Directors

Agropec has a Board of Directors to facilitate the sharing of experiences and management of the company and the projects under its supervision; composed of professionals with different experience and profiles, who have already experienced challenges similar to those that the company is facing. Our Board of Directors is composed of 5 members, qualified and willing to help and deliberate the most diverse topics, aiming the efficiency, innovation and relevance increase in the market.

Follow-up Meetings

Agropec holds regular meetings between its teams, among project investors and between the Board of Directors. In all these meetings, we monitor each project, inform relevant facts, identify and manage risks and develop action plans for goals and indicators. All relevant meetings are recorded in minutes and distributed to interested parties.

Corporate liability

The administrators and managers of Agropec ensure the economic and financial viability of the projects they conduct, both own or third parties, always seeking to reduce the negative externalities of the business and its operations, and to increase the positive ones, considering in the business model the various capitals (financial, manufactured, intellectual, human, social, environmental, reputational, etc.) in the short, medium and long term.

Principles of our Business

The core values we share of honesty, integrity and respect for people support all our activities and are the basis of our Business Principles. Business Principles apply to all transactions, large or small, and guide the expected behavior of each employee and third party in conducting their activities related to Agropec at all times. We are judged by the way we act and our reputation will be maintained if we act in compliance with the Law and Business Principles. We also encourage our business partners to adhere to the Business Principles or equivalent principles. The application of these Principles is supported by a set of procedures designed to ensure that employees and third parties understand and act accordingly. Each employee and third party who is aware of or suspects of violations to the Business Principles of Agropec must report them on our Reporting Channel. We want Business Principles are the basis of our conduct, and incorporating them into our daily lives is critical to Agropec's continued success.

Principle 1 - Economic

Long-term profitability is essential for achieving Agropec's business goals and continued growth. It is a measure of both the efficiency and value that customers place in Agropec's products and services. Without profit and a solid financial basis it would not be possible to accomplish our responsibilities. The criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and a detailed assessment of investment risks.



Principle 2 - Competition

Agropec supports free initiative and free competition. We compete fairly and ethically within the Law framework, in particular the applicable law, and do not prevent other companies from freely competing with us.

Principle 3 – Business Integrity

Agropec insists on honesty, integrity and justice in all aspects of its activities and expects the same from those with whom it does business. All employees must avoid conflicts of interest between the activities developed in their personal life and those developed while conducting Agropec's business. All business transactions on behalf of Agropec must be adequately reflected in Agropec's accounting, according to the established procedures and applicable law, and are subject to audit (internal and external).

Principle 4 – Political Activities

Agropec acts in a socially responsible manner, according to the laws of Angola, in the pursuit of its legitimate commercial objectives. When dealing with governments, Agropec has the right and responsibility to disclose its position on any matters affecting it, or employees, or society, in a manner consistent with its values and Business Principles.

Principle 5 – Health, Safety and Environment

Agropec has clear guidelines for health, safety and environmental management, in order to achieve a continuous management of sustainable performance in these areas. For this purpose, Agropec manages these issues as critical business activities. We are always looking for ways to develop our operations, products and services in a sustainable way.

Principle 6 – Political Activities

Agropec acts in a socially responsible manner, according to the laws of Angola, in the pursuit of its legitimate commercial objectives. When dealing with governments, Agropec has the right and responsibility to disclose its position on any matters affecting it, or employees, or society, in a manner consistent with its values and Business Principles.



Board of Directors

Agropec Board of Directors is composed of 6 members, including 3 executives and 3 non-executives, qualified and willing to help and deliberate the most diverse topics that involve the management of the company and the projects under their responsibility.



Danilo Danelucci
Chairman of the Board

Education: Systems Analysis, from the Salesian Catholic University.

Specialization: Foreign Trade

Brief history: At the age of 18, he began his career at Costa Negócios Group companies, working in several technology sectors, and foreign trade until 2009, when he assumed the leadership position in Africa and the Middle East.



Renato Araújo
Executive Director

Education: Agronomist from the Federal University of Goiás

Specialization: Master's degree in agronomy from the Federal University of Goiás and MBA in project management from Fundação Getúlio Vargas.

Brief history: he began his career in the agricultural sector at the age of 14 when he entered the technician course of technician in agriculture, and later had the opportunity to work in the sugar and alcohol sector, and with the production of cotton and soybeans in several regions in Brazil. He has been developing in Africa activities related to the Study and Planning of Agricultural Projects since 2017.



João Alexandre Lima
Executive Director

Education: Agronomist and Zootechnist from UniPinhal

Specialization: Plant improvement and nutrition.

Brief history: since 1995 working in Agribusiness, working in multinationals in the inputs and grains sale sector of marketing of inputs and grains, farms management and other projects related to Agribusiness in Latin America (Brazil and Paraguay) and on the African continent (Angola, Mozambique, Nigeria, Zambia, Ethiopia and Sudan).



João Francisco Costa
Non-Executive Director

Education: Business Administration from Fundação Getúlio Vargas (FGV).

Brief history: Still during the university course, he worked at one of the largest publicly traded companies of land management and development in Brazil, Brasilagro, Founder of AgroLiga FGV, a student entity focused on agribusiness discussion and, has the institutional support of GVagro research center, the institutional awareness of EAESP and the support of several teachers of the school. He is currently one of the Executives of Costa Negócios in the structuring new investments.



Mario José Costa Junior
Counselor

Education: Systems Analysis from the Engineering University of Lins

Brief history: Founder and President of Costa Negócios Group. At the age of 23 he founded his first technology company of municipal public services computing, in Brazil. Throughout his career, he founded several other companies in the sector, agriculture, mining and construction. He began his career in Africa since 2003, when he landed in Angola for the first time.



Valmir José Costa
Counselor

Education: Systems Analysis from the Engineering University of Lins

Brief history: Co-Founder of Costa Negócios Group, currently he manages the Agribusiness sectors in Brazil. During his career within the Group, he was the President of Costa Bioenergia, a sugar and alcohol industry located in the countryside of the State of Paraná, considered by WEG one of the most modern plants in Brazil, and also he managed one of the largest farms in Brazil with 105,000 hectares.

Policies

These are the policies and procedures that should be known and implemented by our employees, partners and future partners. These documents show what is expected regarding the ethics, conduct and policies for conducting the activities.

Code of Ethical Conduct

As we expand our business and become one of the leading agribusiness companies in Angola, our responsibility to our employees, customers, shareholders, suppliers, government and non-governmental agencies, competitors, partners, press and local communities increases.

In order to ensure the necessary cohesion among employees of all Agropec geographies and communicate our vision of the future, we maintain our values and institutional commitments included in the Code of Ethical Conduct.

With mandatory applicability, it guides the moral and ethical principles of our daily activities and responsibilities with all stakeholders.



Access the link to
download our code
of conduct

HSESR Policies and Social Responsibility

HSESR Policy (Health, Safety and Environment, and Social Responsibility) is inserted in our culture of respect for life, and we operate ethically, safely and environmentally sustainable, and for this reason we also expect that each person within the organization demonstrates personal commitment to assume a behavior compatible with the safe environment.



Access the link to download our HSE & Social Responsibility Policy

Occupational Health Policy - Alcohol and Drugs

The objective of the Occupational Health Policy - Alcohol and Drugs is to ensure a safe, productive and healthy environment for all by engaging employees, service providers, product suppliers and business partners regarding the prevention of alcohol and drug abuse, without a prescription, recognizing that the use of these substances interfere with attention and ability, and may alter people's behavior, causing unsafe and life-threatening acts.



Access the link to download our Occupational Health Policy

Complaint Channel

Reinforcing its commitment to transparency in business and in relationships with our customers, Agropec maintains at the disposal of its employees, customers, partners and service providers the Whistleblowing Channel, a communication channel, which represents an important tool for strengthening the company's corporate governance. This channel is a totally anonymous means of communication where Agropec is responsible for investigating any type of complaint. Complaints can be made through the internet through our website by clicking here. After the report is made, you will receive follow-up emails.



Visit our Complaints Channel

Register your Farm

If you have a rural property and want to turn it into a profitable business, please send us an email with the area information, and as instructed below, we will analyze the production potential and we will contact you to discuss what has been analyzed. See below the steps in the analysis process.



Visit our website for more information.



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