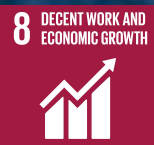


FMO

Entrepreneurial
Development
Bank

TRANSFORMING FOOD SYSTEMS IN DEVELOPING COUNTRIES

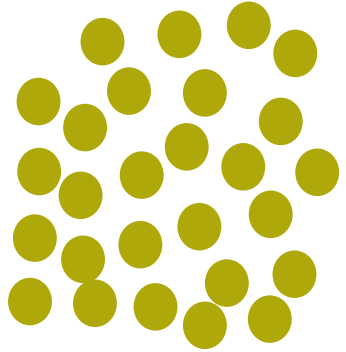
15th November 2022 | www.fmo.nl



Pavana Anand works as assistant manager at WayCool Foods and Products, a fast-growing Agri-Tech company that drives social impact while transforming India's food economy.

WHAT'S WRONG WITH THE CURRENT FOOD SYSTEM?

Smallholder farmers



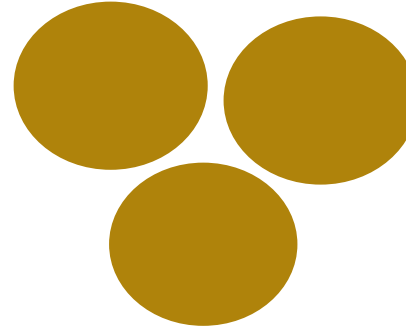
- Lack of economies of scale
- Informal land ownership
- Lack of mechanization/Technical skills
- Access to finance
- Vulnerable to climate change
- Unsustainable Agri practices (eg deforestation)
- Lack of sufficient government support

Aggregators (coops, middlemen)

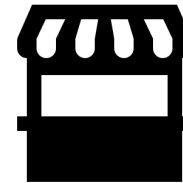


- Informal
- Cooperatives often badly organized
- Lack of scale
- Access to finance
- Lack of proper storage
- High post harvest losses

Primary processors & traders for export



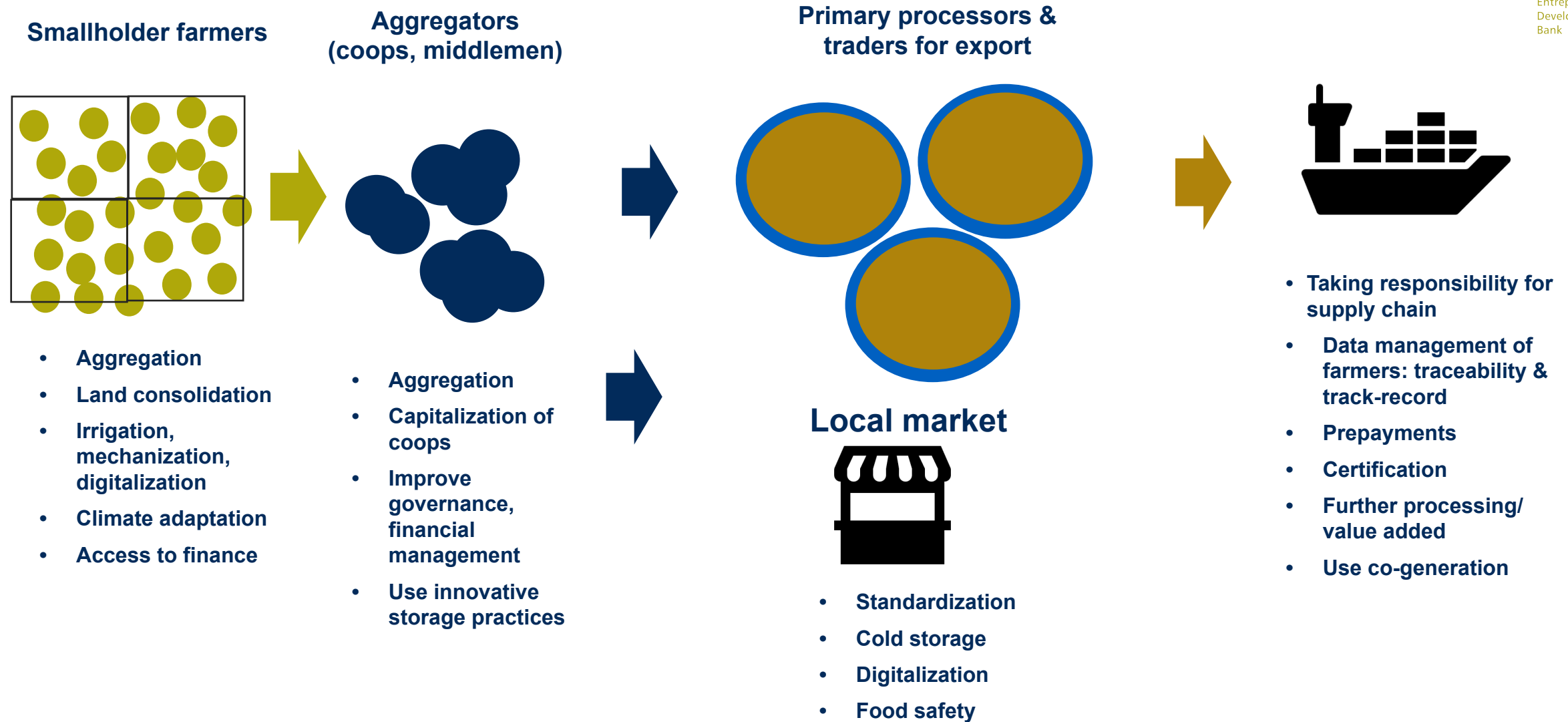
- Often only a few larger players (oligopoly)
- Only limited value added
- Infrastructure issues (eg energy) and logistics



Local market

- Lack of downstream food production
- Lack of logistics & distribution, cold storage, supermarkets
- Food safety

WHAT NEEDS TO CHANGE TO THE CURRENT FOOD SYSTEM?





Scaling smallholders

- Most successful farmer service platform of Nigeria (up to 84,000 farmers participating in 2022)
- Largest producer of maize in the country (100k mt)
- Strong focus on farmer groups and lead farmers
- Reduced post-harvest losses by hermetic storage solutions
- Strong focus on **innovations** to address climate change (reduce deforestation, reduce crop burning, optimize input use)
- **Strong focus on digital solutions for farmers (eg App using AI to check health of maize plants)**
- FMO financing the scaling to 250,000 farmers in 2025



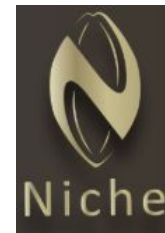
Scaling affordable proteins

- **Largest integrated** tilapia producer of Sub-Sahara Africa
- Providing affordable proteins to Zambian population (reducing reliance on imported frozen tilapia)
- From inputs (mostly local feed), breeding, growing, distribution to retail
- Strong focus on decarbonization: climate neutral alternatives for coal, gas and wood fired energy



Climate adaptation

- The **largest** blueberry producer and marketer in South Africa, with smaller operations in Zimbabwe and Zambia.
- Vertically integrated from the OZblu genetics; cultivation of a mix of **own farms, JV's and outgrowers**; packing and marketing.
- The bulk of production is exported to (mainly) Europe and The UK (shipping).
- Strong focus on **climate mitigation and adaptation**, supported by FMO/Wageningen (CRASA which stands for Climate Resilient Agri Sourcing Africa)
- IFC/FMO financing the investments in frost mitigating capex
- Employing some 6,000 people in 2023 of which 70% women



Increasing value addition

- The largest **local** cocoa processor of Ghana
- Forward integrating in cocoa powder plant in the US and a cocoa butter melting plant in Germany
- FMO financed scaling of cocoa processing capacity and value added investments in confectionary + solar panels
- Focus on integration of smallholders supported by FMO/Technoserve project (20% certified UTZ/organic))

ANNEX

Since 1970 we have been a driving force behind
investments empowering
local entrepreneurs in emerging markets



Agribusiness,
Food & Water



Financial
Institutions



Energy



627
employees
total number of
employees

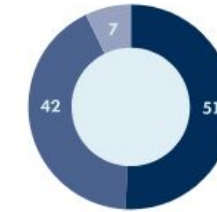


55
different
nationalities



42%
of senior and
middle
management are
women

Ownership structure %



public- private ownership structure

(51% Dutch state | 42% Dutch banks | 7%
Employers' associations, trade unions, corporate
individual investors)



licensed bank, supervised by the
Dutch Central Bank



funding through bonds

including Sustainability Bonds and Green Bonds

FitchRatings

AAA outlook stable
(Fitch Ratings and Standard & Poor's)



industry leading sustainability
ratings



Sustainalytics | FMO in total database and in the
industry group (banks)
ISS ESG rating | Prime



| MDBs/DFIs commitments to Agribusiness (private sector only) | |
|--|--|
| MDB/DFI | Volume of financing committed during 2019, in EUR m |
| EBRD | 765 |
| FMO (Netherlands) | 572 |
| IFC | 446 |
| DFC (US)* | 190 |
| DEG (Germany) | 113 |
| Proparco (France) | 89 |
| Kfw (Germany) | 74 |
| CDC (UK) | 52 |
| Bio Invest (Belgium) | 35 |
| FinnFund (Finland) | 29 |
| FinDev Canada | 25 |
| Total | EUR 2.4 billion |
| <i>Sources: annual reports, websites and interviews</i> | |
| <i>* DFC was launched in end 2019 so figures refer to 2020</i> | |



Financial product offering

- Long-term capex
- Medium-term working capital
- Mezzanine/subordinated debt
- Pre-export finance
- Syndications
- Blended finance (high risk investments)



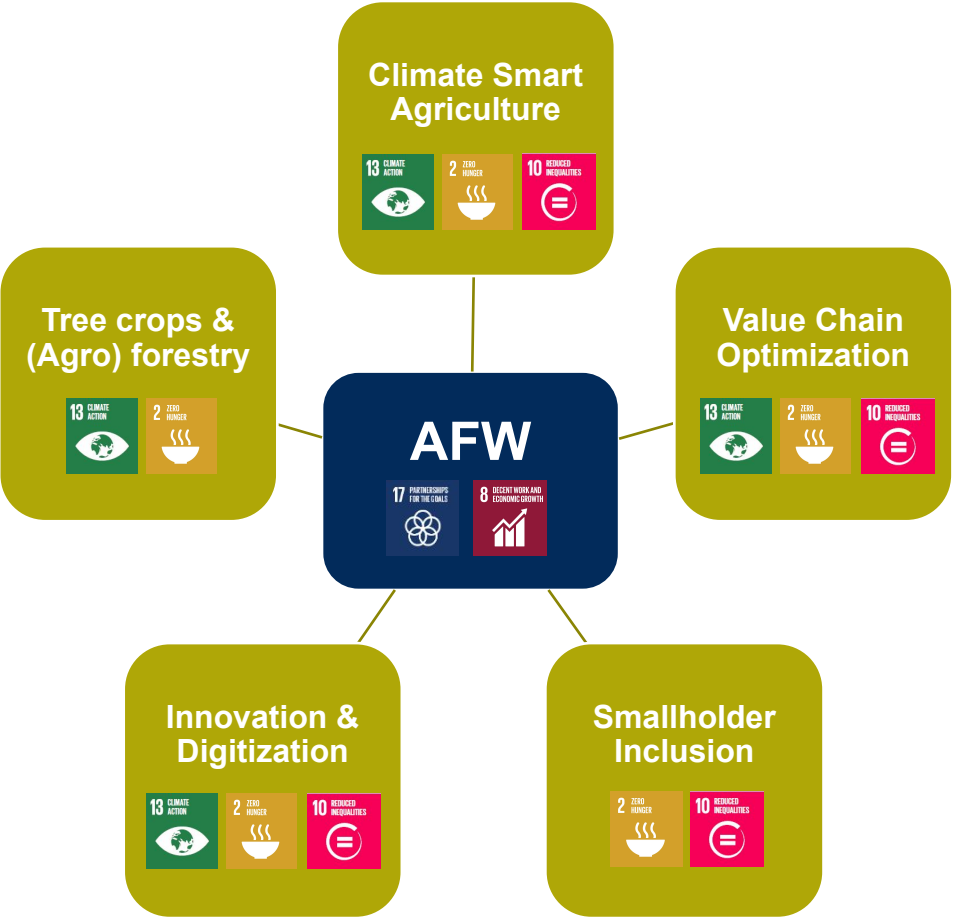
Non-financial product offering

- Networking opportunities
- Expertise in:
- Environmental & Social
 - Corporate Governance
 - Tax issues
- And we offer:
- Capacity development (grants)



Being more than a bank requires
strategic partnerships

OUR STRATEGIC PRIORITIES



OUR CLIENTS – DIVERSIFIED IN SECTORS AND COUNTRIES

West Africa

Ivory Coast

- Ivory Cocoa Products
- SOCIETE Sifca (also in Nigeria, Ghana, Liberia)

Ghana

- Niche Cocoa Industry
- Niche Confectionery
- Meridian Port Services (IMS)
- HPW Dry & Fresh

Togo

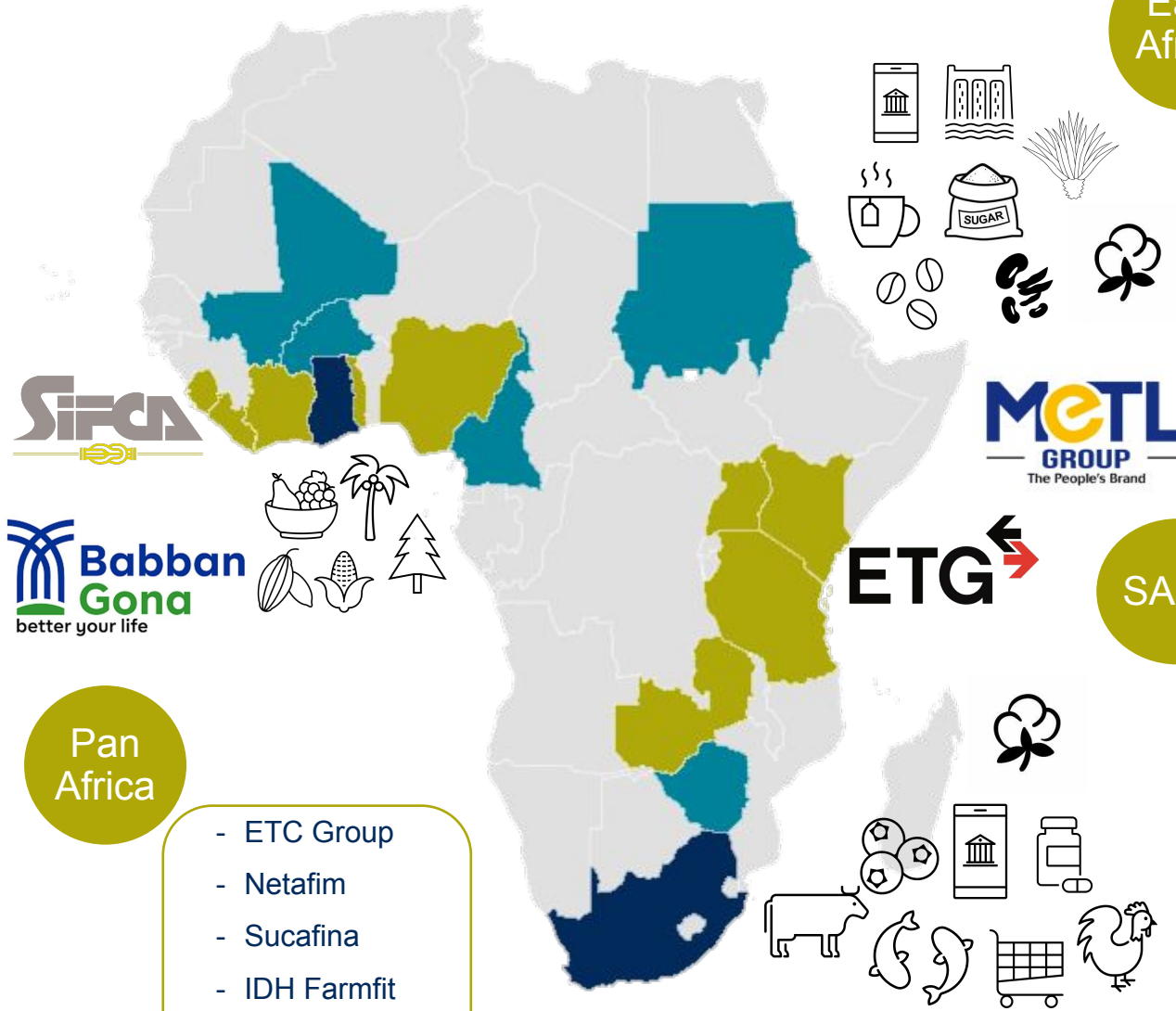
- Lome Container Terminal (IMS)

Nigeria

- Babban Gona
- Indorama Eleme Fertilizer

Sierra Leone

- Miro (also in Ghana)



East Africa

Kenya

- KTDA Power
- Greenland Fedha

Uganda

- Sugar Corporation of Uganda

Tanzania

- Mohammed Enterprises (METL)

SADC

South Africa
















- United Exports
- Die Kooperasie

Zambia

- Yalelo Limited

Pan Africa

- ETC Group
- Netafim
- Sucafina
- IDH Farmfit Fund
- ARAF

| PRIMARY PRODUCTION | COMMODITIES AND PROCESSING | ANIMAL PROTEIN | FARMER FINANCING | FMCG | | |
|---|--|---|---|--|--|--|
|  <p>ARAF Africa Loan: \$7.5 million</p> <p>Supporting the provision of climate resilience solutions to agri SME's</p> <p>2020</p> |  <p>NETAFIM Africa & China Loan: \$ 12.5 million (IFC-B loans)</p> <p>Financing the expansion in Africa/China of drip irrigation projects</p> <p>2019/2020</p> |  <p>SUCAFINA Africa/Brazil/Colombia Loans: \$62 million</p> <p>Financing coffee processing CAPEX and working capital in Africa and Latin America</p> <p>2019-2022</p> |  <p>ETG Mauritius Loans: \$215 million</p> <p>Arranging 2 syndicated loans for (i) expansion of its processing capacity in Eastern/Southern Africa and (ii) financing WC</p> <p>2019/2021</p> |  <p>YALELO UGANDA'S FRESHEST FISH</p> <p>Zambia Loan: \$10.5 million</p> <p>Supporting the company in its next growth phase and allow it to further expand its operations across the value chain</p> <p>2019</p> |  <p>Greenland Fedha Kenya \$15 million</p> <p>support smallholder tea farmers to enhance their livelihoods and productivity</p> <p>2020</p> |  <p>Habesha Breweries Ethiopia Loan: \$18 million (IFC-B loan)</p> <p>Financing the expansion of brewery capacity and WC</p> <p>2019</p> |
|  <p>Sugar Corporation of Uganda Limited Uganda Loan: \$20 million</p> <p>Financing of a co-generation power plant linked to the public grid</p> <p>2018</p> |  <p>United exports Loan: €11.5 million (IFC-B loan)</p> <p>Financing the largest blueberry producer & exporter from SA</p> <p>2020</p> |  <p>ICHE Ghana Loan: \$36.6 million</p> <p>Financing expansion of cocoa processing and the construction of a new cocoa liquor and confectionary line</p> <p>2018/2020</p> |  <p>IVORY COCOA PRODUCTS Côte d'Ivoire Loan: €12 million</p> <p>Financing the construction of a new cocoa processing line</p> <p>2019</p> |  <p>Feeding the Nation ZAMBEEF Products PLC Zambia Loan: \$12.5 million</p> <p>Financing food operations and further investments in the farming and the distribution segments</p> <p>2013 & 2016</p> |  <p>idh Farmfit Fund Loan: €10 million</p> <p>Financing smallholder projects via FF Fund</p> <p>2020</p> |  <p>Africa Improved Foods Loan: \$10 million (IFC-B loan)</p> <p>Financing the construction of a fortified food factory</p> <p>2015</p> |
|  <p>KTDA Kenya Loan: \$15 million (IFC-B loan)</p> <p>Setting up small hydro projects to reduce energy cost of tea factories</p> <p>2015</p> |  <p>MeTL GROUP Tanzania Loan:\$20 million</p> <p>Financing to support METL becoming the world's largest sisal producer</p> <p>2014</p> |  <p>INDORAMA Nigeria Loan: \$88.5 million</p> <p>Financing the construction of a fertilizer plant which will expand current capacity</p> <p>2017 & 2018</p> |  <p>SIFCA Côte d'Ivoire Loan: €35 million</p> <p>Financing SIFCA's investment plan and refinancing existing debt</p> <p>2018</p> |  <p>Beefmaster South Africa Loan: R125 million (€ 7.3 million)</p> <p>Financing to increase capacity utilization of Beefmaster's operations</p> <p>2015</p> |  <p>Babban Gona Mai Inganci Nigeria Loan: \$15 million</p> <p>Financing to support and expand its farmer service model beyond 100,000 farmers. DCF 50% participant</p> <p>2022</p> |  <p>h2o fresh&dry Ghana Loan: \$6 million</p> <p>WC facility for increasing processed mango production for exports to Europe</p> <p>2022</p> |

Our investment process

1. CUSTOMER SELECTION

We steer our investments towards projects that foster a transition to a more inclusive and greener economy and contributing to the SDGs.



2. CLEARANCE IN PRINCIPLE

We perform a desk-based assessment of risks and opportunities, define the key terms of client engagement, and scope any further assessment customer needs.



clearance in principle

3. DETAILED ASSESSMENT OR DUE DILIGENCE

We carry out a detailed project assessment, conduct on-site meetings. Further define ESG and human rights requirements.



financial proposal

early disclosure of potential investments on our website

4. DECISION TO INVEST

Our Credit department writes an advice in support of a final investment decision by the investment committee.



7. MONITORING & VALUE CREATION

We monitor performance and progress, and Capacity development identifies opportunities for greater impact (SDGs).



6. DISBURSEMENT

Disbursement can take place upon achievement of the conditions, ESG and other, set out in the legal agreement.



5. CONTRACTING & INVESTMENT DISCLOSURE

We include ESG covenants and an E&S Action Plan in the legal agreement to ensure that they are legally binding.



disclosure on website



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