



LOVEGRASS LTD.

ADDIS ABABA, ETHIOPIA
KENLEY, UNITED KINGDOM

WWW.LOVEGRASS.NET
WWW.THELOVEGRASS.COM

ABOUT LOVEGRASS LTD.

- Company status: Limited Liability
- Year of founding: 2016; started trading: 2021
- Number of employees: 60



Yonas Ademassu Alemu,
Founder and Managing
Director

Yonas was born and raised in a small farming village in northern Ethiopia's Rift Valley Highlands. After his graduation, he received a

scholarship to study in Europe. He pursued his professional career in Europe and became a certified Financial Risk Manager. He spent 17 years working in some of the world's top investment banks, including BNP Paribas, J.P. Morgan, and Crédit Suisse. He has been leading Lovegrass Ethiopia's activities since inception.

BUSINESS MODEL

Mission: We aim to be Africa's most trusted and recognisable health food brand by 2030, around the world.

Vision: We strive for a continent where naturally nutritious food is a right for all and not a privilege for the few.

Teff – also named *Eragrostis tef* or Williams Lovegrass – is an annual grass native to Ethiopia. It has been cultivated for thousands of years for its small edible grain that is gluten free, high in fiber, and entails many essential minerals. While it used to not be widely known in global markets until recently, new health trends, such as gluten free, plant-based diets, and veganism, have increased Teff's popularity.



Funded by
the European Union

Teff is a traditional food and the main farm product in Ethiopia with over 75% of its population living in rural areas. Most of the Ethiopian farmers don't have access to machines but are engaged with manual labour or rely on animals such as oxen and cows to carry out agricultural operations. Yonas grew up in a small farming village called Jiga in Northern Ethiopia's Rift Valley Highlands and helped in the Teff farms. Later, during his high school time in Addis Abeba, Ethiopia, he worked at a grain mill operated by his brother. Having left Ethiopia for Europe to finish his post-graduate education and work, he noticed in 2014 that some health food stores in London had Teff for sale. However, the Teff used was cultivated in the United States of America (USA) and not in Ethiopia, mainly due to the lack of institutional producing capacity in Ethiopia. This marked a turning point for Yonas who decided to empower the Ethiopian farmers who have grown Teff for centuries and to share the nutritional benefits and delicious flavour of this crop.

Lovegrass Ethiopia was born in 2015 but only started processing Teff in Ethiopia in 2022 after having faced many challenges. One of the main issues related to the patent for Teff flour that was held by a Dutch company following an agreement with the Ethiopian Government. While the aim of this agreement was to circumvent the lack of Ethiopia's ability to process local

products, innovate, and compete directly in the international market, it ended up in limiting Ethiopia's ability to add value to its production and create value. The patent was invalidated in 2020 following a lawsuit in a Dutch court.

After having fought to obtain an investment license and land to build the processing factory and grain storage in Ethiopia, issues with securing electric power supply further delayed the finalisation of the plant. Delays were compounded by the COVID-19 pandemic. In 2022, the state-of-the-art factory eventually started its operation.

Despite these challenges, European consumers could already discover the innovative products made by Lovegrass Ethiopia starting from 2018. Since 2016, Yonas had established relationships with Ethiopian Teff farmers and started investing in their farms to support them producing good quality and consistent Teff. While not being able to process the produced quality Teff grains in Ethiopia, Yonas decided to import it to Europe and to process it there, first by manufacturer, then in their own facilities. In 2018, Lovegrass Ethiopia opened their own processing factory, office and warehouse in London, United Kingdom.



Lovegrass Ethiopia has built farming and manufacturing capacity in Ethiopia to produce food that meets international quality and safety standards. The factory is awaiting BRCGS certification.

Lovegrass Ethiopia is a leading company introducing Teff-based convenient products on international markets. The brand differentiates itself from other suppliers by highlighting its authentic origins and sourcing Teff grains from local Ethiopian farmers. This is translated by a unique packaging with illustrations featuring traditional rural life in Ethiopia.

STRONG RELATIONSHIPS WITH SMALLHOLDERS, COOPERATIVES...

Lovegrass Ethiopia is a social business that aims to work closely with Ethiopian rural smallholder farmers to help them improving agricultural productivity. The company collaborates with the Ethiopian Agricultural Research Institute to provide training on good agricultural practices to the farmers. They also supply farming technology and selected seeds to over 1,000 farmers (organised in cluster farms).

Lovegrass Ethiopia’ relationships with local Teff producers are based on a contract farming arrangement that ensures them with market access and advanced payment for their production.

Lovegrass works with international companies to get raw materials: they source their cacao from France, and packaging material from China and Turkey.

Lovegrass Ethiopia works with about 1,000 farmers.

PRODUCTS AND MARKETS

Lovegrass Ethiopia manufactures a variety of healthy products across different categories



Gluten Free



Vegan & Dairy Free



Source of Calcium

Try our delicious range of 100% Ethiopian Teff products

Nutritionally dense, all naturally gluten free, high in diverse fibre, iron and magnesium.



High in Iron

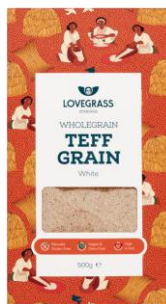
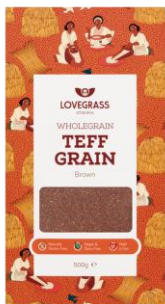


High in Fibre



High in Manganese

Lovegrass Ethiopia’s wholegrain brown and white Teff flour can be used for baking and cooking in place of conventional flour. The wholegrain brown and white Teff grain offer a delicious alternative to rice or quinoa, or to prepare porridge.



Lovegrass Ethiopia also offers healthy Teff-based breakfast cereals with different flavours: Crispy Teff Flakes Original, Crunchy Cocoa Teff Rings and Ancient Grain Hoops. These cereals are naturally high in iron, fibre, magnesium, manganese, zinc, phosphorus and a good source of calcium and potassium. They are naturally and mildly sweetened with sugar cane juice or wild Ethiopian honey.



Another flagship products are the white Teff Fusilli Pasta, a multi-awarded gluten-free recipe.



Other products include a Pancake and Waffle Mix, and so-called Keti Snacks, unique crispy and healthy Teff Puffs snacks that are made from ancient Teff and a spicy chili mix. The healthy snacks cereal won silver medal at the 2022 International Nourish Award and silver medal at the 2023 Free From Food Awards.

Lovegrass Ethiopia also offers 100% Speciality Arabica Coffee Beans with Single Origin to celebrate coffee beans that are grown in the mountainous forests of the Sidamo region in the same way as for the past hundreds of years. At altitudes of 2000m, the coffee trees mature slowly developing robust and complex flavours. By working closely with local farmers and cooperatives, Lovegrass Ethiopia provides a fully traceable, high quality speciality coffee to the market while contributing to preserving the ancient wild forests of Ethiopia. Lovegrass Ethiopia Whole Bean Sidamo Coffee was awarded the Great Taste Award in 2021.



In order to contribute to preventing child malnutrition, Lovegrass Ethiopia also produces nutrition-dense food as powdered beverage. The Birtat drink mix is easy to consume and has started to be supplied to the Ethiopian market with distribution plans to other African countries.



Lovegrass Ethiopia exports their products to international markets, their biggest market being the United Kingdom, followed by Ireland, Sweden, Germany, and France. Lovegrass Ethiopia products are available at global supermarkets chains such as Wholefoods, Selfridge, Okado and Planet Organic. Negotiations are also ongoing with Carrefour in Kenya, as well as with larger retailers and supermarkets in France and Germany.

The company is highly conscious about Teff's importance as a staple in the Ethiopian diet and thus works on ensuring steady Teff supply for the local market.

Lovegrass Ethiopia's main service is processing Teff into innovative products. They also have strong logistical capability and distribute their products through B2B and B2C sales.

Lovegrass Ethiopia's factory in Addis Ababa is waiting for BRC certification (Brand Reputation through Compliance of Global Standards) to certify their highest in food quality and hygiene.

INNOVATIONS: MILESTONES AND EXPANSION PLANS

Lovegrass Ethiopia works with smallholder farmers to help them improving agricultural productivity in Ethiopia. Working closely with farmers, the company support them producing Teff to ensure a consistent supply of raw material for the company and stable income to the farmers. The company discovered that small machinery improves yield by 35%. The building of a state-of-the-art processing factory in Ethiopia also contributes to the industrialisation of the country.

Lovegrass Ethiopia has modernised one of the oldest farmed grain by creating many innovative products, such as the world's first 100% Teff pasta.

Lovegrass Ethiopia is looking to get outside investors on board to scale up and enter new markets, such as the United States and the Middle East.

Lovegrass Ethiopia wants to continue to support Ethiopian and African producers by working with them. They would like to focus on getting more materials from other African countries, increasing the amount of jobs, and creating a market for raw material companies in Africa, as well as boosting intra-African trade.

Lovegrass Ethiopia aims to work with 2,000 farmers within the next two years. The company is also looking at helping the farmers with value addition, branding, and processing the Teff themselves into products.



SUCCESS FACTORS AND LESSONS LEARNED

Lovegrass Ethiopia has proved to be successful in creating new local jobs, introducing new technology, and being a source for foreign currency in the country. The company’s production also provides access to nutrition-dense food, helping to prevent child malnutrition in the country.

As consumer demand for healthy and nutritious grains grows, competition in the sector increases, especially from new Teff growing countries. Lovegrass has based their competitive advantages on being in Ethiopia, having their own manufacturing facility, and telling an authentic Ethiopian story. To promote their authentic Ethiopian story, Lovegrass Ethiopia has branding and marketing teams in Ethiopia and South Africa to help their products stand out and increase the profile of Ethiopian farming traditions around the world.

The company’s new and fresh products have earned them many awards and recognition. In 2023, the company won the gold medal at the Free From Foods Competition, and the silver medal at the Nourish Award in London. Lovegrass was voted as the most innovated product of the year. Participating to many food competitions and trade fairs has contributed to increasing the product’s visibility and demand. After the company won many of these European food industry awards, several large European retailers started stocking its products.

