

ALLER AQUA INAUGURATES ITS FIFTH FACTORY

ON THE 27TH SEPTEMBER ALLER AQUA GROUP WILL INAUGURATE ITS FIFTH FACTORY – ALLER AQUA ZAMBIA. THIS IS AN IMPORTANT MILESTONE FOR THE FISH FEED PRODUCER WHICH HAS A STRONG Foothold IN THE AFRICAN MARKET.

“It will be a proud day when we inaugurate our fifth factory, which is also our second factory on the African continent”, Henrik Halken, Group Vice President for Aller Aqua Group, explains. “The growth in Egypt and the success we experience through our own sales companies in Nigeria, Kenya and Ghana prove that there is a market for aquafeed of a higher quality than the customers here are used to. We have been present in Africa for a long time, and now the time was right to take the next step and establish an additional factory.”

The Zambian factory is a USD 10 million investment, with a capacity of 50,000 tons per annum. It is established as a joint venture with Oakfield Holdings Limited. Further, Aller Aqua has an off-take agreement with Yalelo Limited, which is one of the world’s largest producers of tilapia. Yalelo plans growth of 50% per annum according to Bryan McCoy, CEO of Yalelo Limited. The agreement secures Aller Aqua’s foothold in the market and creates a strong base for export to neighboring countries. The company’s success in the markets boils down to having the right partners. Niels Lundgaard, Commercial Director – Africa for the Aller Aqua Group explains: “It is crucial to find the right people for collaboration in any market. We have found these people, and this has given us the best possible starting point in the market. Locally, we have some very strong teams in place. The key is local knowledge, industry specific experience and a drive to take the projects further.”

The African market is predicted to grow significantly within the coming years. The UN forecasts a rise in population on the African continent to 2 billion by 2050¹. This will increase the demand for healthy and sustainably produced foods such as fish. Enabling the local producers of tilapia and catfish to achieve a higher yield from their fish farms plays a key role in Aller Aqua’s strategy for the African market. At the same time, the strategy supports the UN’s sustainable development goals² by reducing poverty and hunger, increasing health and creating responsible consumption and production. Aller Aqua provides local farmers with better prerequisites for achieving growth, through education as well as fish feed of a higher quality than they have traditionally been used to. This will facilitate faster growth for the fish, and the farmer can produce

¹ https://esa.un.org/unpd/wpp/Publications/Files/WPP2017_KeyFindings.pdf

² <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

a finished fish in shorter time, enabling him to earn more from his products and in turn employ more people, benefitting the area in which he is based.

With a strategy which incorporates good local management, exchange of know-how, constant care and lots of training Aller Aqua has built a solid foundation for its business in Africa. Furthermore, the company is also very active in Europe and Asia. In October Aller Aqua will inaugurate its sixth factory this time in Qingdao in China, putting another stone to the solid foundation of Aller Aqua's growth around the world.

"After a long period of investments, we have doubled our capacity, and now we need to focus on sales and securing and maintaining our position. We are manning up everywhere, not least at the head office in Denmark, to support the international growth. We are busy but excited about the positive development in Aller Aqua. Together with our dedicated local teams we can take advantage of this potential," Hans Erik Bylling, CEO of Aller Aqua Group states.

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FACTS:

The head office of Danish Aller Aqua Group is located in Christiansfeld. The company produces fish feed for more than 60 countries worldwide in factories in Denmark, Poland, Germany and Egypt, Zambia and soon in China. The addition of the two new factories will double Aller Aqua's production capacity. All in all, the company employs approximately 270 people and has a total turnover in the region of DKK 1 billion.

Aller Aqua Zambia Limited has an initial production capacity of 50,000 tons of feed per year, equaling 10 tons per hour. It will be the most technically advanced factory in southern Africa. The production will include both grower and starter feeds for tilapia.