aatif

Africa Agriculture and Trade Investment Fund

INCREASING INCOME. IMPROVING FOOD SECURITY.

AATIF Annual Report 2022/23

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Abbreviations

AATIF	Africa Agriculture and Trade Investment Fund
BMZ	German Federal Ministry for Economic Cooperation and Development
CAA	Cocoa Abrabopa Association
CBN/NIRSAL	Central Bank of Nigeria/Nigeria Incentive-Based Risk Management System for Agricultural Lending
CFC	Common Fund for Commodities
CMA	Collateral Management Agreement
COCOBOD	Ghana Cocoa Board
CPI	Consumer Price Index
DIC	Direct Investment Company
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
ETG	Export Trading Group
EUR	Euro
FI	Financial Institution
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Dutch development bank)
FX	Foreign Currency
GADCO	Global Agri-Development Company
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GAP	Good Agricultural Practice
GRI	Global Reporting Initiative
HACCP	Hazard Analysis and Critical Control Points
IA	Investment Advisor
IC	Investment Committee
IFC	International Finance Cooperation
ILO	International Labour Organization
ISO	International Organization for Standardization
KfW	Kreditanstalt für Wiederaufbau
m	Million
MT	Metric Tons
OHS	Occupational Health and Safety
PAP	Project Affected People
PIs	Partner Institutions
S&E/E&S	Social and Environmental
SEMS/ESMS	Social and Environmental Management System
SME	Small and medium-sized enterprises
TA Facility	Technical Assistance Facility
TAFM	Technical Assistance Facility Manager
TCX	The Currency Exchange Fund
TDB	Trade Development Bank
TND	Tunisian Dinar
USD	US Dollars
UN	United Nations
UNEP	United Nations Environment Programme
WAEMU	West African Economic and Monetary Union

Letter from the Board

Dear Reader,

The past year has brought about a confluence of challenges of global scale. Russia's aggression against Ukraine is ongoing, consequences of the war affect economies and societies beyond Ukrainian territory. The cost of energy and certain food supplies have increased drastically, consequently spurring price increases in downstream market segments. Most central banks reacted with a swift stream of interest rate hikes which have elevated the cost of lending to levels not seen since the financial crisis. Growing interest rate differentials in turn led to the devaluation of many African currencies, which made commodities and food imports more expensive in real terms. At the same time, we face an increasing decoupling of major economic blocs where protectionism and, in some instances, populism counteract economic integration and trade openness the past years of globalization once established. Finally, the effects of climate change can increasingly be felt in daily life across the globe. The occurrence of severe storms, floodings, wildfires, and droughts has accelerated at notable pace, threatening habitats of humans and wildlife alike, diminishing harvests, and eventually disrupting food supply chains, one of the main causes for in-country as well as cross-country migration.

In light of these developments, AATIF's mission seems as relevant as ever. Its impact objective to realise the potential of Africa's agricultural production and related manufacturing, services and trade through sustainable investments across the entire value chain can be an effective mitigant to pressures in global food supply chains. Increasing local production and processing capacity is an important tool to diminish dependency on food imports while simultaneously increasing reliability of supply. At the same time, building resilient, adaptive, and inclusive agri-systems will equally help to respond to climate change, raising gender equity and increase income levels among African farmers and their families.

Highlights of the 2022/2023 financial year

AATIF continued to fulfil its mandate by providing financial support and technical assistance to new and existing PIs:

- Despite the challenging environment, AATIF had a successful year of lending. During 2022/2023, AATIF's lending activity picked up steadily again. AATIF successfully extended funding totalling USD 127 m including both committed and disbursed funds.
- 23 new TA projects were approved, bringing the total number of approved TA projects to 108 since inception. The committed TA funds to these projects amount to EUR 7.1 m.
- AATIF partner institutions have, together, employed nearly 24,000 women and men.
- The Agricultural Leasing Company Zambia Limited, funded through the AATIF Innovation Facility, continued its expansion.

Investment portfolio

New investments:

New financial institutions on-boarded and funded are Western Africa Ecowas Bank EBID (EUR 25 m) and Union Bank Nigeria. EBID is a development bank which, by its mandate, is tapping markets AATIF so far has limited outreach to including, inter alia, Benin, Burkina Faso, Cabo Verde, The Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone. AATIF also expanded its footprint in Nigeria, Africa's largest country in terms of GDP and population. In September, Union Bank received a USD 25 m loan under a Tier 2 structure. The loan is to improve the bank's capital base while simultaneously spurring lending activity into the Nigerian agri-sector. Likewise in Nigeria, AATIF disbursed of a second loan to Sterling Bank (USD 15 m). The relationship exists since 2019 – both parties have since then worked on numerous projects strengthening the bank's outreach into the agri-space. Sterling has meanwhile developed into a renowned lender to the primary sector, with approximately 13 % of its loan portfolio financing agricultural businesses throughout Nigeria.

On the direct investment side, AATIF renewed the original USD 4 m collateral managed facility (CMA) with 260 Brands (Seba Foods Zambia Limited) and increased the drawable limit to USD 6 m. This was followed by the renewal and upsizing of the CMA facility with African Milling Zambia (AML) to a drawable limit of USD 15 m on 30 June 2022. AATIF disbursed USD 1.5 m under the trade finance facility signed with Vantage, which sources soybeans from smallholder farmers in Nigeria and Benin.


Michael Mörschel, Jyrki Koskelo, Doris Koehn (Chair of the Board), Thomas Albert

Financials

The financial performance of the fund has been positive for the past year. AATIF ended 2022/2023 with a surplus after having paid all dividend allocations and interest payments.

By 31 March 2023, the interest income from the investment portfolio amounted to USD 10.3 m. Deducting direct operating expenses and management fees, the net result of the investment activities came in at USD 4 m before accounting for unrealised and realised FX developments and distribution of dividends and dividend deficiency. AATIF was hence able to start amortizing the Class B Share dividend deficiency.

Investor commitment

In the 22/23 FY, AATIF could further bolster its C-shares cushion a EUR 19 m equivalent in USD. EUR 9 m relates to a special contribution from the German Federal Ministry of Development and Cooperation (BMZ) to promote agricultural lending in Cameroon. The EUR 10 m is linked to the third and final tranche of the EUR 30 m commitment from the European Commission. AATIF also drew down USD 10 m from the DEG notes commitment. In Q2 2022, AATIF repaid the EUR 20 m 3-year note tranche issued in 2019 as scheduled. As of 31 March 2023, AATIF's risk capital provided by the public sector stood at 60 % of total assets. Throughout the year, the fund had ample liquidity position to draw from for new investments.

The year ahead

The upcoming 2023/2024 FY will likely be determined by a mix of region-wide macroeconomic risk factors and debtor-specific idiosyncratic risks. African economies are projected to remain resilient with a stable outlook for 2023-2024, despite the tightening global financial conditions with average GDP growth to stabilize at 4 % in the next two years (3.8 % in 2022), according to the African Development Bank. However, soaring food and energy prices, tightening global financial conditions, and the associated increase in domestic debt service costs put a burden on development. Climate change is adding to the bill with its damaging impact on domestic food supplies.

The focus for the 23/24 FY will remain with agri-businesses active in processing which, despite the challenges posed, continue to expand, and financial institutions with existing outreach capacity to agri-businesses and interest to grow their agri-footprint. However, the expectation is that investment activity will slow down in the current high interest rate environment. Companies are more reluctant and are pushing back timelines for expansion, whenever possible. Financial institutions have become more cautious about taking up additional debt at existing pricing levels.

Providing patient capital at affordable rates using innovative structures, increasing value-added production and productivity, raising participation in global trade and improving S&E practices will continue to strengthen businesses regarding both financial and sustainability performance.

We hope you enjoy reading the report.

Your AATIF Board
Doris Koehn (Chair of the Board), Thomas Albert, Michael Mörschel, Jyrki Koskelo

Letter from the Investment Advisor

Dear Reader,

The Investment Advisor is looking back to a financial year where origination activity, investment due diligence and the dialogue with investors and investees has been dominated by inflation, the rising interest rate environment, implications of cost pressures on margins, the affordability of debt financing, the need for and access to hard currency funding, and the vulnerability of business models to climate change. While working in a challenging environment, AATIF returned a surplus after paying out to its shareholders for the second time in its history, while a total loan amount of USD 126 m was deployed during the past year.

AATIF portfolio

For 2022/2023, transactions deploying capital into the financial sector were at the forefront of AATIF's investment activity. This again highlights the importance of FIs as multipliers of funding and impact into the real economy. It is AATIF's strategy to provide risk capital to banks at affordable rates to increase their lending ability into the agri-sector. The ability to lend is however not only strengthened by access to capital but also by capacity building on institutional level. Alongside the SA and the TA, the IA perceives the many successful technical assistance projects as well as capacity building initiatives on the S&E side as the main lever to the capital provided that will create lasting impact on environment and society.

Regarding the existing portfolio, PIs on average delivered a solid financial performance throughout the year despite the many challenges they faced. In addition, several investees made significant progress on the S&E front. For example, ETG started implementing a new sustainability reporting platform while ENDA continued with the development of a SEMS. Main headwinds stem from notable volatility in commodity prices (experienced e.g. at African Milling Limited and ANL) as well as political and regulatory uncertainty (e.g. with Kenyan CKL as a result of recent government elections).

By the end of the 2022/2023 FYI, the AATIF portfolio was mostly concentrated in Nigeria, followed by the ECOWAS region and Zambia in terms of country allocation. Gross yield of the investment portfolio stood at 11%. Total assets amounted to USD 204 m.

The current investment climate for African businesses is highly challenging and not expected to ease quickly. Recent macroeconomic and geopolitical challenges have caused public finances for African sovereigns to be stretched beyond limits. Ghana and Zambia defaulted on public debt. While Ghana successfully restructured its debt with creditors to subsequently obtain a USD 3bn IMF bailout, market participants are still waiting for progress to be made in Zambia. The security situation in the Sahel region poses another threat to the continent. On the positive side, African policymakers made progress with reducing trade barriers across the region, the most prominent example being the African Continental Free Trade Area, which is part of the agenda 2063 of the African Union.

The year ahead

For the upcoming financial year, the IA expects to see a continuation of the mismatch between capital needs and availability of funding for businesses that are part of agricultural value chains. The gap widens as commercial and traditional investors increasingly turn their back on the African continent, mainly as a consequence of a perceived increase in risks on the one hand and higher rates of return on "safe" investments on the other. In turn, capital needs have risen by 10-50%, due to the effect inflation has on working capital requirements. Banks require further regulator capital to supply the additional funds to its clients. Both points create a basis for AATIF to find promising investment opportunities while delivering on its additionality claim.

Outlook on pipeline

For direct investments, the Investment Advisor has been working extensively on progressing with a complex transaction involving a newly founded joint venture between a French producer of dry onion powder and a Senegalese investment company. AATIF alongside the IFC committed to provide EUR 13 m of debt capital (EUR 6 m and EUR 7 m, respectively). The funding shall finance the relocation of the onion drying plant from France to Senegal, the set-up of inhouse onion growing capacity and the establishment of procurement linkages with local onion farmers.

Furthermore, the AATIF pipeline includes a number of promising corporate deals in screening and due diligence stage which, given successful approval by the Investment Committee, would balance the portfolio regarding corporate and financial institutions exposure.

For financial institutions, the IA is preparing the documentation for two further transactions, one with a Kenyan bank and another with an institution in francophone West Africa.

We very much appreciated advising AATIF on its investment activities throughout the past year alongside our partners from the sustainability and technical assistance side.

Your DWS Team

Letter from the Sustainability Advisor

Dear Reader,

The past year was driven by a multitude of sustainability themes, including an intensified focus on biodiversity, the impacts of climate change, especially in the Global South, and the implementation of the Sustainable Finance Disclosure Regulation (SFDR). As an impact investing fund, the AATIF actively embraces these themes and is dedicated to contributing to the achievement of sustainable development.

The Fund updated both its S&E Policy and its Development Impact Statement to reflect the requirements of the SFDR. The Fund also updated its impact data collection tools and closely engaged with the AATIF investee companies to accompany them through the demanding data reporting period. This process created learning on all sides. As a result, we identified further potential to deploy dedicated technical assistance to support investee companies increase their reporting capabilities, especially on environment-related indicators, including financial institutions and direct investee companies.

Impact highlights

Last year, the AATIF financed direct investee companies that produced 666,000 MT of food and food-related products, including maize, wheat, soya, rice, and sunflower seeds. This represents a steep increase compared to the 342,000 MT of the previous year! Most importantly, the Fund reached approximately 50,000 more smallholder producers than a year ago. Furthermore, employment figures also increased across the whole portfolio and reached more than 24,000. Thus, impact-wise, the AATIF is continuously expanding.

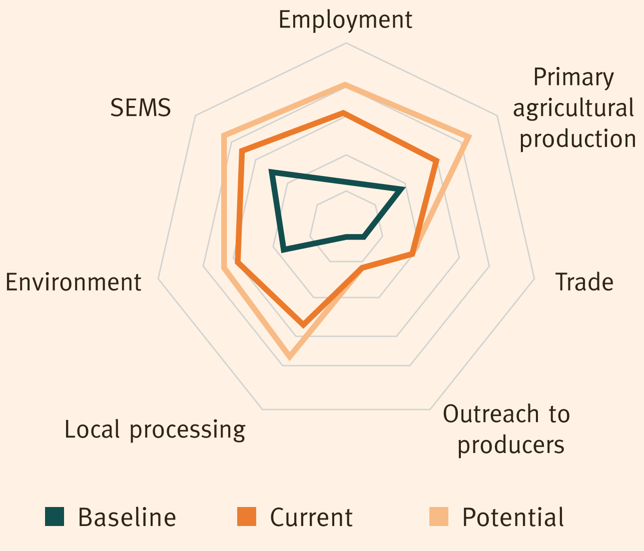
Impact spider

This year, we continued fine-tuning the AATIF impact measurement tool. We adjusted some impact dimensions and integrated new indicators aligned with requirements of the Sustainable Finance Disclosure Regulation. You will find the progress that each single AATIF Partner Institution is making towards achieving its impact potential in this Annual report in a dedicated section titled “Impact Review”.

Capacity building for sustainability management

Capacity building is not only an important ingredient for improving business practices of AATIF investee companies but also for AATIF internally. Last year, we continued onboarding all new AATIF colleagues through an induction training on AATIF’s sustainability management framework and procedures. In addition, several team members took up external training offers. These included members of the sustainability advisor team focussing on environmental and social risk management, impact management, and climate change. We are looking forward to further learning this year and applying it to the benefit of AATIF Partner Institutions and the ultimate AATIF beneficiaries, who are the women and men as well as their family members depending on the good functioning of sustainable agricultural value chains across Africa.

AATIF impact spider



AATIF impact

USD 343 m
invested and more than 18 countries impacted since Fund inception

Zambia:
AATIF PI reaching out to maize smallholders of whom
47 %
are living below 1.9 USD / person / day

AATIF PI reaching out to cotton smallholders of whom
64 % are living below 1.9 USD / person / day

Tanzania:
AATIF PI reaching out to wheat farmers of whom
11 % (medium-scale) and **17 %** (small-scale) are living below 1.9 USD / person / day

› 666,000 MT of food and food-related products produced and delivered by AATIF direct investees alone (including maize, wheat, soya, rice, cotton, and sunflower seeds).

The workforce of AATIF PIs is composed of
48 % women

AATIF PIs employ slightly more than 24,000 people.
100 % of AATIF PIs have or are developing occupational safety and health policies.

› USD 60 m

invested since inception using innovative structures such as revenue-based interest rates, collateral managed and risk sharing structures to promote the local food and agri industries at different stages.

AATIF highlights

18

countries impacted

AATIF's geographical footprint now spans the entire continent – from the North (Tunisia) to the South (Botswana) and from East (Kenya, Tanzania, Zambia) to West (Ghana, Côte d'Ivoire).

666,000 MT

of food and food-related products produced and delivered by AATIF direct investees alone (including maize, wheat, soya, rice, cotton, and sunflower seeds).

USD 343 m

disbursed since fund inception. Of which, USD 173 m into FIs for on-lending to the agricultural sector, and USD 160 m thereof to intermediary and Direct Investee Companies.

111

approved technical assistance projects in total since inception:

The projects have benefitted 35 AATIF Partner Institutions with ultimate beneficiaries across 17 African countries.

>24,000

The number of employees of AATIF Partner Institution reached slightly more than 24,000.

13

Impact Briefs since inception

All Impact Briefs are accessible through the AATIF website.

323,000

smallholders reached by our investees.

AATIF AT A GLANCE

The Africa Agriculture and Trade Investment Fund at a glance

The Fund's principles

Sustainability:

AATIF strives to unite economic, social and environmental aspects when considering investments in order to create a lasting and sustainable impact. By financing economically sound investments, the Fund allows for a revolving use of its capital. Guided by a strong commitment to sustainable economic development, AATIF intends to complement earlier-stage development assistance programs (funded by grants or concessional financing) by providing financing at market-based terms. AATIF promotes and builds awareness for responsible finance by providing funding only to those investees that are willing to work towards AATIF's Social and Environmental (S&E) Policy and Development Impact Statement.

Additionality:

AATIF provides resources to areas which experience a lack of appropriate financial services. Consequently, AATIF does not intend to provide financing in areas where the private sector already satisfies demand. Such positive "crowding in" effects can also be observed by scaling up existing development assistance programs or by bridging the gap between such programs and private-sector

Sustainable investment objective

The sustainable investment objective of AATIF is to realise the potential of Africa's agricultural production and related manufacturing, service provision and trade through sustainable investments across the entire value chain by, inter alia:

- promoting inclusive growth,
- increasing decent employment and income to farmers, and
- entrepreneurs in the agricultural sector in Africa.

actors. AATIF's approach to agricultural lending in Africa is thereby characterised by innovation with respect to loan structures, risk sharing with industry partners or the combination of loan products with insurance mechanisms.

Governance structure

The Fund's shareholders elect the Board of Directors, which oversees the Fund's activities and is responsible for strategic decisions. The Board of Directors is the legal representative of the Fund. In compliance with AATIF's founding documents and applicable laws and regulations, it has the exclusive power to administer and manage the Fund.

The Board of Directors appoints the Investment Committee, which approves or rejects investment proposals brought forward by the Investment Advisor and monitors the activities of the Investment Advisor.

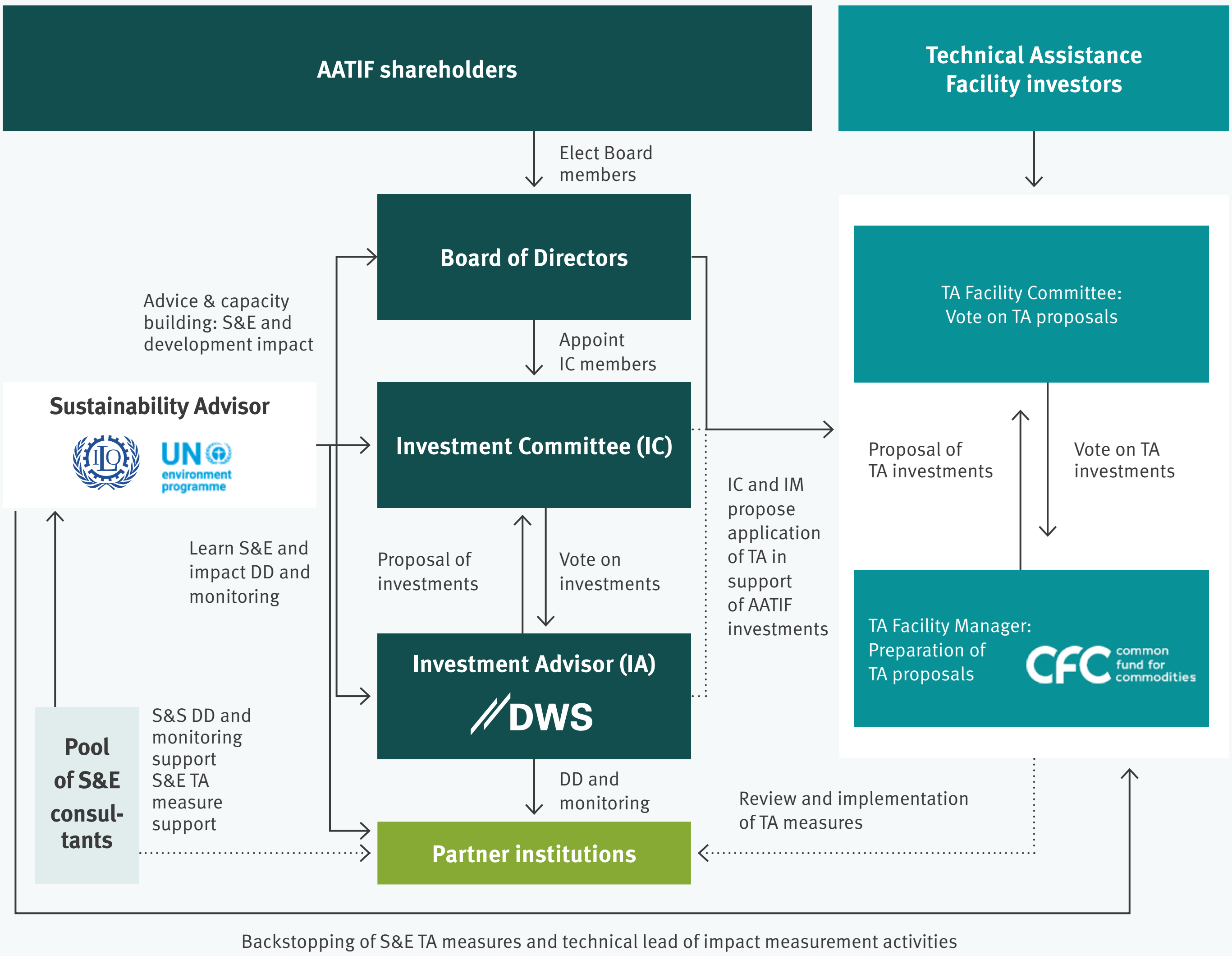
The Investment Advisor was selected in a competitive and public process and supports and advises the Board of Directors in relation to ongoing fund-management measures.

Sustainability Advisor. To assess an investment's compliance with the Fund's Social and Environmental Policy and the AATIF Development Impact Statement, the Fund has partnered with the International Labour Organization (ILO), a specialised United Nations agency with the mandate to promote decent work. As the Fund's Sustainability Advisor, ILO focuses on the social risk and impact component of AATIF's S&E Policy and Development Impact Statement, and has signed an agreement with UNEP to receive technical input and advice on environmental matters related to the AATIF investments. In concert with ILO, UNEP and other competent partners, the AATIF Sustainability Advisor team provides an independent opinion to

the Investment Advisor and the Investment Committee before any investment decision is made.

A Technical Assistance Facility (TA Facility) accompanies AATIF's lending. The TA Facility is supervised by the Technical Assistance Facility Committee representing the Facility's donors. It is managed by the Common Fund for Commodities, an intergovernmental financial institution established within the framework of the United Nations. The focus of the TA Facility is to grant capacity building support as well as ensure knowledge dissemination on agriculture and agro finance (including scientific studies or trials concerning factors such as social impact or climate change effects). Capacity building measures may comprise support through hands-on and customised services to the investees of the Fund to achieve results such as the Partner Institution's (PI) compliance with the Fund's Social and Environmental Policy and the Development Impact Statement or by improving agronomic/management/credit analysis skills through offering investment-specific support to PIs and Final Beneficiaries.

Organizational structure



INNOVATION FACILITY

History and rationale

At the end of 2017, AATIF set up the AATIF Innovation Facility, which was established to promote innovative projects in Africa. KfW, on behalf of BMZ, the German Federal Ministry for Economic Cooperation and Development, was the first donor to this facility, contributing EUR 10.25 m, of which EUR 7 m has so far been provided as a grant and EUR 250 thousand as equity. The AATIF Innovation Facility allows AATIF to venture into early stage / high-risk market segments and offer new instruments to clients in this segment (e.g. equity).

How it works

The AATIF Innovation Facility is a separate vehicle from AATIF. This allows it to be a highly flexible instrument and for AATIF to broaden its impact and support hitherto untested ideas. Some companies benefitting from the AATIF Innovation Facility's support may eventually mature into partners for AATIF's regular, direct financing activities. Since the Innovation Facility does not use AATIF's funding and liquidity, it has to raise funds itself from donors in order to implement specific projects.

Progress to date

Following the establishment of the Agricultural Leasing Company Zambia Limited ("AgLeaseCo") in 2017, the company received its operating license in 2018 and granted its first lease at the end of 2018. The company aims to lease agricultural equipment including tractors and smaller equipment supplied by companies such as SARO and AFGRI to farmers in Zambia.

In March 2023, the company reached a major milestone with 1,000 leases in the portfolio. At the same time, the company recorded the third month in a row with operating profits. This positive trend has continued in the ongoing financial year. For the year 2023 and early 2024, the company aims to (i) on-board a new Chief Executive Officer (finalised at the date of publication of this annual report), (ii) review its growth plans in terms of geography and products offered, and (iii) identify new funding sources."AgLeaseCo" has so far only been used to support an IP project from the Innovation Facility. In this context, consideration is being given as to whether and how this facility is to be continued.

1,000

LEASES IN AGLEASECO'S PORTFOLIO

TECHNICAL ASSISTANCE FACILITY

Mandate

The AATIF Technical Assistance Facility (TA Facility) is an important part of AATIF, and accompanies AATIF's financing activities with technical assistance support for AATIF's investees to maximize their development potential and achieve compliance with the Fund's Social and Environmental Policy. Additionally, the TA Facility conducts standard impact assessments of all AATIF investments and pursues research and development activities to promote agri-finance in Africa.

Structure

The TA Facility is managed by the Common Fund for Commodities (CFC). The CFC is an intergovernmental financial institution established within the framework of the United Nations and is specialized in development projects for the global agricultural commodity sector.

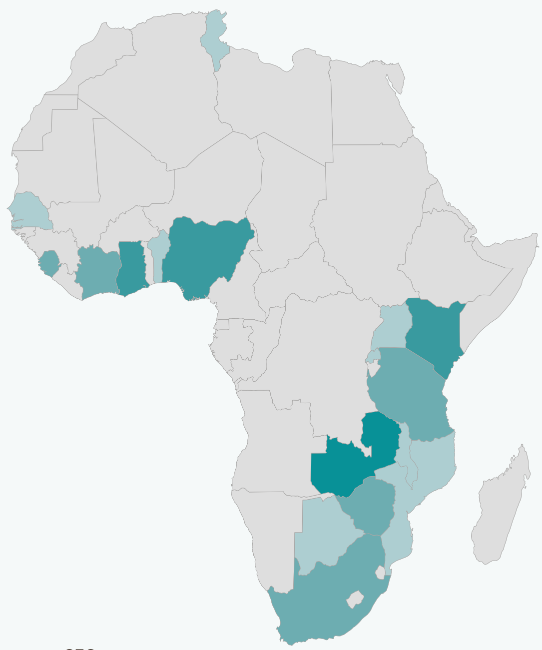
Four CFC staff members are dedicated to the identification, development, and management of AATIF TA Facility interventions. The CFC TA Facility team comprises expertise in tropical agriculture, project management, impact assessment, and financial and administrative support.

To ensure that AATIF's Technical Assistance supports the mission of the Fund, the TA Facility Manager is directly supervised by the TA Facility Committee, which consists of representatives of TA Facility donors, Fund sponsors and independent experts.

In regular TA Facility Committee meetings, which are also attended by AATIF's Investment Advisor and Sustainability Advisor, new projects are approved, the ongoing portfolio of activities is discussed and progress monitored.

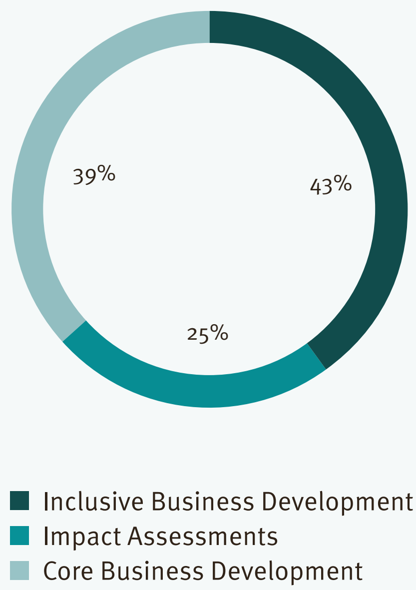
The AATIF TA Facility is financed with a total contribution of EUR 12 m from the German Ministry for Cooperation and Development (BMZ). Besides donor funds, the AATIF Board can decide to allocate income of AATIF to the TA Facility when needed.

African countries where TA Facility support has been provided



Source: CFC

Categories of TA projects, 2012-Q1/2023



Performance since inception

In its 10 years of existence, the AATIF TA Facility Committee has approved 111 technical assistance projects with a total TA budget of EUR 7.1 m. By 31 March 2023, 61 projects have been completed, 30 measures are under implementation, 8 projects are under preparation, and 12 have been cancelled. The projects have benefitted 35 AATIF Partner Institutions with ultimate beneficiaries across 17 African countries.

Examples of technical assistance projects

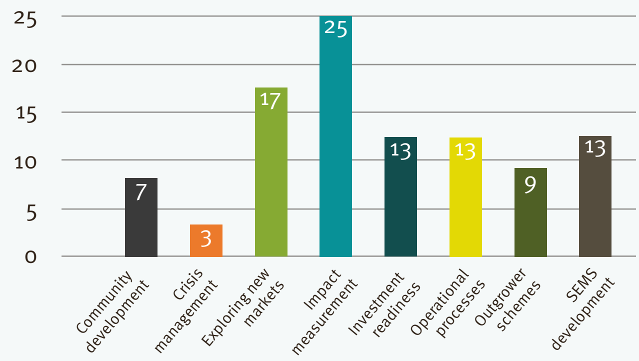
TA Facility interventions are very diverse in size (ranging from EUR 6,000 to EUR 600,000) and scope. Technical assistance can be deployed throughout the complete “lifetime” of an AATIF investment and can even take place prior to the investment transaction close. TA interventions can be of more conventional assistance, such as providing expert services to address specific business-related challenges and opportunities, or market analyses. Other examples include initial co-financing of the salary for the new position of a Sustainability Manager within an AATIF investee company or an expert assessment and development of a smallholder outgrower scheme for an oil seed processor in Zambia that is determined to increase its use of local raw material.

Another area where the TA Facility frequently assists investees relates to the establishment of a sound Social and Environmental Management System (SEMS), which is a recurrent condition for receiving AATIF funding. While it is important that the ownership for the development of such a system is with the AATIF investee, the TA Facility, in collaboration with the AATIF Sustainability Advisor, assists with targeted expert advice and backstopping, and provides coaching and capacity development for staff involved in managing the system.

Since development impact is a core feature of AATIF, the TA Facility routinely assigns external experts to conduct ex-ante and ex-post impact assessments of each AATIF investee.

The TA project portfolio is growing steadily in line with AATIF’s loan portfolio growth in recent years. In 2022 alone, 23 new TA interventions were approved by the TA Facility Committee. For 2023, this number is expected to remain consistent.

Objective of TA projects, 2012-Q1/2023



Outlook 2023

Since the start of 2022, the COVID-19 situation has been less rampant. However, AATIF investees are still facing ongoing difficulties navigating uncertainty in the global markets due to worldwide crises. The situation in Ukraine and other geopolitical tensions, disruptions to supply chains, rising commodity prices, and extreme weather events all pose risks to the agricultural value chains in Africa in which AATIF investees are active. To alleviate the strain on the region caused by this market environment, it remains crucial to continue supporting local agricultural value chains in Africa. Therefore, the AATIF TA Facility Manager’s approach to the unpredictable times is to exert attentiveness, flexibility, and advocate innovative solutions to problems that may arise in close dialogue with all stakeholders in AATIF and with its partners.

After the approval of a record high of 23 new TA projects in 2022, the AATIF TA Facility entered 2023 with several ongoing operational projects, and many more under preparation for launch. The TA Facility Manager anticipates continuing this momentum with a strong pipeline of new TA measures. Since travel restrictions have been eased, the TA Facility has also increased its on-the-ground presence to better understand the operations of its partners and support them further in the future through innovative TA projects.

Climate-smart cashew, Mozambique

Implemented by: EFF, Rainforest Alliance and others

TA project: To improve Export Trading Group's (ETG) current sourcing model with its network of 5,000 smallholder cashew farmers in Mozambique, the company wants to address low cashew tree productivity and increase farmer income while mitigating climate risks such as desertification with the aim of making its sourcing model more climate resilient. A project has been developed consisting of three components: i) extension services, including training, tree nurseries and demo plots, ii) Rainforest Alliance (RA) certification, aiming to obtain the first RA certification for cashew worldwide, iii) carbon reduction and insetting through biochar use. The project launched in January 2023 by setting up the local project management team and engaging the consultant research teams in initial data collection.

Environment, Health, and Safety (EHS) Officer salary subsidy and capacity development, Zambia

Implemented by: n/a

TA project: In June 2022, Seba Foods (260 Brands) hired a new EHS Officer to develop and implement procedures to inspect and monitor the factory environment, machinery and processes, and ensure hazards are managed appropriately so as not to pose risks to workers or the environment as per government rules and regulations and industry standards.

The TA Facility Manager is supporting by subsidising the salary for an initial two-year period. The EHS Officer will be provided with an accompanying budget to be utilized for specialized projects to improve internal EHS management and other relevant S&E related topics.

Assessment and upgrade of a Social and Environmental Management System (SEMS), Nigeria

Implemented by: IBIS

TA project: The project aims to support Union Bank of Nigeria (UBN) to (i) upgrade the current SEMS, (ii) develop sector-specific S&E guidance for the agricultural portfolio, and (iii) undertake an S&E capacity needs assessment and implement an accompanying capacity development programme for staff.

An expert consultant team has been contracted and project launch is anticipated in April 2023. As a first step, an S&E gap assessment will be undertaken followed by the development of necessary tools and processes for upgrading the existing SEMS.

Establishment of an onion outgrower scheme, Senegal

Implemented by: Nitidae

TA project: The objective is to assist SAF Ingrédients in establishing and rolling out an onion outgrower scheme that will ensure local supply of onions to the processing plant. The TA Facility will support the company for a 3-year period with expert advisory and project management services. As of early 2023, SAF Ingrédients has hired a new Outgrower Manager to lead the initiative, and an expert consultant team has been contracted that will support the company and the new Outgrower Manager for the first three years of project implementation.

In October 2022, the TAFM travelled to Senegal to meet with SAF Ingrédients, co-lenders, and local farmer cooperatives. During the trip, the company reaffirmed its commitment to sourcing predominantly from smallholders due to its main objective to support local farmers.

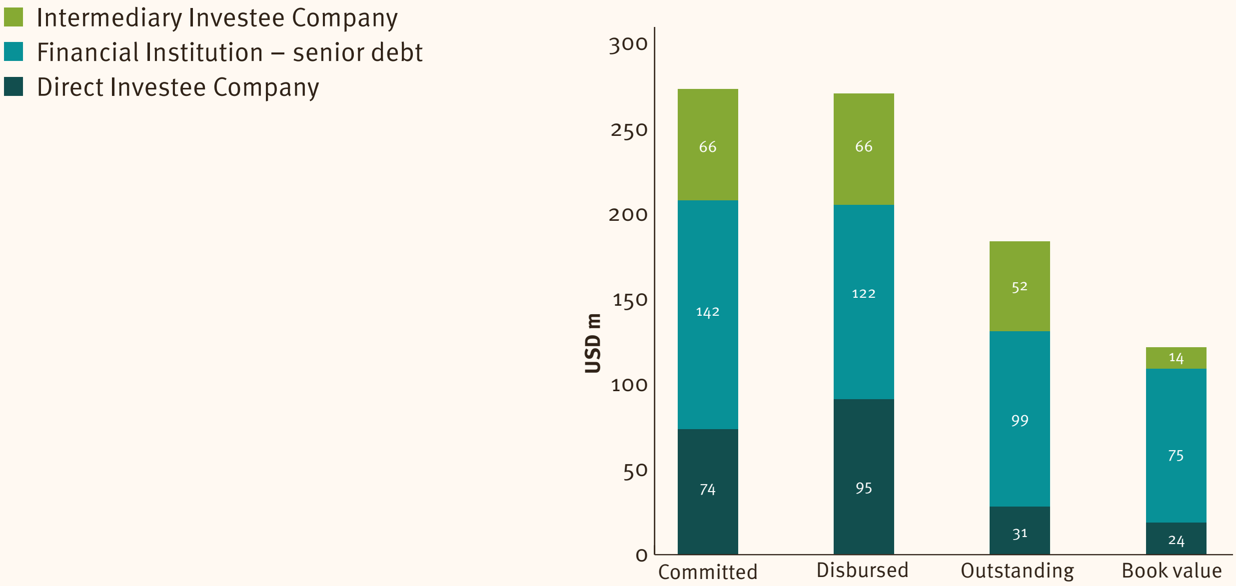
2022/2023 AATIF ACTIVITIES REPORT: INVESTMENTS

AATIF investment portfolio 31 March 2023

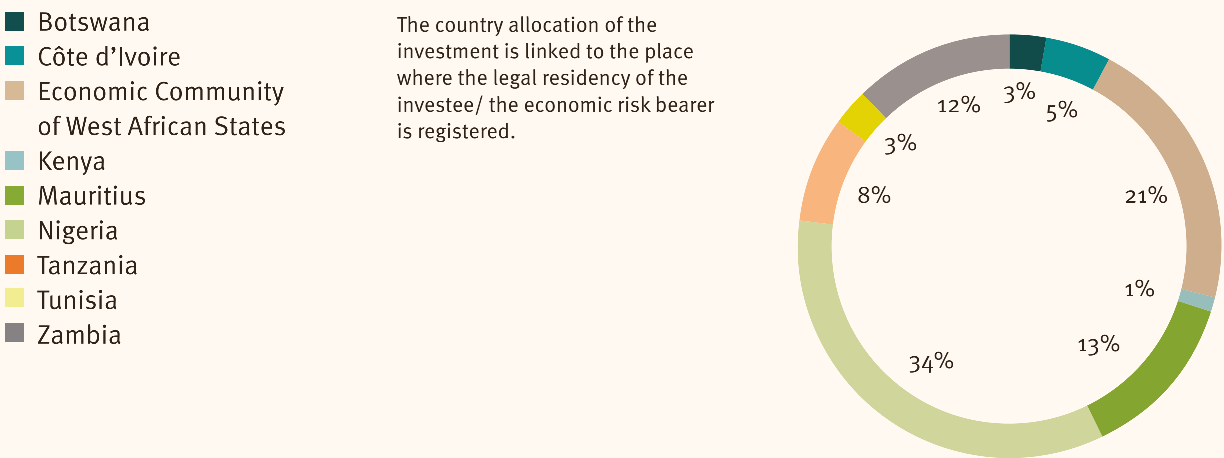
At the end of the financial year, AATIF's investment portfolio encompassed 6 direct investments in agricultural companies, 6 indirect investments in local and regional banks and a microfinance institution as well as 3 indirect investments in agribusiness intermediary companies who act as aggregators for smallholder farmers.

During the financial year, AATIF extended funds to 3 new Partner Institutions incl. ECOWAS Bank EBID EUR 27 m, Union Bank Nigeria USD 24 m and Vantage USD 1.5 m. It also renewed financings with Sterling Bank for USD 15 m, AML USD 15 m and Seba Foods USD 6 m. The balance of net loans outstanding increased to USD 108.2 m (USD 76.7 m, 2022).

Type of Partner Institution



Book value – country & rating category



The country allocation of the investment is linked to the place where the legal residency of the investee/ the economic risk bearer is registered.

AATIF INVESTMENT PORTFOLIO IN DETAIL

260 Brands (Seba Foods)

Seba Foods is a family-run business founded in 1997 as a subsidiary of Two Six Zero Brands Africa. The company's activities to date include the purchasing, processing, packaging and shipping of maize and soya products for human consumption, with about 5 % going into animal feed products. Their key products include textured soya as a meat alternative, powdered/instant drinks, corn soya blend (porridge), and snacks, where the company is among the market leaders in Zambia.

On 21 May 2021, Seba Foods Zambia Limited (260 Brands) made the first withdrawal of a USD 4 m senior secured CMA facility from AATIF to facilitate the purchase of maize and soybeans from local smallholder farmers in Zambia. After the initial 12-month period, the facility was increased by USD 2 m to USD 6 m in 2022 to allow the company to maximize the output of its recently installed plant and to meet increased working capital requirements resulting from higher commodity prices.

The company's impact lies in their integration from farm to fork – working with farmers at the start of the value chain and then further processing, packaging, and marketing the final produce themselves. Through this unique position the company is able to positively impact various parts of the value chain. In partnership with local NGOs, 260 Brands has been able to engage with a group of 1,008 farmers, supporting them with agricultural training, access to inputs, transport and most importantly a stable off-take market. The final products of the company include affordable and nutritious snacks and drinks which are accessible by the same smallholder farmers. Many products are fortified, and others provide soya as a high protein alternative to meat, which is often expensive.

2022 was a year of continued expansion for Seba. After the completion of their newest processing plant, the company launched their NutraMilk product – Zambia's first plant-based milk substitute product, subsequently commencing marketing activities designed to educate consumers on its health benefits in comparison to dairy milk.

Seba's export activities also increased in 2022, participating in trade shows in the US as they continue to market their product overseas. Regionally, the company ramped up exports of maize to Eastern Africa – particularly in Kenya – where demand had increased due to the lack of rainfall, affecting productivity of the crop.

1,008

FARMERS THAT 260 BRANDS SUPPORTED

Social and environmental review

Seba Foods continued implementing and updating the social and environmental action plan developed during the first year of AATIF financing. The action plan proved a useful tool in enacting the agreed social and environmental management measures.

In 2022, Seba hired an Environmental, Health and Safety officer, who worked on setting up a health and safety committee (with members elected by the workers), implementing PPE awareness trainings and developing standard operating procedures for safety and health at the workplace. The company continued implementation of the principles of good manufacturing practices under its current certification.

In the reporting period, the company successfully set up an effluent treatment plant to promote re-using treated water. The company also developed an Environmental, Health and Safety Plan and provided its employees training on hazard identification and safety management. In 2022, Seba substituted its coal-fired boiler with a diesel-fired boiler. This measure improved the thermal efficiency of the processing process.

Since engaging with the AATIF, Seba has regularly been monitoring noise, dust, and stack emissions weekly. The company also carried out a water reduction initiative of steam condensation recirculation to improve water efficiency use in the boiler. In June 2022, the company conducted a stack emissions and effluent analysis which reported all parameters regarding boilers' stack emissions and effluent to be within statutory requirements.

Area of improvement as per loan agreement	Status
Condition precedent: Conduct an environmental audit of the plant in Lusaka and the regional depots and submit the environmental project brief to the Zambia Environmental Management Agency (ZEMA).	✓
Designate an S&E coordinator.	✓
Develop missing components, maintain and regularly update its SEMS.	Ongoing
Develop and regularly update an S&E action plan.	Ongoing
Introduce regular training on S&E risk and impact management.	Ongoing
Review and update procurement policies and procedures, with a focus on S&E considerations (e.g. biodiversity conservation, natural resource management, working conditions).	Ongoing
Review and update its human resources manual and procedures, including grievance mechanisms.	✓
Carry out periodic assessments and audits of OSH issues at workplace.	Ongoing
Monitor air emissions, effluent discharges, ground water levels and keep records of waste streams to ensure compliance with regulations and promote resource efficiency.	Ongoing

Impact review

Two years into financing, the AATIF investment in Seba shows several positive impacts in trade, outreach to producers, environment and SEMS dimensions as illustrated in the graphic below. In 2022, Seba made remarkable strides in its outreach to primary producers and continued to implement its organic soyabean project. For the first time, the company sourced 113.9 MT of organic soya bean from a total of 176 smallholder farmers.

Seba ended the year 2022 with 192 permanent staff (28 women and 164 men) and 260 temporary and casual workers (2 women and 258 men). The company also employed 30 third-party workers (all men) during its peak season. Among the permanent workers, the number of women remained the same at 28 while there was a slight reduction in male workers to 171.

Seba directly impacts on the maize and soya bean producing communities in Zambia from whom the company sources the commodities. Seba's overall outreach to smallholder farmers increased by 48 % in 2022, where the company bought maize and soya bean directly from 562 smallholders, an additional 183 compared to the previous year. Regarding its outgrower scheme, which focusses on organic soya bean, Seba expanded the extension team to recruit and train 2,500 farmers. The company plans to scale up to reach 5,000 farmers.

In the reporting period, there was a positive shift in the trade dimension, where volumes of processed soya products increased by 52 % to about 13,000 MT while processed maize products remained relatively the same at

439

TEMPORARY AND CASUAL WORKERS

about 15,000 MT. Maize products were exported to DRC, Namibia and South Africa and soya products to the United States of America.

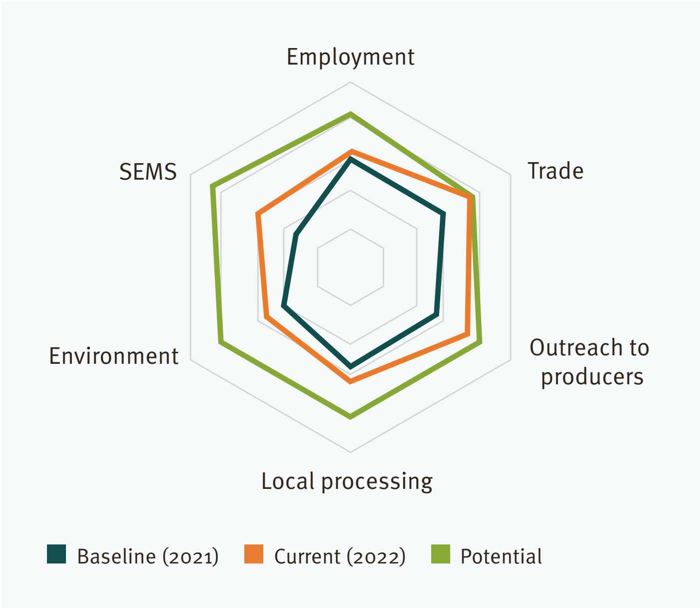
In 2022, the company increased its local sales to meet national demand compared to the same period a year before. Furthermore, Seba launched the country's first plant-based milk product – NutraMilk – into the Zambian market, which as an alternative to dairy, is a contributor to reduction in greenhouse gas emissions.

TA measures

In March 2022, the TA Facility launched a project to support Seba Foods by financing an expert consultant to undertake a qualitative market study to propose viable marketing strategies, product designs, and branding for a new soymilk product line. The consultant conducted research on consumer preferences regarding taste, packaging, and branding. The results ultimately supported Seba Foods management in making informed and fact-based decisions on marketing and branding with the aim of successfully launching the new products in the local market as the first and only locally sourced and produced soymilk products in Zambia.

The newly hired Environment, Health and Safety (EHS) Officer tasked with building internal capacity on environmental and social management. The TA Facility is supporting by subsidizing the salary of the new staff member for an initial two-year period, as well as by providing additional funding for capacity development measures centered around improving the health and safety of employees and the production plant.

For a rapid appraisal of AATIF's impact on Seba Foods, the baseline data collection took place in September 2021 and the final baseline report was delivered in February 2022. An impact brief outlining the main findings is available on the AATIF website.



ECOWAS Bank for Investment and Development (EBID)

On 31 January 2022, AATIF signed a EUR 25 m senior loan facility agreement with the ECOWAS Bank for Investment and Development (EBID) – a financial institution established by the 15 member states of the Economic Community of West African States (ECOWAS).

AATIF's loan with a tenor of seven years will be used to increase the bank's agriculture portfolio, providing long-term funding and potential technical assistance to support the bank in improving its understanding of and outreach to the agriculture sector.

EBID was founded in 1975 as the Fund for Cooperation, Compensation and Development of the Economic Community of West African States (ECOWAS Fund), the fund was converted into the ECOWAS Bank for Investment and Development in 1999. Today, the bank is 100 % publicly owned by the ECOWAS member states, within which it provides financing to both public and private sector clients, promoting growth in the agricultural sector by funding companies and projects that would not have been financed on a standalone basis.

The bank's well-diversified regional approach and support for LDCs allow it to target countries in West Africa that rely heavily on agriculture for economic growth and employment opportunities – countries where AATIF would otherwise be unable to establish direct exposure. Leveraging on its strong presence in rural areas, the bank's lending contributes greatly to development of the agriculture sector both directly and indirectly, including through providing necessary access to transportation, water, electricity and communication infrastructure.

Additionally, EBID's support for smallholder farmers through its investment in The West African Initiative for Climate-Smart Agriculture fund, geared towards improving the food security and income of 90,000 smallholder households, is just one of the bank's initiatives that AATIF is keen to align with and support.

Social and environmental review

As a bank with a developmental mandate, EBID's mission is strongly aligned with AATIF goals, seeking to achieve positive development impact through financial activities.

Area of improvement as per loan agreement	Status
Condition precedent: Obtain board approval for an exclusion list that is aligned with international standards.	✓
Develop an S&E action plan following recommendations from AATIF and other lenders.	✓
Conduct assessment of current portfolio to identify S&E risks.	Not started
Perform S&E capacity needs assessment; develop and implement an S&E capacity building strategy with a specific module on S&E risks in the agricultural sector.	Started
Hire a qualified head of the environment unit and ensure enough resources are allocated to S&E and impact management across the organisation.	✓
Track own S&E performance and develop actions to improve it, as well as include S&E performance indicators of own performance and that of its clients in its annual report.	Not started
Incorporate S&E aspects into employee performance appraisal at least for key staff from all areas with S&E responsibility.	Not started
Review HR policy and procedures and include recommendations from AATIF.	Not started

Through the facility agreement with AATIF, EBID agreed to take a set of actions related to management of S&E aspects. These contain (i) updating S&E policies and procedures, (ii) building S&E management capacity across the bank, including recruiting and training staff, and (iii) measuring and managing EBID's S&E performance as well as that of its clients. In the reporting period, EBID appointed a senior staff member to lead the bank's sustainability unit and hired an analyst to support them. Moreover, the bank engaged a consultant to deliver a training session for its operational and support units on its S&E management system, as approved by its Board of Directors in early 2022. Such capacity building activities are expected to enable the bank to apply its SEMS across its operations in 2023.

Impact review

As a recent Partner Institution, the investment in EBID has yet to create any measurable impact. The expectation is that the investment will contribute to four of AATIF's impact dimensions as illustrated in the graphic below.

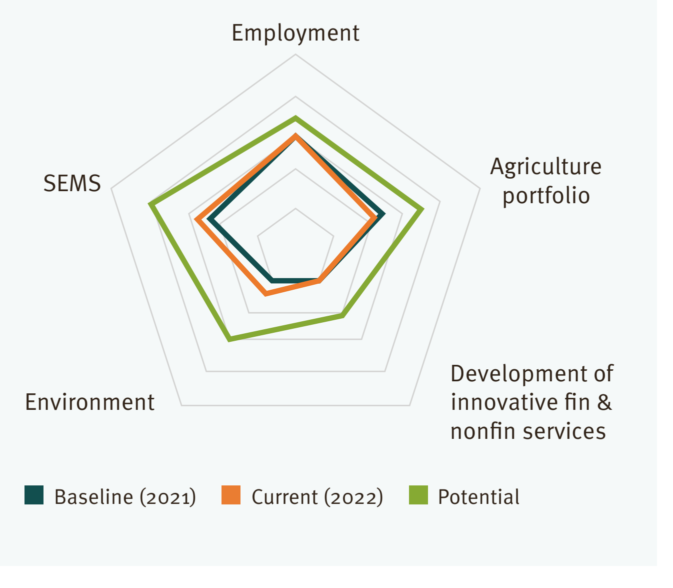
First, with support from AATIF, the bank could increase its current share of agriculture in its portfolio to around 15 %. Such growth would come from various initiatives including executing the country strategies (e.g. Benin, Ghana, Burkina Faso and Guinea-Bissau) in which EBID identified target sectors. Second, through its financial services offering, the bank can reach clients or segments of the economy that currently have no access to export and trade finance facilities.

Third, the bank is working towards improving the tracking of the environmental impact of its own operations and of its clients, as a first step towards managing such impact. This is supported by new policies and is expected to be developed throughout the relationship with AATIF.

Finally, AATIF is aligning with other lenders to support improvements in how EBID manages social and environmental risks and impacts of its own operations and those of its clients. As a first step towards such improvements, EBID approved new S&E policies and procedures in 2022, with implementation to be rolled out in 2023.

TA measures

The TA Facility Manager has initiated a dialogue with EBID management on potential areas for TA support.



Scipion Capital

In 2021, AATIF concluded negotiations with Scipion Capital Ltd. ("Scipion"), a London-based investment manager focusing on commodity trade finance, to set up a dedicated investment vehicle for impact investments into the African agricultural sector.

Founded in 2007, Scipion focuses on self-liquidating short-term loans granted to SME borrowers to finance the delivery, production, and processing of commodities sourced in Africa. It aims to fill the financing gap left by commercial banks. During Q1 2021, AATIF and Scipion finalised the set-up of the Scipion Active Impact Fund- the vehicle through which AATIF would be able to participate in agricultural commodity trade finance transactions originated and managed by Scipion. AATIF, through its Sustainability Advisor, supported the launch of the investment vehicle by guiding Scipion to upgrade Social and Environmental Management System and related tools and facilitated capacity building and training of staff. The investment vehicle shall be open for other impact investors as well.

Through its interaction with Scipion, AATIF aims to potentially attract other investors that may have not considered commodity trade finance as an eligible impact asset class. Furthermore, AATIF is gaining access to SME borrowers, who tend to be less well served by the traditional financial sector.

During the first quarter of 2023, AATIF participated in a collateral-based senior debt financing of USD 2.5 m to Courtyard Farms Limited ("Courtyard"), a Nigerian cocoa trader established in 2006. Courtyard is being supported by AATIF's technical assistance facility, and continuous advice is being provided by the Sustainability Advisor.

Furthermore, there are other investments under consideration which, if implemented, would continue to support small traders and ultimately bolster the market for smallholder farmers in Africa.

Social and environmental review

Scipion started this journey with an Environmental and Social Impact (ESI) committee and some E&S policies and procedures in place. Increasingly, Scipion engaged management and staff with explicit sustainability-related responsibilities and elaborated Scipion's S&E management system. AATIF accompanied and supported Scipion along this path. In 2022/23, several S&E tools were upgraded or newly developed, including a SEMS Manual, Site Due Diligence Report template, an E&S Monitoring report template. Furthermore, the E&S Policy statement was enhanced, and a new grievance register developed. In the second half of 2023, Scipion will focus the capacity building of Scipion staff including on the job coaching during the due diligence process, as well as joint assessment of S&E risks and impacts of participations.

AATIF's participation in Courtyard, Nigeria

Courtyard will use AATIF's investment for the purchase of cocoa beans from local suppliers and deliver the conditioned or processed products to international off-

Area of improvement as per the loan agreement – Scipion	Status
Scipion shall comply with the AATIF S&E Policy for all investments where AATIF enters as a participant.	Ongoing
Scipion shall screen projects against the AATIF exclusion list and present the result to AATIF for funding approval.	Ongoing
Scipion shall maintain a sufficiently resourced Environmental and Social Management System appropriate to its size and type of activities including a trained, experienced and sufficiently staffed ESI Committee.	Ongoing
Scipion shall, and shall procure that the Scipion Entities taken as a whole, improve their environmental and social risk management policy ("ESRMP") and social and environmental ("S&E") procedures.	Ongoing

takers. AATIF, through Scipion, will support the company to improve social and environmental management in its direct operations and supply chain.

Before entering the active AATIF portfolio, the company had already improved selected S&E management practices. For example, Courtyard connected to the relevant government authorities in an effort to ensure social security benefits are paid to employees, fulfilling a condition precedent set by AATIF. In general, the company has some elements of a Social and Environmental Management System in place, while others need to be developed. These will be elaborated during the investment period. Over the course of the AATIF investment, the company will develop the missing policies and procedures.

Regarding its supply chain management, the company provides training to farmers and visits them regularly during the year. For this purpose, the company has a team of 10-15 field officers that provide advice on good agricultural practices and disease management, among other things. With AATIF's suppport, the company intends to improve the outreach to smallholders.

Impact review

As a new AATIF participation, the investment in Courtyard has yet to create measurable impact. The expectation is that it will contribute to multiple AATIF impact dimensions as illustrated in the graphic below.

Courtyard is a trader that buys cocoa from approximately 5,000 smallholder farmers, directly purchasing from 2,000 farmers and the rest indirectly through aggregators. Following AATIF's investment, Courtyard intends to obtain UTZ certification to improve the sustainability performance in the cocoa farms. In addition, Courtyard could work closer with suppliers, identifying exact locations of production and improving their S&E compliance.

In 2021, the company exported about 15,000 MT of cocoa. Through the AATIF investment, the company expects to increase these export volumes. In terms of employment,

Area of improvement as per the loan agreement – Courtyard	Status
Courtyard to provide the legally required staff social security contributions.	✓
Develop an S&E action plan following recommendations from AATIF and other lenders.	Not started
Courtyard to obtain all relevant permits and certificates as per legal requirements, including but not limited to those related to use of the borehole, occupational safety and health and life insurance policy for employees.	Not started
Courtyard to develop an emergency and response plan for their facilities and integrate related regular safety trainings.	Not started
Courtyard to develop and implement a human resources policy and procedures, including records of seasonal labourers and covering child labour, workers' rights and duties, and formal mechanisms for grievance.	Not started
Courtyard to develop and implement an OSH policy and procedures, including hazard prevention and identification, responsibilities, training, accident record keeping and reporting system and OSH committee creation.	Not started
Courtyard to develop and implement relevant records and complaints mechanisms, including an accident record, a formal grievance mechanism for relevant stakeholders and records of seasonal labourers.	Not started
Supply chain Courtyard to map its supply chain, develop a supplier database, and develop a sustainable procurement policy that includes labour and working conditions and biodiversity conservation aspects.	Not started
Courtyard to develop a database of attendance to trainings, including participants information and content discussed.	Not started
Courtyard to obtain UTZ certification.	Not started

Courtyard employed 205 FTE (20 % women) at the beginning of the AATIF financing, 11 % on permanent contracts. During the investment period, AATIF and Scipion will jointly support improvements in Courtyard's HR management, OSH measures and staff training. The company is also expected to continue developing its social and environmental policies and procedures.

TA measures
In May 2022, the TA Facility launched a project to support Scipion to further develop and upgrade its SEMS and to provide tailored training and capacity development to relevant Scipion staff to allow for optimal utilisation and future maintenance of the SEMS. As of March 2023, the expert consultant team has undertaken an S&E gaps assessment and finalised various tools, policies and processes necessary for a functioning SEMS. Following this, a comprehensive training programme will be developed and rolled-out.


USD
2.5 m
DISBURSED TO COURTYARD
FARMS LTD

Export Trading Group (Pan-Africa)

Export Trading Group (ETG) is a diversified pan-African agribusiness conglomerate specializing in end-to-end agricultural supply-chain management, including procurement, warehousing, transport, agricultural processing and consumer products. ETG has offices in 40 countries in the world with a significant presence in 26 African countries, including more than 400 warehousing and distribution assets across the continent. The company buys crops directly from thousands of smallholder farmers at farm gate without intermediaries.

ETG provides smallholder farmers with training, agricultural expertise, farming equipment and farming inputs. In September 2021, ETG repaid its initial AATIF facility which was committed in 2014. Due to the significant value addition capacity to the agricultural sector of ETG, AATIF participated in a new loan facility with USD 26 m under a syndication led by IFC. The facility has been extended to backstop ETG's efforts to connect seeds and nuts farmers and producers in Eastern Africa with international markets.

In 2022, ETG increased its footprint in retail markets through the acquisition of Ibericafé import SL, an importer of coffee to the Iberian markets with whom ETG has already been cooperating since 2020. Similarly, in early 2023, ETG launched a retail plant-based food brand called Naturz which markets various pulses in urban markets in Canada.

ETG also joined Sustain Africa, a Pan-African initiative set up by corporates, foundations, NGOs, and multilateral institutions, with the aim to improve the availability, affordability and effective and sustainable use of fertilisers. As a first step, ETG planned to supply around 8,000MTof fertiliser to Uganda.

Social and environmental review

ETG continuously implemented and updated its Social and Environmental Management System throughout the reporting year. At the group level, the company overhauled and launched a new and ambitious sustainability framework. On the one hand, the framework outlines the company's strategy to enhance various sustainability aspects of its operations and supply chain management, including social, environmental, and economic factors. Those key factors are gender empowerment, climate change action, reforestation, and improving livelihoods. On the other, the framework also sets targets for the company to achieve, for example: realise deforestation-free supply chains by 2027 and reduce scope 1 and 2 emissions by 30 % by 2030. Regarding social targets, ETG aims to provide farmer extension services to 1 million farmers by 2030, with an emphasis on 50 % being women. An independent second-party opinion has recognised the ambitious nature of these targets and the adequacy of the key performance indicators.

In addition, ETG kicked off the implementation of its new sustainability performance monitoring platform. The platform streamlines data collection and management across environmental, social, and economic performance indicators, and facilitates the tracking and management of risks and opportunities while ensuring compliance. Thirteen reporting modules have already been completed, covering areas like GHG emissions, permits, training requirements, incidents, audits, inspections and work hours. Over 150 users across ETG's operations have been trained and now have access to the platform. ETG plans to continue rolling out the platform until 2024. By then, it will contain 32 modules and have an integrated online training platform with more than 150 online training courses.

In the reporting period, ETG completed most of the S&E undertakings as per the loan agreement related to the development and implementation of S&E policies and procedures covering issues such as assessment of suppliers, emergency response, noise assessment and compliance of labour contractors, as per the table below.

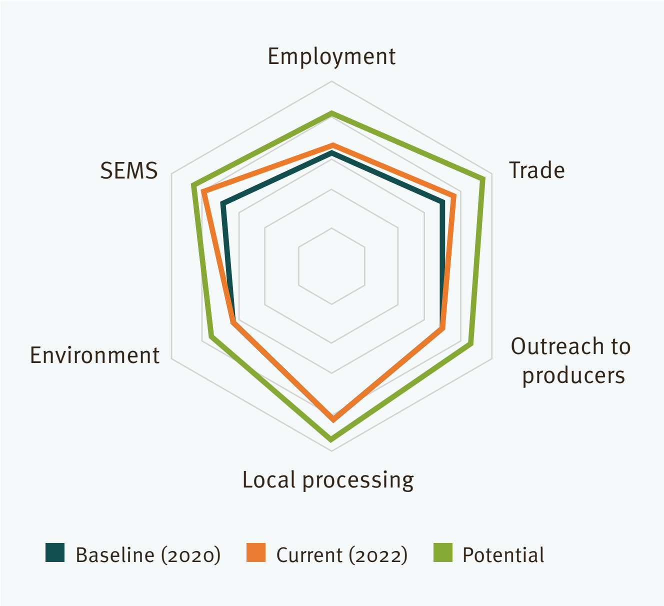
Area of improvement as per loan agreement	Status
ETG Group shall update the suppliers' procedure	✓
The ETG Environmental & Social Assessment of Suppliers policy and associated documentation for operations in Mozambique must be kept on record, as well as evidence of regular monitoring of adherence	✓
ETG shall review the language of the ETGMS and update it with gender inclusive language	In progress
ETG to elaborate emergency preparedness and response plans for all facilities in Mozambique, as well as procedures and training material, all available in Portuguese at all facilities.	✓
Conduct baseline noise assessment and ensure that machinery and plant noise emissions in the Mozambican facilities do not exceed acceptable occupational health thresholds. ETG should assess which facilities or parts thereof require their personnel to use hearing protection.	✓
All relevant ETGMS documentation that is suited to the Mozambican operations should be translated into Portuguese for dissemination to EHS line function staff at the respective facilities ETG shall verify compliance of the regulation of labour contractors through physical means: requesting proof of wage payment and any statutory benefits that the law requires	✓

Impact review
The AATIF investment in ETG provides financing for the purchase of pulses, cashews and sesame in Malawi, Tanzania, and Mozambique. Through this facility, the AATIF aims at supporting the company's outreach to smallholder farmers and improving the management of labour and working conditions in the processing facilities across the three countries, and is expected to contribute to six AATIF impact dimensions: trade, environment, outreach to primary producers, employment, local processing, and SEMS.

ETG employed 5,529 FTE in Tanzania, Mozambique, and Malawi (25 % women). Furthermore, it tracks and keeps records of environmental KPIs, including electricity, fuel and water use across its facilities in the three countries. The company exported 202,500 MT of cashew, sesame, and pulses from the three countries in 2022, mainly to Europe, Asia, North America, and the Middle East.

Focusing on ETG's operations in Mozambique, the company reduced the traded volumes of pulses, cashews, and sesame from 149,500 MT in 2021 to 133,255 in 2022, while it increased the value of exports from 109 to 124 million USD. ETG exported to Asia, Europe and USA, among others. It reached out to farmers, for example, through demonstration plots where the company trains farmers on how to use inputs, manage cropping systems and implement good agricultural practices with the support of ETG agronomists. In Mozambique, ETG employed 2,750 workers in 2022, with a female participation rate of 37 %, and with 15 % of workers under permanent contracts. The company implements sustainability practices to reduce waste, and has improved its SEMS with the beginning of implementation of a sustainable sourcing policy, including a supplier Code of Conduct and internal verification procedures.

As an illustration of the current and expected impact, see the impact spider for ETG Mozambique below.



TA measures
The TA Facility Manager has initiated a dialogue with ETG management on potential areas for TA support.

In December 2022, a new TA project was approved to support ETG to improve the current sourcing model with its 5,000 smallholder cashew farmers in Mozambique. ETG seeks to address cashew tree productivity and increase farmer income while mitigating climate risks and building climate resilience. In early 2023, the TA Facility and ETG launched the project by setting up local project management and engaging various consultant teams.

Furthermore, the TA Facility is also supporting ETG with the implementation of a sustainability reporting software pilot, including software configuration, capacity development, and post-deployment support tailored to the needs of the company. After an in-depth market scan, a suitable software provider was identified and contracted, after which the project commenced.

The TA Facility is undertaking a rapid appraisal of the social and developmental impact of the AATIF loan extended to ETG. The collection of baseline data took place in Malawi in late 2018, and the final baseline study report was delivered in early 2020. An impact brief outlining the main findings is available on the AATIF website.


ALPHA evo

Vantage

In 2020, AATIF established a partnership with Vantage Netherlands B.V. – a processor and trader of organic soya bean and sunflower seeds. Vantage Organic Foods Pvt Ltd, India – the parent company of Vantage Netherlands – started off as a pure trader of organic soybeans out of India. Over the years, the company has developed into an integrated agribusiness with 8 crushing machines of 20 MT/day crushing capacity, sourcing soybeans locally from more organically certified smallholder farmers. The company would go on to invest heavily in Africa in 2014 by developing relationships with smallholders in Benin, Nigeria, and Tanzania, in partnership with two local NGOs.

Although the terms of the facility were already concluded in December 2020, the official signing only took place in January 2022 after the pandemic brought the trading activities of the company to a standstill.

The USD/EUR 1.5 m senior secured trade finance facility has been used to enhance the company's activities in sourcing soya bean directly from organic farmers. This has been through the provision of funding for goods in transit overseas to the off-takers, mainly in the US market. Since the maiden disbursement of the funding in Q4 of 2022, AATIF's funding has been used to trade over 1,290 MT of organic soybean from Nigeria. Regulatory developments in Benin that restricted exports through increased export duty affected the trade activity in the country, hence there were no trades from the country.

Since 2014, Vantage has developed a sourcing base consisting of over 43,000 farmers in Benin, Nigeria, and Tanzania in partnership with two local NGOs. In 2022 alone,, the company supported and worked with 994 farmers covering 1,572 ha of organic land for cultivation. The company is seeking to increase their trade volumes by tapping into the second phase of the trade finance facility to cover the commodities while they are inland, in the sourcing country.

Social and environmental review
Vantage continued to adapt its social and environmental policies and procedures, initially established in India, to the African context. This process will eventually create a formal Social and Environmental Management System for Vantage's African country operations. To kick off this process, the company developed an S&E action plan with indicators, timelines and responsibilities to address S&E gaps.

Vantage has a dedicated officer based in India to work on the development of policies and procedures for managing S&E risks and impacts linked to its business in Africa. The company aims to recruit an officer responsible for enhancing the company's outreach to producers through its outgrower scheme in 2023. AATIF's TA Facility will support the company in the development of the SEMS elements relevant to Vantage's activities in Africa.

Vantage manages its supply chain with the help of local NGOs. Jointly, they created a network of ~470 field officers and coordinators across the three countries, namely Benin, Nigeria, and Tanzania. The field officers and coordinators are farmers themselves. They continued providing training to 23,000 farmers in Vantage's network, focusing on seed preservation, pest and disease management, nutrition management, and post-harvest management. Vantage projects to reach 65,000 farmers in the upcoming years.

Impact review
In 2022, Vantage demonstrated positive developments on several impact dimensions, including local processing, trade and outreach to producers. This is illustrated in the graphic below.

Area of improvement as per loan agreement	Status
Develop safety guidelines and obtain approval from the Ministry of Education for the school farming programme in Nigeria.	✓
Develop an action plan for implementing and monitoring S&E management measures. The action plan to include performance indicators, resources, and responsibilities.	✓
Develop and implement a Social and Environmental Management System, including a methodological approach to managing environmental and social risks and impacts as well as roles and responsibilities.	Ongoing
Develop and implement HR policies and procedures for operations in Benin, Nigeria and Tanzania aligned with AATIF's S&E Policy and national laws.	Not started
Develop a grievance mechanism for affected communities and other stakeholders, including one specifically for farmers to express concerns and complaints, and keep records of complaints and resolutions.	Not started
Develop and implement a service provider policy, covering S&E requirements that providers should comply with, and designate roles, responsibilities and a budget for implementation.	Not started
Keep records of NGO field staff.	Not started
Support improvements in the contracts of NGO field coordinators/officers, including responsibilities/activities, fair remuneration, and health coverage.	Not started
Support the creation of a training module that addresses child labour and raises awareness on the use of child labour.	Not started
Monitor farmer outreach activities and actively ensure that (i) no child labour is used and (ii) land conversion is not emerging, for example by using geolocation of farms.	Not started

Most remarkably, Vantage purchases exclusively from smallholder farmers in Benin, Nigeria and Tanzania, and then exports to Europe, North America and India. At baseline in 2019, the company purchased 4,500 MT soybeans from Benin and 450 MT soybeans from Nigeria, from 3,530 and 260 farmers respectively. Following a reduction in purchases during the COVID-19 pandemic, these numbers have started to recover, amounting to 4,300 MT of organic soybeans purchased from farmers in Benin in 2022 and 1,600 MT of organic soybeans from 600 farmers in Nigeria. The percentage of female farmers remained stable at 40 % in Benin and increased from 40 % to over 60 % in Nigeria.

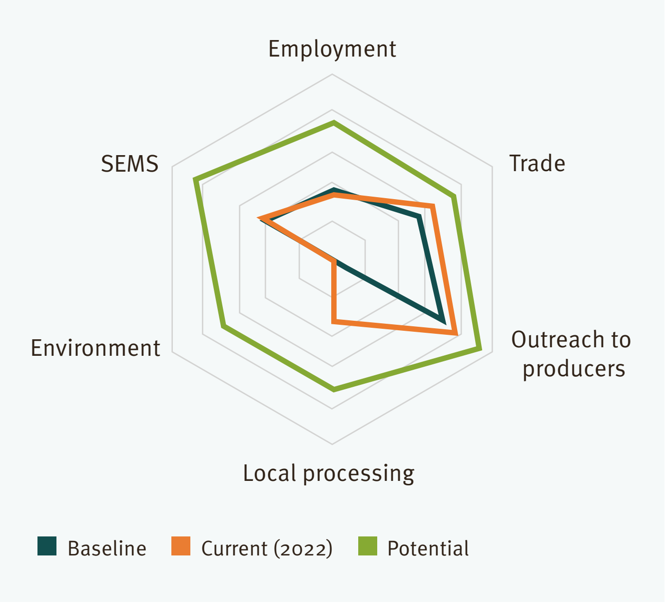
In 2022, Vantage partnered with a manufacturing company in Nigeria to start processing soybeans before export. In the reporting period, this partnership resulted in a total of 1,000 MT of processed soybean meal. For 2023, the company plans to also establish a processing unit in Benin. For the future, Vantage has yet to show how the processing operations will manage environmental impact.

Vantage has continued to provide regular farmer training to the 23,000 farmers in its network (18,000 in Nigeria and 5,000 in Benin). Trainings addressed organic farming methods, sustainable farming, improved farming techniques, social and environmental aspects, and working conditions.

Moving forward, Vantage is exploring possibilities of improving its engagement with smallholders with the support of the AATIF TA Facility.

TA measures

The TA Facility has initiated a dialogue with Vantage management on areas for TA support, which will focus on increasing their smallholder supplier network and improving relationships with the farmers.



Dijon Céréales

MARCH 2022 –

THE 'FOUNDATION STONE' WAS LAID.

Dijon Céréales

In 2020, Société Africaine d'Ingrédients initiated a unique onion dehydration project in northern Senegal – the first of its kind in sub-Saharan Africa – with support from AATIF and the IFC. The EUR 13 m CAPEX financing will be used by the company to develop a 420-ha nucleus farm, while establishing an outgrower network of onion farmers from whom they source the equivalent of 340-ha of onions. The project also involves decommissioning an existing onion dehydration plant (built in 2003 and closed in 2014) near Dijon, France, and relocating it to St. Louis in northern Senegal.

SAF Ingrédients is a French-Senegalese joint venture created in 2019 between Dijon Céréales (a French co-operative in Dijon, France) and the "Club des Investisseurs Sénégalais" ("CIS"). Owned by 3,800 farmers and employing 515 professionals, Dijon Céréales is a large French agricultural cooperative from Franche-Comté created in July 1990 out of the fusion of 13 co-operatives. It remains one of the largest agri-business groups in the Bourgogne-Franche-Comté region in France. CIS is a Club of 75 Senegalese entrepreneurs that promotes a strong national private sector in Senegal by pooling their investment capacities and encouraging co-investments with other domestic and foreign investors.

The EUR 13 m investment is composed of AATIF's EUR 6 m senior loan, IFC's "A" loan of up to EUR 3.5 m from IFC's own account, and a concessional loan from the IDA Private Sector Window Blended Finance Facility of up to EUR 3.5 m.

The ceremony of the "foundation stone laying" took place on March 3, 2022. The construction works are in progress and the plant commissioning is scheduled for March 2024. The 1st withdrawal of EUR 6.15 m took place in July 2023 and the 2nd tranche is expected to be disbursed by end-2023 / early-2024.

Social and environmental review

During the year, SAF Ingrédients continued making progress towards kicking off operations in 2023. This included the set-up of the onion dehydration plant for which the company continued monitoring the contractor's practices, for example regarding occupational health and safety. This development stage was close to being finalised at the end of the reporting period. Moreover, SAF Ingrédients hired experienced professionals for key positions in sustainability management: an EHS officer and an outgrower manager. The outgrower manager works closely with the AATIF Technical Assistance Facility on setting up

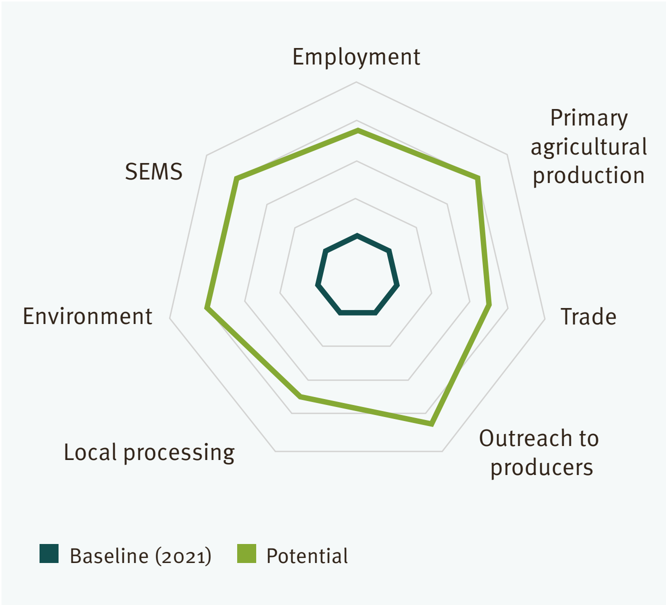
Area of improvement as per loan agreement	Status
Conditions Precedent (i) contractual clauses on labour and community health and safety measures in EPC contracts, (ii) assessment of biodiversity impacts (with development of action and monitoring plans if required) and (iii) obtaining the environmental license from the Direction de l'Environnement et des Etablissements Classés (DEEC)	In progress
Designation of staff with oversight of stakeholder engagement activities. Development and implementation of stakeholder engagement plan and community grievances procedure.	Ongoing
Development of an environmental, health and security, food safety and social management system.	Not started
Recruitment of a suitably qualified EHS manager and establishment of an EHSS function within the company.	In progress
Development of a human resources management policy and procedure in compliance with the national Labour Code, which includes procedures related to occupational health and safety and handling of grievances for all workers.	Not started
Development and implementation of supply chain management system including a responsible sourcing policy reflecting the company's commitment to sound S&E practices.	Not started
Implement sustainable agricultural practices and obtain Global GAP certification for the nucleus farm.	Not started

an outgrower scheme for onion production.

Guided by the AATIF and co-lender IFC, SAF Ingrédients continued implementing the agreed social and environmental action plan covering the decommissioning of the existing facility in France as well as construction works, land preparation and operations in Senegal. As the company implements its sourcing plan to combine external supplies with own production of raw materials, it will be required to present to AATIF an approval of the Environmental and Social Impact Assessment (ESIA) for its farming operations.

Impact review

As a new company and new investment for AATIF, SAF Ingrédients has yet to show measurable impact. While the company intends to start its own farming operations to secure raw material supply during the course of the investment period, it will start off operations of the plant by sourcing onions from farmers from the surrounding areas. This sourcing strategy will eventually provide a new market opportunity for around 2,000 Senegalese smallholder onion producers. The producers will receive technical and financial support from SAF with the goals of increasing their yields, reducing losses, improving agricultural practices and increasing income levels. SAF will also generate impact in other dimensions, by creating employment opportunities and adding value locally before exporting its final product to African and European markets. The graphic below illustrates the different impact dimensions to which SAF is expected to contribute:



TA measures

In late 2022, the TA Facility initiated a project to support SAF Ingrédients to establish and roll out an onion outgrower scheme that will ensure local supply of onions to the processing plant. The TA Facility will support the company for a three-year period with expert advisory and project management services. As a first step, a recruitment process for the new position of Outgrower Manager was undertaken and the selected candidate was onboarded in December 2022. To support SAF, a team of expert consultants is being contracted to undertake a preliminary qualitative study for the design of the outgrower scheme and to provide advisory services and capacity development.

Supporting value addition through technology

Since the inception of the Fund, our goal has been to realise the potential of Africa's agricultural production and related manufacturing, service provision and trade through sustainable investments across the entire value chain.

Our emphasis on sustainable investment across the entire value chain is deliberately targeted at fulfilling long-term development for all actors therein. In exploring the main workings of a value chain, various scholars define it as the processes involved in the production of value-added products or services for a market.

Thus, the effectiveness of a value chain can be seen through a holistic lens, beginning with primary production and the subsequent value addition of raw materials, the horizontal and vertical linkages of market players and the governance mechanisms that enable this. Though not an all-encompassing model, this view offers a benchmark against which impact along the chain can be measured and subsequently improved.

In primary production, for instance, new farming methods and tools are more readily available to farmers globally, allowing them to increase yields, reduce losses from wastage, and even capitalise on adverse weather conditions. Research also shows that market access for producers is dependent on their technological capabilities, available infrastructures, and market knowledge, among other factors. It stands to reason, therefore, that enhancing market access for primary producers can be done by increasing their access to relevant technologies, and training them on how best to use them.

Kenya's CKL Africa is an agricultural input company whose primary market base consists of such farmers across the Eastern Africa region. Over the past year, the region has faced adverse weather patterns, with significant droughts and shorter rainy seasons. To address this, the company has invested in a new line of climate-smart agricultural products, wherein their innovations in seed and input technology have directly benefited the primary producers they serve. This line of products has included more drought-resistant crop variations, such as beans, which have allowed farmers to use less inputs and depend on less rainwater while still maintaining a sustainable level of production during the drier seasons.

Value addition also forms one of the main impact dimensions the Fund purposes to invest in, with the aim of producing the best possible derivative products from raw materials sourced directly from farmers. In Zambia, African Milling has made use of AATIF funding to not only install top-of-the-line maize and wheat mills, but has also gone further to set up a bakery with 11 outlets across the country to produce and sell baked bread, buns, and other pastries at affordable prices. With assistance from the Fund, the company was able to invest in best-in-class bun moulding machines that allowed them to diversify their product range from just milled flour, tapping into a greater market and furthering their goal to address local food insecurity through product diversification.

260 Brands in Zambia has also innovated in the processing of soya bean they procure from local farmers to offer uniquely differentiated plant-based protein drinks to consumers in the country. The deliberate investment in first-rate processing plants has not only led to the production of their line of healthy unsweetened soymilk, but has also allowed them to innovate soya-infused juice blends that offer protein-rich, easily accessible product varieties for a wide market of consumers.

Our work with Dijon Cereales in Senegal is also a testament to the kind of investments needed to improve market linkages for local producers through value addition. Their upcoming onion dehydration plant will be the first of its kind in the continent, leveraging on unique processing technologies to produce onion powder, increasing local farmers' access to local and overseas markets, and subsequently contributing to the reduction of wastage of harvested produce.

Value addition in food production also focuses on the safety and quality of the product. Technological enhancements have contributed towards increased shelf lives of food products, enabling them to meet global quality standards. Thus, in enabling producers and processors to participate in the global marketplace, AATIF has made concerted efforts in conjunction with our Partner Institutions to train our investees on modern certifications and practices that ensure the best quality product is achieved. Our Technical Assistance Facility Manager and Sustainability Advisor have ensured our investee companies work to introduce certifications such as the British Retail Consortium (BRC), Global-GAP, and others to meet these standards.

Beyond the production side of the value chain, research further posits that advances in communication technologies are key to facilitating coordination between chain actors, not only by vertical integration but by standardisation of processes and sophisticated information and communication technology.

Indeed, ETG has continued to be at the forefront of embracing advancements in telecommunication technology to further enhance market linkages among the value chain actors they work with. The company's upgraded mobile app, "ETG One Stop Solution" boasts over 1,300 users including farmers and agro dealers in 8 countries across the continent. The app includes the option of a "live chat" function to allow farmers to talk to agronomists on issues concerning their crops and notifications on pests or offers, among others.

Further technological advancements are evident beyond our portfolio as well, with captivating trends cropping up to meet the needs of consumers and producers all across the continent. The uptake of Precision Agriculture in Rwanda is one such instance, wherein the national government has invested USD 50 m into a unique drip-irrigation technology initiative. The technology makes use of precision data and insights to promote optimised farming practices built on efficient input and soil use for increased productivity and quality.

Though the proliferation of globalised standards and technological advancements continues to take root among the continent's actors, an important challenge in developing countries is how best to enter these value chains and how to bolster them to eventually participate sustainably in overseas markets. This raises a few questions:

- How can value chains in developing countries be more efficient?
- How can value chains in developing countries be sustainably upgraded?

Although the Fund does not purport to have the universal answers to these questions, our mission and track record continue to prove that concerted and sustainable funding and technical assistance can eventually go the extra mile in enabling actors in developing countries to participate on an equal footing with the rest of the world.

Enda Tamweel

Enda Tamweel is a microfinance institution (MFI) created by the NGO Enda inter-arabe in late 2015 and based in Tunisia. In March 2020, AATIF as part of a syndication arranged by FMO, entered into a loan agreement with Enda Tamweel. A leader in the microfinance sector in Tunisia, the MFI as of 31 December 2022 has a client base of more than 448,000 active clients and an outstanding portfolio of over TND 364 m (USD 115 m).

Through a vast network of 108 brick-and-mortar branches, the MFI maintains its accessibility to its customers, while also operating mobile branches that are able to reach the most isolated and remote areas in the country.

As part of a syndication led by FMO, AATIF is providing a funding line with an equivalent of EUR 7 m in Tunisian Dinars to Enda Tamweel. The AATIF loan supports Enda Tamweel in providing necessary financing to farmers. It also allows the microfinance institution to enhance its capacity to extend financing to vulnerable populations to increase the size of its active customer base.

Enda offers different microfinance products related to food production or rural activities to mostly very small farmers and micro-enterprises. As of 31 December 2022, Enda had approx. USD 100 m outstanding across 89,000 loans (inc. seasonal loans). Principal beneficiaries remain farmers active in livestock.

Social and environmental review

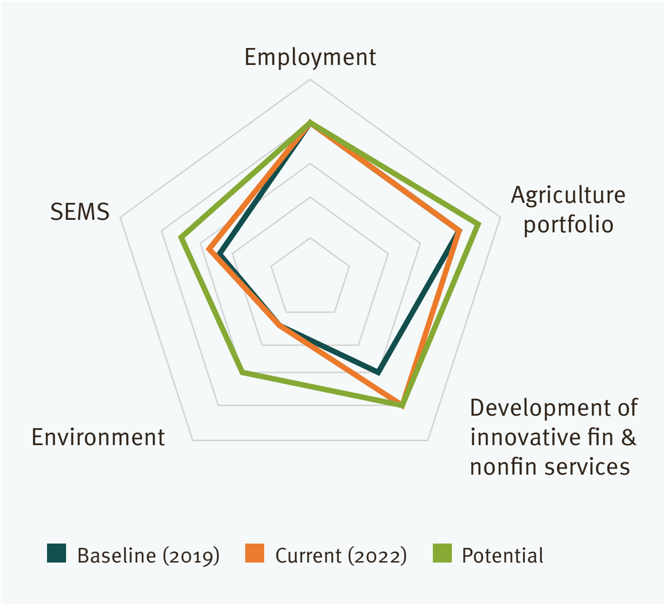
In the year, AATIF and Enda worked together to improve the way in which the microfinance institution manages social and environmental risks and impacts in its portfolio. Through an AATIF technical assistance project, expert consultants supported Enda in developing a Social and Environmental Management System. The project resulted in updated S&E policies and responsibilities, including with regards to the scope of Enda's S&E performance committee. Capacity building on S&E risk management was delivered to headquarter and field staff, and key personnel were trained to build the capacity of staff members in the future.

The same AATIF technical assistance project conducted a mapping of the most relevant S&E risks at the level of Enda's clients and developed a methodology to identify priority sectors and priority S&E risks. Such priority S&E risks include occupational health & safety, deforestation and water contamination. Even though only a small portion of Enda's portfolio is likely to carry such risks, this analysis can now be used as a starting point for Enda to support clients in S&E risk management. Furthermore, Enda staff received training to discuss S&E risks and potential mitigation actions with clients.

Following the closing of the successful Technical Assistance collaboration, AATIF and Enda started discussing additional support, this time focussing on the identified priority S&E risks in clients operating in the agricultural sector. The project is expected to be implemented during 2023 and 2024.

Impact review

Agriculture is a key sector for Enda, as evidenced by its USD 100 million agri portfolio (nearly 30 % of the institution's portfolio) and with more than 120,000 clients operating along agri value chains. In addition to its strong footprint in the agricultural sector, Enda also contributed to other AATIF impact dimensions, including in improving the management of social and environmental risks (as described above) and by offering its clients a wide pool of products, including financial and non-financial ones. The graphic below illustrates progress to date and remaining potential for further impact:



Area of improvement as per loan agreement	Status
Obtain valid certification confirming compliance with the client protection principles.	✓
Obtain a social rating covering all dimensions of the universal standards for social performance management.	Not started
Finalise its environmental and social policies and obtain approval thereof from its environmental and social committee.	✓

TA measures
In early 2022, the TA Facility developed a project to support Enda Tamweel in further integrating social and environmental (S&E) commitments in its processes, developing its S&E risk management system, and capacitating its loan officers and management staff on S&E aspects.

Amsons

Amsons Industries (T) Limited is a family-owned business that was founded in 2012 in Tanzania to diversify Amsons Group, whose main business operations historically involved trading in petroleum products and transportation. Having started with a sole focus on cement production, the company eventually diversified in 2014 to provide wheat storage services to third parties. Later, in October 2017, the company set up its own wheat mill with a total capacity of 150 MT/day, using the brand name “Camel Flour” for its wheat milling operations. Demand for wheat flour in Tanzania and other neighbouring countries increased steadily over the years, creating an opportunity in the market for the company to grow its operations.

Spurred by a successful year of milling operations, AATIF concluded financing facilities amounting to USD 15 m in 2019 to finance the construction of an additional wheat mill with a capacity of 350 MT/day, as well as an accompanying working capital line. As AATIF’s first direct investment in Tanzania, funding provided has been used to help create job opportunities and promote local value addition. Through continued cooperation with AATIF, the company has been able to continue with its ongoing initiative of sourcing more local wheat and to support farmers in improving the quality of the local wheat crop.

The outbreak of the coronavirus pandemic impacted the pace of ramping up the new wheat mill, resulting in the need for AATIF to postpone the first principal repayment from 30 September 2020 to 31 March 2021. The business managed to rebound in line with global economic recovery and made its first principal repayment on 31 March 2021.

Camel Flour has also continued to engage with local communities as part of its strategy to increase wheat production in Tanzania. In 2021, the company cultivated 1,000 acres of farmland in the Basutu ward (northern Tanzania) and used these fields as demonstration farms for surrounding farmers. Throughout the season, nearby farmers received training on good agricultural practices within these demonstration farms. The first harvests of the fields showed success, with yields being four times higher than the usual average in that region. As a result, the company has been engaging the government to cultivate 10,000 acres of land in the upcoming season to further boost their outreach to local farmers and capitalise on 2021's increased yields.

In 2022, similar to what other wheat flour millers experienced, Amsons faced a challenge in the supply of wheat imports, resulting from supply shortages and cost increases attributed to the Ukraine–Russia conflict. The company was able to source wheat from a local commercial farming partner to supplement the shortfall from the international markets. The company was subsequently able to source an aggregate of 15 % of the total wheat milled from local farmers. Despite these sourcing challenges, the mill utilisation peaked to a range of 60 % – 70 %. The declining cost of wheat in international markets in the second half of the year alongside increased availability of the commodity, led to an eventual restoration of the level of operations.

Social and environmental review

As part of improving its Social and Environmental Management System, Amsons drafted a manual for managing and monitoring third party employers in relation to labour and working conditions. The manual still awaits tabling with management for final endorsement.

Amsons conducted an internal health, safety and environment audit which identified opportunities for improvements in fire prevention safety measures and prevention of oil leakages. To further enhance the capacity of its workers in safety management, Amsons facilitated the training of more than 20 workers on fire safety and first aid training in 2022. The occupational health and safety training was offered both internally by the HSE team and by external trainers.

Area of improvement as per loan agreement	Status
Formal commitment to integrate sustainability as a guiding principle across business operations.	✓
Prepare a social and environmental action plan integrating results from the initial social and environmental audit, recommendations made in AATIF's Social and Environmental Assessment Report as well as any other conditions or requirements from the National Environmental Management Council and other authorities.	✓
Complete the development of a social and environmental management system within 18 months and thereafter maintain and regularly update the system including allocation of adequate resources.	In progress
Within the frame of the social and environmental management system, undertake regular social and environmental audits of all activities likely to have adverse social and environmental effects.	Ongoing
Designate a staff member responsible for the management of environmental issues related to the operations of the wheat milling plant, and a staff member responsible for the management of social matters that reach beyond employees' concerns.	✓
Obtain all relevant permits and licenses including but not limited to those related to use of the borehole, effluent discharge, occupational health and safety and fire safety.	✓ (Borehole permit obtained) Ongoing
Develop a grievance mechanism for workers and affected communities and other stakeholders.	In progress
Include clauses on the management of social and environmental issues in the Memorandum of Understanding with outgrowers, including labour and working conditions as well as sustainable agriculture practices and a commitment from the company to follow good practice with regards to responsible contract farming operations.	In progress

Impact review

The investment maintained its contribution towards six of AATIF's impact dimensions as illustrated in the graphic below. Amsons employed five additional permanent workers in its wheat milling operations, increasing the number to 180 (150 male and 30 female). During the year, the company made use of the same average number of casual workers as the previous year of approximately 90 people during the peak season.

In 2022, Amsons experienced the effects that the armed conflict between Russia and Ukraine had on the shortage of wheat globally, which drove up prices. Amsons imported about 38,294 MT of wheat which was 11 % less than the volumes imported the previous year. Notwithstanding this, the company reported an increase of at least 30 % in sales. Towards the end of the year 2022, prices began to drop.

Amsons is still pursuing viable options to facilitate its vision of increasing volumes of wheat sourced locally in Tanzania. To this end, the company is engaging local commercial wheat producers and also playing a key role in consultations with the government's Ministry of Agriculture, which is opening up regions in the country to promote the block farming system.

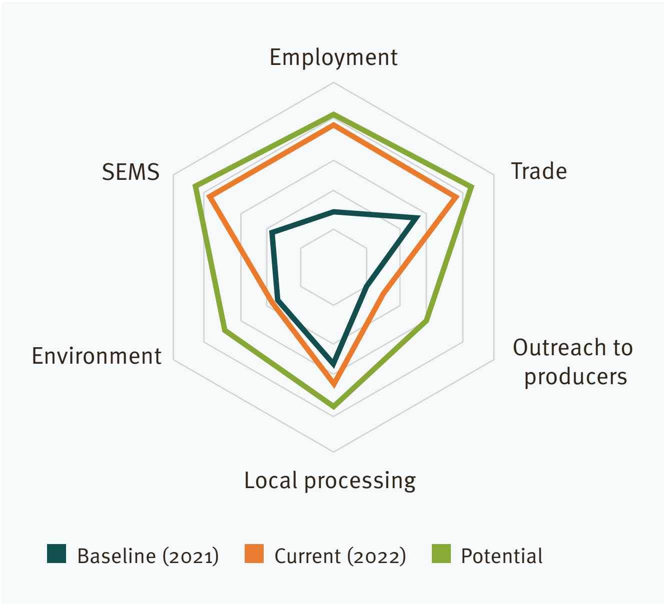
TA measures

In early 2020, the TA Facility launched a project to support Amsons' food brand Camel Flour by financing an expert consultant to design and develop an implementation plan for a wheat outgrower scheme that will support the company in increasing its local sourcing of wheat in Tanzania. The consultant has identified several challenges to be overcome but the overall indications are positive that a sourcing model can be established. The TA Facility stands ready to further support Camel Flour with follow-up TA support.

In 2021, the TA Facility launched a project to support two Camel Flour junior millers to attend the miller apprenticeship professional programme offered by the African Milling School in Nairobi, Kenya.

One apprentice completed his training in August 2022, and a second miller has since been enrolled. The objective is to qualify and capacitate Camel Flour's junior milling personnel to take over leading mill positions when the current senior staff retire. This will support Camel Flour's endeavour to ensure the identity and quality of the company's flour and production processes are preserved over time.

For a rapid appraisal of AATIF's impact on Amsons, the baseline data collection took place in September 2020 and the final baseline Report was delivered in early 2021. An impact brief outlining the main findings is available on the AATIF website.



AMSONS WAS ABLE TO SOURCE AN AGGREGATE OF **15 %** OF THE TOTAL WHEAT MILLED FROM LOCAL FARMERS.

NSIA

In 2018, AATIF entered into an amortising senior debt facility of EUR 17.5 m with NSIA Banque Côte d'Ivoire ("NSIA"), amounting (at the time of disbursement) to approximately USD 20 m, to mature in December 2023. As one of the leading commercial banks in Côte d'Ivoire, NSIA is a public limited liability company listed on the Bourse Régionale des Valeurs Mobilières in Abidjan since October 2017.

The group operates in 12 countries, namely, Togo, Benin, Burkina Faso, Côte d'Ivoire, Gabon, Guinea Conakry, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Chad, and 4 monetary zones (including the West African Economic and Monetary Union, Central African Economic and Monetary Community). The loan is used to support agricultural campaigns in Côte d'Ivoire, Senegal, Benin, Guinea, and Togo.

As a bank, NSIA is actively engaged in supporting the agriculture sector in Côte d'Ivoire, contributing among others to financial inclusion, increase in foreign exchange earnings, sustainable job creation, further aligning with AATIF's targets as a fund. During the period of AATIF's initial loan, NSIA managed to grow its agricultural portfolio to over EUR 286 m, in addition to having concluded the development and implementation of its SEMS.

NSIA has shown continued ambition in building a new sustainable business model to the satisfaction of its customers and stakeholders, implementing the five-year strategic plan "Altitude 22 – 26." This plan is geared towards increasing the Bank's market share by capitalising on the growth of its customer portfolio, with particular emphasis on SMEs and VSEs in the period from 2022 to 2026. The Bank aims to ensure profitability by optimising its digital processes and enacting better risk control measures.

Through an institutional campaign, NSIA has purposed to establish a new brand image as a sustainable bank, aiming to position itself in the top 5 banks in Côte d'Ivoire.

Social and environmental review
With support from AATIF's Technical Assistance Facility, S&E management training sessions for several units within the bank were conducted in 2022. The training programme included, among others, a training of trainers (for members of the S&E unit) as well as training for more than 20 relationship managers.

Moreover, in 2022, the bank obtained the LUCIE 26000 certification for its sustainability management practices. The certification process included the development of an action plan to fill identified gaps in sustainability management. The bank combined this set of actions with its existing S&E action plan to guide its work in the upcoming year. Finally, in early 2023, NSIA became a signatory to the UN Global Compact. As a consequence, it will publish annual reports on adherence to the 10 UN Global Compact principles, starting in 2024. The principles cover the areas of human rights, labour, environment and anti-corruption.

Impact review
In 2022, NSIA continued its trajectory of increased impact in several of AATIF's impact dimensions. In addition to further building capacity on S&E management (supported by AATIF's Technical Assistance Facility), the bank

Area of improvement as per loan agreement	Status
Develop and implement a Social and Environmental Management System.	✓ Implementation ongoing
Closely communicate with the AATIF Compliance Advisor in overseeing the first transactions involving AATIF financing.	✓
Include in the existing S&E action plan all recommendations from the AATIF S&E assessment report.	✓
Maintain an effective and reliable procedure for receiving, recording and addressing and providing feedback on client/project-related grievances from external stakeholders.	✓

also increased its portfolio of clients in the agribusiness sector. At the end of 2022, the bank's portfolio in agriculture, forestry and fishing amounted to over EUR 280 million. Given the linkages of the agriculture sector to other sectors such as manufacturing, commerce, transport, and storage, its total operations in agribusiness are estimated to represent over EUR 400 million, making it a leading player in agriculture financing in the region.

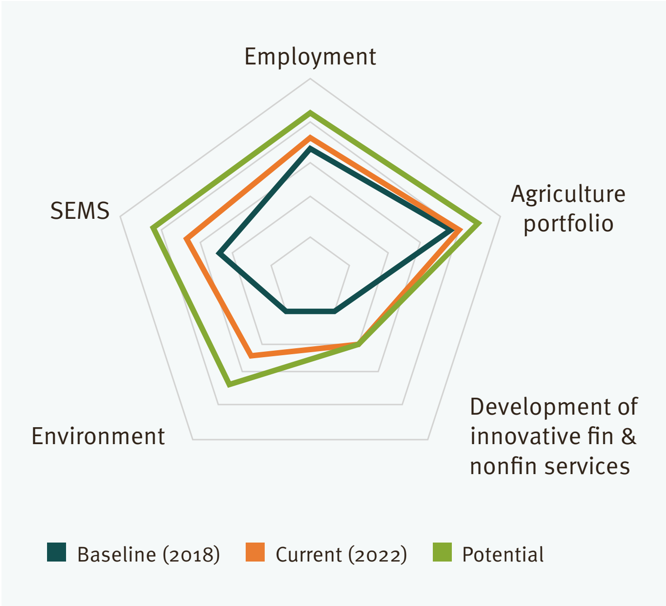
As described above, the certification obtained by the bank in 2022 on sustainable management practices is a step towards improving the bank's impact in other dimensions, particularly in managing its workforce and environmental aspects.

The adjacent graphic illustrates overall progress towards achieving impact to date and the remaining potential for future impact.

TA measures

The TA Facility has previously supported NSIA by co-financing a training programme for the Social & Environmental Coordinator. The training programme commenced in September 2019 and was successfully completed by February 2020. The training included components on strengthening skills in understanding how a bank may be exposed to social and environmental risks (credit, legal and reputational risks), assessing S&E risk level of a particular credit, understanding how Environmental & Social Management Systems (SEMS) lead banks to develop and implement measures to manage S&E risks, as well as understanding the roles of an S&E coordinator vis-à-vis a company's Board for S&E.

In 2021, following the success of the previous TA support, NSIA requested follow-up training to provide insights into S&E risks in the agriculture sector for staff at different levels of the organisation and provide more in-depth training to the previously qualified S&E Coordinator. An expert consultant was contracted in late 2021, and the training was completed in mid-2022.



CKL Africa

CKL Africa is a leading animal health and agricultural inputs company in East and Central Africa. In January 2018, AATIF concluded a USD 4 m facility to enable CKL Africa Ltd to finance a new processing plant for minerals and nutritional supplements used in the livestock sector, thereby increasing the company's local value addition.

CKL Africa Ltd ("CKL") is a family-run company set up in 1906, which over several generations has become a leading animal health and agricultural inputs company. CKL remains one of the oldest local companies in Kenya's well established livestock sector providing critical inputs, knowhow, and R&D assistance to farmers.

2022 was a challenging year for CKl and the agri sector at large in Kenya as the region continued to suffer from drought and unreliable rainfall. CKL reported concerns raised by dairy farmers as the weather conditions impacted the amount of maize and wheat grown in the country, and subsequently, availability of feed for cattle. The effects of the Russia-Ukraine war have also impacted CKL, as rising oil prices have led to significant increases in operating costs. Locally, inflation spiked, the local currency depreciated and the USD, which is often needed to pay imports, like in CKL's case, became sparse. Hence the company experienced rising operating costs while clients experienced a decline in income, which led to a reduction in sales.

The strong management team and very experienced board have guided the company well through the difficult year and are actively developing and implementing new strategies to deal with the new operating environment. The company also remains optimistic as the newly elected government acts and sets a keen focus on agricultural production in their upcoming policies.

Some immediate actions taken during 2022 were continued innovation around the product portfolio with CKL introducing four new agrochemical products. Further, the company continued to improve its outreach and accessibility to farmers by becoming even more present through farmer education activities in various digital communication channels.

Further, CKL launched a new page on its website to raise visibility of its sustainability initiatives and share content on its achievements in economic, social, and environmental aspects. The company was also awarded a certificate for participation in the UN Global Compact Climate Ambition Accelerator Programme.

Social and environmental review

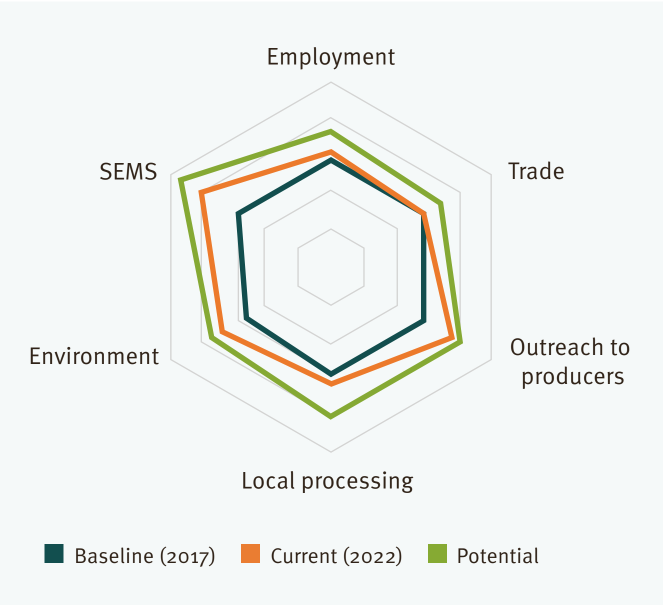
CKL continued implementing further environmental measures and started tracking, on a monthly basis, data regarding the company's use of water and electricity and waste generated. On the social side, the company updated its accident reporting log, and now records near miss accidents. These activities help the company develop risk prevention measures which ultimately increase the productivity of operations. Starting in October 2022, the company took another important step and piloted the Kaizen system on continuous improvement for increased productivity.

During the reporting year, CKL also continued to support employee wellness at the workplace. Based on the results of the culture survey conducted in the previous year, the company established a book club and provided staff with mental health mentoring sessions. It also introduced a new peer-nominated category for the company's annual staff excellence awards for unsung heroes to recognise employees.

CKL continued providing training to employees, where 88 workers benefited from training on occupational health and safety, Good Manufacturing Practices and sustainability topics. Plans are underway to conduct an assessment and identify capacity development needs for its Sustainability Committee which was established in 2021.

Area of improvement as per loan agreement	Status
Complete ESIA for the new production project at Kiambu in line with relevant regulations and Tatu City Limited SEA approved conditions and submissions of draft ESIA report.	✓
Obtain NEMA licence for the new production project site at Kiambu.	✓
Implement conditions attached to its NEMA license for the new production project at the Kiambu site.	✓ Ongoing
At all times, employ qualified personnel responsible for managing safety, health and environment issues as well as quality assurance.	✓ Ongoing
Follow good international industry practice on safety, health and environment, and quality assurance; and submit relevant documentation to the AATIF Compliance Advisor, including committee meeting minutes, audit reports, and capacity-building activities.	✓ Ongoing
By no later than the indicated deadlines, address recommendations of the 2016 annual audit reports and each subsequent annual audit report in relation to safety, health and environmental matters.	✓ Ongoing
By no later than 30 June 2018, update the human resources policy in relation to the role of the human resources manager and the grievance mechanisms, include a provision for union membership and collective bargaining, and increase details of employment conditions in either its human resources policy or employment contracts (e.g., through an annex).	✓
Address staff anxiety related to company relocation.	✓
Apply for effluence disposal licence to the sewer line at the Kiambu site where relevant.	✓
Observe the riparian reserve bordering the Kiambu site.	✓
Immediately inform AATIF of any land-related conflicts as soon as the same come to the borrower's knowledge, including, without limitation, unauthorised use of or trespass to the Kiambu site by Maasai or other nomads or unplanned settlements arising on land bordering the project land.	Not triggered

Impact review
After five years of the relationship with AATIF, CKL continues to create considerable impact in employment, producer outreach, environmental and SEMS as illustrated in the graphic below.



The total workforce remained the same as the previous year, however with a reported increase in minimum daily wages to casual labourers of about 20 %.

In terms of the use of renewable energy, the company reported savings of over USD 2,500 in the last half of 2022 by using solar energy in the plant in Tatu where 37 % of energy used was from solar.

CKL is a member of the Kenya Extended Producer Responsibilty Organisation. Together with other member manufacturers, the company is currently looking to collaborate on developing a collection back system.

In building toward outreach to producers, CKL collaborated with the Agrochemical Association of Kenya to train agro-chemicals spray service providers on the appropriate handling of agro-chemicals. More than 70 farmers benefited and acquired additional skills in proper record keeping and appropriate timing between spraying and harvesting. Overall, the company increased outreach to primary agricultural producers through facilitating training of an additional 16,000 smallholder farmers reaching a total of 87,911 last year.

In 2022, Kenya experienced prolonged drought periods and high cost of inputs which caused a shift from dairy farming. This led to lower demand for CKL inputs, which in turn reduced the capacity utilisation of the processing plants to between 50 % and 60 %.

To date, the Eco care tree planting project has raised 2,072,615 tree seedlings, and transplanted 1,863,264 tree seedlings with a survival rate of about 79 %.

TA measures
To strengthen CKL's coordination of sustainability initiatives and external and internal communication capacity, in 2019 the TA Facility launched a project to co-finance the salary of the newly created permanent position of Group Sustainability Coordination and Communication Manager at CKL Africa Ltd. for three years. As a result, the Group Sustainability Policy was delivered in April 2020, a sustainability menu is now available on the CKL website, and environmental and social issues are addressed at all levels of the organisation.

Furthermore, in November 2020, the TA Facility financed an independent consultant to provide the company with scenario analyses of how the COVID-19 pandemic may operationally and financially impact the company. As a result, CKL was provided with different options of how to cope with the situation during and post-COVID-19.

Additionally, CKL approached the TA Facility to assist in financing the design and development of architectural/engineering plans for two new state-of-the-art production facilities for manufacturing veterinary pharmaceuticals and agricultural pest control products. An expert consultant was contracted at the end of 2020 and the final designs were delivered in early 2021.

For a rapid appraisal of AATIF's impact on CKL, the final baseline report was approved by the TAFM in September 2020 and an impact brief outlining the main findings is available on the AATIF website.

Sterling Bank

On 18 February 2019, AATIF disbursed a USD 15 m facility to Sterling Bank to grow its agricultural lending portfolio which matured on 30 March 2023. To continue the agricultural journey AATIF and Sterling Bank started in 2019, AATIF extended a second facility in March 2023.

Since signing the initial agreement, Sterling Bank and AATIF have worked together on numerous projects, with the bank making considerable contributions to the Nigerian agricultural sector market. The Bank has become renowned as one of the key partners and lenders to the agricultural sector, with over NGN 100 b, or approximately 13 % of its lending portfolio, currently financing agricultural businesses across Nigeria.

This, amongst other initiatives such as the Agriculture Summit Africa; the continent's largest private sector-driven conference on the industry, and the Nigerian Farmers' Radio; an educative radio programme promoting good agricultural practices aired in all geo-political zones of Nigeria, has endeared the bank to primary producers, aggregators, commodity processors, and exporters.

These initiatives recently saw Sterling awarded the best participating bank by the Agricultural Credit Guarantee Scheme Fund (ACGSF). The ACGSF is an initiative of the Central Bank of Nigeria geared towards innovation of appropriate products and creation of an environment for financial institutions to deliver services in an effective, efficient and sustainable manner. The initiatives are mainly targeted at the agricultural sector, rural development and micro, small and medium enterprises.

Corporate level
Sterling continues to pursue its H.E.A.R.T strategy (Health, Education, Agriculture, Renewable Energy, Transport) with innovative solutions that are not common for commercial banks to pursue:

- Market platforms: In 2022, the bank launched Imperium – a digital marketplace platform that facilitates renewable energy transactions by bringing users and merchants together. In leveraging this innovation, the bank plans to expand its digital market platform, enabling agricultural services and solutions to be traded. The bank aims to generate trade and create credit demand from the platform, which it can then route into its underwriting. Further, the trade platform allows third parties to be added (like Hello Tractor, a company AATIF had looked at in the past for an investment that was ultimately deemed to be too early).
- Carbon neutrality: The bank completed the solarisation of its headquarters, installing a 955 kWp Building Integrated Photovoltaic (BIPV) system, and a 2.18 MWh energy storage system. The bank is expecting the installation to have a lifetime of 25 yrs, while amortisation is not yet clear. Extensive energy consumption measurement has been done prior to installation and the decision is based on the bank's target to continue its pathway to a 100 % sustainability-orientated bank. It is assumed to be the first office building on 100 % renewable energy in Nigeria, if not in West Africa.

Agricultural practice
The bank is considering providing funding into solar energy cooling solutions, availing solar-powered freezers for storing fish, dairy, and meat products to processors and sellers across the respective value chains, ultimately linking them with off-takers such as fast-food outlets. The technology can also be used to store vaccines in the form of "cool boxes."

Governance and corporate strategy
With regards to the current setup of the company, we understand that the bank is considering a restructuring of the entity to amend the existing shareholder/ownership structure. To this end, in December of 2021 Sterling Bank obtained the Central Bank of Nigeria (CBN)'s permission to restructure to a holding company.

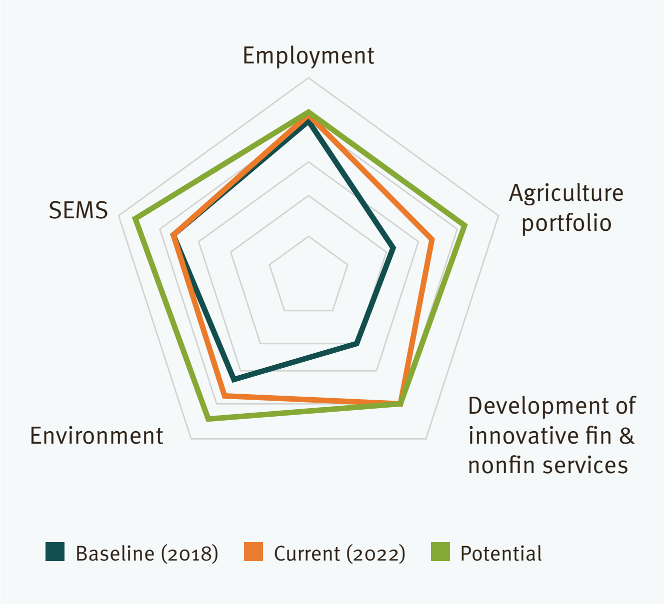
Social and environmental review
Sterling Bank continued its sustainability training programme and had over 1,200 staff participating in 2022, including in basic training for new hires and detailed sessions on S&E risks for business teams. The bank's core S&E team continued its efforts to expand and maintain a network of champions within the organisation. At the end of 2022, the bank had 22 sustainability champions spread across various departments of the bank.

Last year, the AATIF worked with Sterling Bank on two projects to advance sustainability management at the bank. The first one is an assessment of the bank's portfolio exposure to climate-related risks, following TCFD recommendations. The second one is the development of an ESG dashboard, which will allow the bank to monitor and manage sustainability indicators. Both projects will be finalised in the course of 2023.

Impact review
The AATIF investment in Sterling Bank aims at enabling the bank to expand its agricultural portfolio. This goal is well embedded in the bank's HEART strategy, which sets the bank's priority sectors as Health, Education, Agriculture, Renewable energy and Transportation. The share of the agricultural sector in its portfolio increased from 4 % to 12 % over the last four years and reached USD 150 million in 2022. This was combined with the expansion of the service offering to the sector, including: a dedicated product for women and youth (SWAY-AgFIN) and a trading platform for agribusiness clients (SABEX). In addition to such financial products, the bank also provided financial education programmes and events to more than 8,200 clients.

The bank also achieved remarkable impact in the environmental dimension. Concerning its own operations, Sterling Bank began powering its corporate headquarters solely through solar energy, in addition to growing the number of solar-powered ATMs to 283. On the level of its clients, the bank is undertaking an assessment of climate-change related risks, with support from AATIF's Technical Assistance Facility, in line with TCFD recommendations. The graphic below summarises the overall impact achieved to date and shows remaining potential for future impact.

Area of improvement as per loan agreement	Status
Improve Social and Environmental Management System, including expansion to address financial institutions as its own category and setting out specific risk management procedures and impact assessments for this category, as well as maintaining a qualified Sustainability Manager to, among other things, oversee the implementation, upgrading and reporting of the SEMS.	Ongoing
Develop an social and environmental action plan based on recommendations of the AATIF social and environmental management report.	Ongoing
Develop an internal form for annual social and environmental monitoring to the AATIF, including SEMS, SEMS governance, capacity building, social and environmental portfolio statistics, human resources statistics and stakeholder involvement including grievance reporting.	✓
Develop a mechanism to identify AATIF Social and Environmental category A transactions among the bank's S&E risk classification and integrate in the sub-loan reporting to AATIF.	✓
Closely communicate with the AATIF Compliance Advisor in overseeing the first transaction involving AATIF financing.	✓
Develop and integrate into the performance appraisal system social and environmental employee performance indicators to measure performance of relevant staff.	✓
Develop and implement a social and environmental capacity building strategy and ensure that all staff have received training on such strategy.	Ongoing



TA measures

In 2021, the TA Facility assisted Sterling Bank in designing and developing a plan for the establishment of a nation-wide agricultural radio channel to enable smallholder farmers to access key agriculture-related information and increase financial inclusion. The TA measure aimed to evaluate the implementation and achievements of a radio pilot project undertaken by Sterling Bank and assess the requirements for setting up a fully-fledged agricultural radio station. As a result, Sterling Bank is now equipped with a sound assessment and information on which the bank's management can decide on the next steps towards the establishment of a nation-wide radio programme.

Additionally, in 2021 the TA-Facility developed a project to finance a climate risk analysis of Sterling Bank's loan book to better understand the potential impacts of climate change on its loan portfolio and develop solutions to adapt or mitigate potential risks identified, according to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The portfolio assessment report will provide knowledge and recommendations for Sterling to anticipate the vulnerability that climate change poses on the bank's portfolio. This will further inform Sterling's strategy going forward and provide a basis for the bank to pave the way in the transition towards a low-carbon economy. The project launched in mid-2022 and is expected to close in late 2023.

Union Bank of Nigeria (UBN)

On 23 September 2022, AATIF disbursed USD 25 m in Tier 2 funding to Union Bank of Nigeria to expand its agricultural business footprint. In response to the Nigerian government's effort to reduce food imports and ultimately create a sustainable market for local farmers to sell their farm produce, Union Bank has anchored its food and agrifinance strategy around the promotion of local food processing.

Union Bank boasts a long-standing track record in the agricultural sector and has since risen to become one of the top 5 agricultural financiers in Nigeria, highlighting the sector's great potential for future expansion and innovation.

The Bank targets key value chains in rice, poultry, dairy, cassava, maize, and soybean, among others, and aims to provide tailor-made funding and technical support to the different actors along each of the selected value chains.

The Bank's agricultural portfolio expanded in 2022. This was driven mostly by new business opportunities and partially by the currency effect (the depreciation of the Naira led to re-evaluation of USD-labelled debt). Another notable development is the increase in the credit rate granted to agricultural clients, which was mostly due to the growth of the central bank's monetary policy rate, and was more significant for Naira denominated loans. This increased credit rate is likely to lead to reduced credit demand in the upcoming reporting periods.

The funding from AATIF will support Union Bank's expansion and outreach to Nigerian agri-businesses. The expected impact is linked to the development and deployment of innovative agri-product offerings and an increase in funding directed to agricultural businesses. This is expected to further contribute to the growth of the competitive food and agricultural sector in Nigeria that is fully aligned with national priorities – including improving food security, increased agricultural production and local food processing.

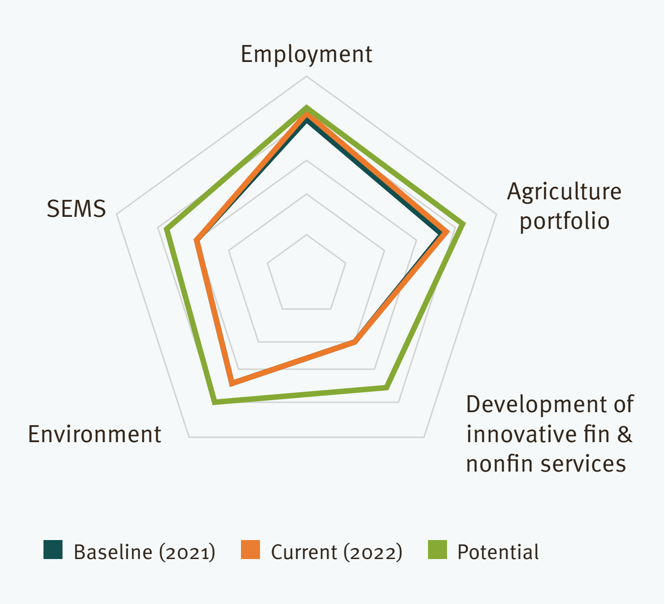
Social and environmental review

When UBN joined the active AATIF portfolio, the bank already had a Social and Environmental Management System in place. The process of setting up such a system started from the bank's engagement with international lenders as well as a requirement of its regulatory environment, particularly the Nigerian Sustainable Banking Principles. UBN's SEMS was generally aligned to AATIF's Social and Environmental Policy. Some areas of improvement included expanding guidance provided to staff on specific social and environmental risks in the agricultural sector. In terms of implementation, the bank faced challenges, partially due to the lack of an S&E capacity building strategy. For these purposes, the AATIF and UBN developed an S&E action plan which the bank started implementing with support of the AATIF TA Facility during the reporting period.

Area of improvement as per loan agreement	Status
Develop an S&E action plan to, among others, improve integration of S&E aspects in the overall credit appraisal process.	✓
Develop specific guidance for S&E risk assessment for priority sectors, including agriculture.	Not started
Improve bank-level reporting and monitoring on S&E aspects.	Not started
Conduct an S&E training needs assessment and build capacity of staff.	Not started
Improve practices related to human capital development, including on occupational health and safety and procurement practices.	Not started

Impact review

The AATIF investment in UBN aims at enabling the bank to expand its agricultural portfolio, driven by its agricultural sector strategy and by broadening its service offer specific to financing needs along agricultural value chains. Despite being a relatively new investment, the bank already achieved positive impacts, as illustrated in the graphic below.



The share of the agricultural sector in UBNs portfolio increased from 11 % to 18 % over the past year and reached USD 250 million at the end of 2022. This expansion was mainly driven by increasing lending to agricultural processing and trading client segments.

The bank also achieved positive impacts regarding its environmental footprint. Concerning its own operations, UBN continued its energy, water and waste efficiency initiatives. While water and waste efficiency improved during the year, energy consumption increased. This increase was the result of COVID restrictions relaxing and staff returning to work at the UBN offices. The bank continues its efforts to reduce energy consumption through implementing alternative energy resource strategies across branches and offices.

The employment dimension has seen a slight decline, namely due to reduced representation of women in management positions and increased gender pay gap.

Agrivision Zambia

The Agrivision transaction is AATIF's first and longest running investment, which was closed on 26 October 2011. AATIF extended a facility of USD 10 m to Agrivision Africa Mauritius, guaranteed by Agrivision Zambia (Chobe). The AATIF investment of USD 10 m allowed Agrivision to develop its Mkushi farm from about 400 ha to 1,686 ha. The farm development also included the installation of irrigation systems. On 26 October 2015, Agrivision Zambia repaid the first tranche of the AATIF loan of USD 3 m, reducing the AATIF exposure to USD 7 m. In October 2016, the loan was extended by an additional 5 years. The first and second tranches of the extended facility of USD 1.4 m were repaid on schedule in October 2017 and 2018, respectively. However, in 2019, the remaining facility (USD 4.2 m) was restructured again, and principal repayments were postponed, resuming in October 2021.

Agrivision Zambia is a vertically integrated agribusiness focused on cultivating and processing staple food crops in Zambia. The company operates out of two hubs, namely Mkushi (Central Province) and Somawhe (Copperbelt Province). While the business started off as a pure grower of maize, wheat and soya, vertical integration is continuously pushed to reduce dependence on soft commodity price movements. In 2014 Agrivision acquired Mpongwe Milling, a milling operation situated in Kitwe, 180 km from the Somawhe farm with an annual capacity of 70,000 MT of maize and 26,000 MT of wheat. Mpongwe has the capacity to processes the majority of the produce of both farming hubs as well as maize from smallholder farmers in the region.

2020 was a challenging year for everyone due to the outbreak of the COVID-19 pandemic. Agrivision was in the fortunate position of operating in the essential food service sector and could operate with limited constraints, and experienced no infections of the disease during the 2020/21 season. The main impact on the farming operations was on the logistics involved in getting inputs to the farms on time. These were mitigated by good planning and anticipation, ensuring that all inputs were received on time. Soya bean prices declined slightly on the back of reduced global demand, while the rest of the commodities saw little impact to their prices. The mill on the other hand was affected due to a drop in demand for its main product, biscuit flour as a result of school closures and a reduced demand for lunchbox biscuits.

2020 saw a significant devaluation of the Kwacha against the US Dollar – as much as 51.2 % – from USD 1 = ZMW 13.9937 to USD 1 = ZMW 21.1600. This had a major impact on Mpongwe Milling, whose funding and commodity purchases are denominated in USD but sells in Kwacha, resulting in a significant exchange impact. Despite the sufficient water for the 2019 winter crop, the 2019/20 rain season did not provide sufficient water for a full winter crop at Mkushi. At Mkushi farms, Agrivision cultivated 1,830 ha of soya, 711 ha of commercial maize, 73 ha of seed maize and 763 ha of wheat. The hectarage of irrigated wheat farmed in Mkushi decreased from a full crop of 1,454 ha in 2019 down to 763 ha (max: 1,700 ha). Opportunities to improve the Mkushi water situation are constantly being reviewed, but are very limited at this stage. In contrast, Somawhe had

Area of improvement as per loan agreement	Status
Apply minimum wage as per Zambia Employment Act to casual workers.	✓
Adjust registration forms for casual workers to ensure no underage workers are hired.	✓
Ensure that rat poison and mosquito spray is stored in a closed storage, indicating that its content is hazardous or in an area marked as hazardous.	✓
Set up and implement a system for managing occupational safety and health, which also includes active worker participation.	✓ Ongoing
Ensure that workers and their families are provided with one insecticide-treated mosquito net per household and that these are regularly insecticide treated. Investigate the correctness of, and if necessary, adjust the mosquito spraying schedules.	✓ (2011–2015) Discontinued as no longer receiving bed nets from government health centre
Ensure that children of families working at the Chobe Agrivision have access to at least primary school.	✓ (2015)

a good maize and wheat yield for the year. At Somawhe farms, Agrivision cultivated 3,153 ha of soya, 951 ha of maize and 2,875 ha of wheat.

Similar to other portfolio companies, Agrivision had just recovered from the impacts of the COVID-19 pandemic and was then faced with the impacts of the Russia-Ukraine war impacting availability of fertiliser and wheat locally. Initially, Agrivision was well off as it had secured fertilisers, but in the second planting season of the year there was a lack of inputs locally, which will have long-term effects on the farmers they work with, affecting their productivity and purchasing power.

Despite these challenges, Agrivision however showed great achievements on the sustainability front. The company successfully completed a tree-planting project, which resulted in a total of 15,000 assorted tree seedlings planted in public spaces. Furthermore, the company successfully renewed its GLOBAL G.A.P. certification in Q3 2022 for the production and handling of maize, soybean and wheat in its Somawhe and Mkushi estates.

Social and environmental review

Agrivision continued to manage its social and environmental risks and impacts through the leadership of its Environment and Social Governance manager and under the guidance of senior management. To further facilitate aligning to national regulatory requirements regarding environmental management, Agrivision signed up to the Zambia Environmental Management Agency (ZEMA) online dashboard, eZEMA. The online platform allows the company to review the status of its required environmental licenses from ZEMA in a timely fashion as well as public complaints about the company, if any.

Related to its primary agricultural production, the company conducted an external audit of its operations. The findings of the audit enabled the company to renew its Global Good Agricultural Practices (GAP) certification for the production and handling of maize, soybean, and wheat in its Somawhe and Mkushi farms. By implementing the principles of Good Agricultural Practices, the company is continually improving the safety and quality of its produce while at the same time protecting the environment and safeguarding the health and safety of its workers. The company already developed a plan to implement recommendations of the audit in preparation for the next certification cycle.

As Agrivision continued to manage and enhance the occupational health and safety of its workers, the company sustained its recording and tracking of accidents and incidents within its operations. The records helped the company to identify a rising number of tractor incidents in both farm blocks and take immediate action. Agrivision introduced tractor operators' evaluation checklists to assess operator proficiency on pre-use inspection, start up, driving, shut off and exit procedures. Next year's reporting will inform about the effectiveness of the new measure.

In addition to the traffic-related accidents, Agrivision also investigated improving chemical safety management and developed a chemical spill response plan. The plan guides employees on the steps to be taken in case of spillage of the respective chemicals that are being handled and stored on site. We also note that the annual audit reports conducted in compliance with ZEMA requirements show that workers are using personal protective equipment, that chemicals and hazardous waste are appropriately stored, and that first aid kits and Material Safety Data Sheets (MSDS) are readily accessible.

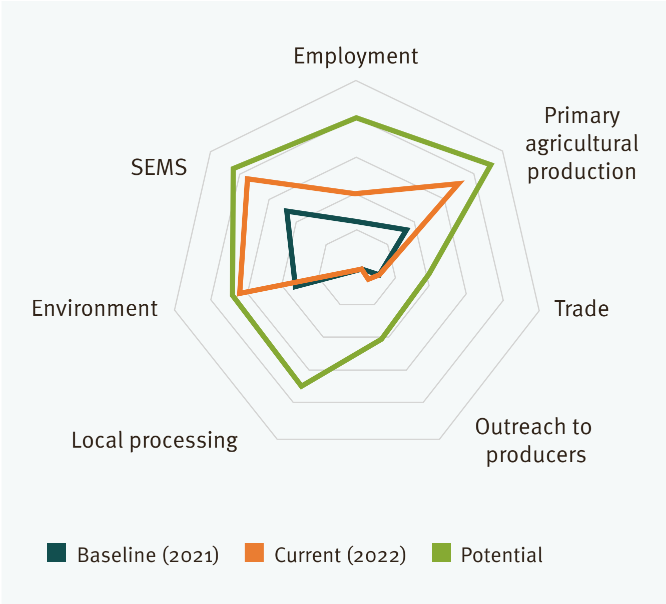
The company also updated its Human Resources Manual, which has procedures that address training and development, non-harassment, occupational health and safety, leave entitlements, disciplinary procedures as well as grievance mechanism. The manual now also provides for the establishment of an equity coordination committee and regular human resource audits as well as employment culture surveys.

Impact review
In 2021, Agrivision achieved impact across all seven impact dimensions of AATIF. However, the mill at Mpongwe closed operations on 31 December 2021 leading to the termination of contracts with 151 employees. This resulted in a decline in the employment dimension compared to the previous year. Leading up to the closure of the mill, there was a decline in production capacity and the plant was operating at 27 % capacity.

In efforts to improve water conservation, Agrivision has identified an opportunity for water saving. The company plans to construct a specific dam to capture water losses at the irrigation canal and will use the water for irrigation. The permits for the dam construction have been obtained from the Water Resource Management Agency (WARMA).

For improved energy efficiency, the company is implementing a number of measures across its operations. For instance, water pumps have been installed with power factor correction systems, modern farming techniques (zero tillage) are employed which reduce fuel consumption, fluorescent tubes are being replaced with energy efficient LED lights and solar water heating is being installed in the staff quarters.

TA measures
For assessing AATIF's impact on Agrivision Zambia, an ex-post rapid appraisal report was completed in 2018 and a summary of the results is available on the AATIF website. The continuation of the rapid appraisal is planned for 2023, when end line data will be collected and a final report compiled.



Mount Meru Millers (Z) limited

On 28 February 2019, AATIF concluded a USD 5 m loan facility agreement for Mount Meru Millers, a leading edible oil producer in Zambia. Mount Meru Millers Zambia belongs to the larger group of Mount Meru companies in Southern and Eastern Africa active in the food processing, logistics, construction and petroleum sectors. The group of companies started as a family business in 1978 in Tanzania and has since expanded operations to twelve African countries. Mount Meru Millers in Zambia produces edible oils and feed cakes as well as several smaller by-products from soya, sunflower, cotton and palm oil. Products are sold in local and regional markets.

Mount Meru Millers increased its seed-crushing capacity from 500 to 750 MT and further increased the utilisation for oil production from 55 % (2017) to 80-90 % in 2022, leading to an increased traded volume of edible oils (soya, sunflower, cotton seed) in the local and regional markets.

The growth is enabled by a strong farmer network continuing to provide the bulk of raw materials. In the past season, the company estimates to have reached around 25,000 soya farmers and 20,000 cotton farmers.

While Mount Meru also experienced rising commodity prices as a result of the Russia - Ukraine war, the company was able to mitigate the impacts given it also experienced a spike in demand specifically for soya cake from Kenya and Tanzania, allowing the company to sustain overall profitability.

Social and environmental review

Building on the ISO management certifications that Mount Meru received in the previous year, the company successfully implemented the related ISO standards. As a result, Mount Meru experienced a reduction in the number of occupational accidents and incidents. This represents a good achievement as earlier, the company was faced with a comparatively high number of accidents. In addition, over 30 workers were trained on occupational health and safety topics covering first aid, fire safety, basic safety, hazard identification, reporting, correction, and removal as well as safe boiler operation.

During the reporting period, the Mount Meru continued implementing the supplementary resettlement action plan in Katuba and Kanchibiya. Unfortunately, the company is still awaiting the land administrative processes to

Area of improvement as per loan agreement	Status
Develop an integrated Social and Environmental Management System within 18 months of signing the facility agreement.	In progress
Draft a time-bound action plan that incorporates all recommendations included in the AATIF S&E assessment report.	✓
Formalise its stakeholder engagement to improve and maintain good relationships with the nearby communities by drafting a stakeholder engagement plan.	In progress
Implement improvements related to working conditions • Adapt HR manual to the Zambian context • Track employee's overtime to ensure compliance with limits set by the Zambian employment law • Implement measures to improve occupational safety and health throughout the processing plant	In progress ✓ Tracking employees working time ✓ ISO OSH certification
Conduct regular maintenance of the effluent treatment plant and assess the effects of expansion plans with regards to effluent generation and treatment.	Ongoing
Draft and implement a waste management plan and ensure adequate disposal of solid waste generated through the operations.	In progress (draft completed)
Put in place a driver safety programme to ensure compliance with traffic rules and reduce risk of accidents.	In progress
Implement the supplementary resettlement action plan to ensure that project-affected people: i) receive additional compensation in line with applicable national and international standards; ii) have their livelihoods and standards of living improved or at least restored; and iii) make all reasonable efforts to ensure that the project-affected people have security of tenure over the land they inhabit.	In progress

~25,000

SOYA FARMERS AND

20,000

COTTON FARMERS REACHED OUT TO IN THE PAST SEASON

be completed for issuance of the land titles for the land where the houses of the project-affected households are located. The company is also following up on identification of land to be used for farming activities by the project-affected persons in Katuba in an effort to restore livelihoods.

Mount Meru continued to support the communities in neighbouring areas of its premises in Katuba. The company sustained its sponsorship of the School Feeding Programme benefitting over 26,000 children in 93 schools in Zambia. Also, as part of its CSR, the company provided Chibombo town council with transportation for solid waste collected within the town.

Impact review

In the fourth year of AATIF financing, Mount Meru achieved impact across several dimensions as illustrated in the graphic below.

In 2022, Mount Meru increased its workforce by 8 % to 916 people, with most workers being permanent employees representing 67 % of total people employed.

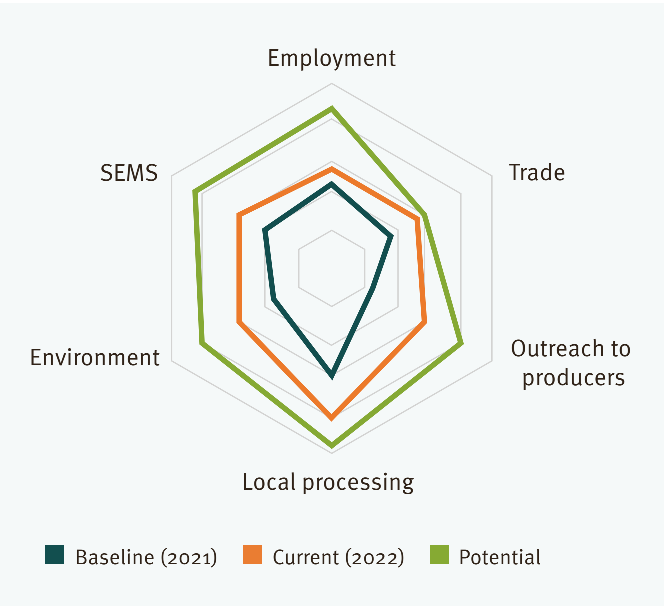
The company bought 10,919 MT of sunflower, 2,058 MT of cotton and 66,877 MT of soyabeans from smallholder farmers in Zambia. An additional 43,123 MT of soyabeans was bought from commercial farmers. The volumes purchased from smallholders represent a large increase in the number of smallholder farmers the company sourced oil seeds from, namely 68,000 compared to 27,632 in the previous year. In terms of further outreach to producers, Mount Meru plans to start a sunflower outgrower scheme to produce drought-resistant high oil seed in the coming months.

Mount Meru increased its processing capacity by installing an additional soya bean crushing line with a capacity of 150 MT/day. In total, the company processed 13,951 MT of sunflower, 2,292 MT of cotton seed and 223,835 MT of soya. Compared to the previous year, the volumes of sunflower processed tripled, quantities of cotton processed increased by four times while volumes of soya processed decreased by 15 %.

Routine inspections of the boilers continued to ensure there is proper insulation of the steam pipes at all times to avoid energy losses when the boilers are running.

The company exported about 30 % of its products to markets in Africa. A total of 2,850 MT of edible oil and 39,000 MT of cake were exported, which was a slight decrease of less than 5 % compared to volumes exported the previous year.

The graphic below summarises overall impact achieved to date and shows remaining potential for future impact.



TA measures
In 2021, the TA Facility contracted an expert consultant to design an implementation plan for a sustainable outgrower extension scheme that will assist the company to increase their sourcing from smallholder farmers. The project was completed in late 2021.

In addition to this, the TA Facility is planning to assist Mount Meru with developing an adapted margarine formula. Mount Meru is interested in recycling its crude oil residues from its oil refinery into margarine formulation, thus actively seeking to reduce production waste and increase production cycle value.

Since a Resettlement and Livelihood Restoration Audit (in line with National and IFC Performance Standards) was conducted with assistance of the TA Facility in early 2018, a consultant is continuously assisting Mount Meru to implement recommended activities for addressing the gaps identified during the audit. At the same time "Project-Affected People" (PAP) receives support to meet formal obligations for claiming their rights. The consultant commenced its work in October 2018 with a field visit to the two resettled communities. The project continues with assisting both Mount Meru and the PAPs to find viable solutions to the outstanding resettlements issues (such as acquiring arable land for PAPs, constructing houses for relocated PAPs, and other forms of compensation).

For a rapid appraisal of AATIF's impact on Mount Meru, the baseline data collection took place in September 2020 and the final baseline report was delivered in 2021. An impact brief outlining the main findings is available on the AATIF website.

African Milling Limited

AATIF is now closing in on four successful seasons with African Milling Limited ("AML"), having initially financed the company in 2019 as the Fund's first collateral management facility with the mission of addressing a critical funding gap in the market.

The facility provided by AATIF is a combination of working capital and a collateral management facility. AATIF initially provided USD 11 m in funding, but has increased this to a total of USD 15 m to accommodate the growth the company has managed to achieve through AATIF's facility. The facility enables AML to purchase maize and wheat for its milling operations in Lusaka.

In 2021 AML had a very successful year recovering from the COVID impact, and 2022 continued in a similar trend with the company facing a volatile wheat market due to the Ukraine war. However the company fared well throughout the year and continued to show growth and further diversification in terms of sourcing and sales. Utilisation of the mill is at over 75 % for maize, supported by sales into the surrounding region, while wheat production is at 90 %, exceeding targets.

Due to the CMA facility AATIF provided, AML was able to purchase both wheat and maize in bulk when prices were most attractive and hence did not get caught up in the market turmoil caused by the war. Nonetheless, the company looked at diversifying its wheat sources in partnership with its sister entity, namely Nyimba Investments. Nyimba Investment bought a large commercial farm on a going concern and fully functional basis during 2022 with a capacity to produce up to 20,000 MT of wheat. The farm was acquired with existing management and staff members. The company anticipated their first harvest in 2023, which should help secure wheat supply for African Milling. The acquisition will help to meet about half of the company's wheat demand for processing, thereby reducing the amount of wheat they need to purchase on the open market in a season.

In 2021, AML embarked on setting up its own bakery in an effort to further integrate vertically and diversify its product base. Initial production began in 2021, processing 3 bags a day, which has now increased to 110 bags a day producing a variety of different goods. Having originally sold through major outlets like Shoprite, AML have opened their own smaller outlets in high-density areas in Zambia allowing them to reach a much broader client base and continue to embrace their mission of providing necessity goods to the general population within and outside of Zambia.

Social and environmental review
Picking up on momentum from the previous year, AML implemented further measures to enhance social and environmental management within the company. A new human resources officer was hired in February 2023 to implement plans towards improving labour and working conditions. In addition, AML is in consultation with the Ministry of Labour about arrangements regarding contracting casual workers.

With respect to occupational health and safety, AML introduced some measures to address accidents recorded through the health and safety officer. The officer introduced daily safety briefs and is working on enhancing capacity of the safety committees. Enhancements regarding environmental management within the processing plant included upgrading waste bins, which was informed by the waste audit conducted in the facility. The company also introduced water testing and revamped its water reticulation system to improve water quality.

In 2022, AML started measuring, monitoring and reporting on the air and dust emissions from its operations. The company also engaged an independent expert to conduct

Area of improvement as per loan agreement	Status
Review and integrate recommendations made in the social and environmental audit report and AATIF social and environmental management system, for the existing facilities and expansion plan, into the social and environmental action plan.	✓
Recruit a social and environmental coordinator within 3 months of facility disbursement.	✓
Develop a social and environmental management system within 18 months of facility disbursement. Thereafter maintain and regularly upgrade SEMS, including sufficient allocation of resources.	In progress
Implement and regularly update the social and environmental action plan.	Ongoing
Introduce training on social and environmental risk and impact management.	In progress
Undertake social and environmental audits of all activities likely to have adverse social and environmental impacts.	Ongoing
Develop and implement, together with workers and their representatives, an occupational safety and health policy, procedures and management system that includes but is not limited to, periodic assessments and audits of occupational safety and health issues at the workplace, detailed accident reporting and investigation, training for employees on occupational safety and health issues (e.g., first aid, fire prevention, housekeeping), regular fire drills, and personal protective equipment.	Ongoing
Introduce measures to control air and greenhouse emissions, such as controlling, measuring, monitoring dust and particulate matter, proper maintenance of generators to ensure efficiency.	Ongoing

environmental audits and prepare the bi-annual returns to the Zambia Environmental Management Agency (ZEMA) as required by national law.

Impact review

Five years into AATIF financing, AML's impact on local processing, trade and outreach to producers remained relatively unchanged compared to the previous year. However, in 2022, AML achieved several improvements in its SEMS and environment dimensions and also launched initiatives to improve the working conditions of employees.

AML developed policies and procedures to guide its journey in improving social and environmental risks and impacts from its operations. Some of the policies developed include an Environmental Health and Safety policy, emergency preparedness procedures and a policy on HIV/AIDS. The company started monitoring noise and dust emissions, which the company was previously not tracking.

The company initiated a project to construct new and improved changing rooms for the workers and a staff canteen. In terms of SEMS, AML developed a supplier compliance agreement which provides the company with a useful framework for assessing social and environmental risks and impacts along its supply chain.

The volumes of maize processed remained relatively the same at about 88,000 MT while the company increased the volumes of processed wheat by 13 % from 29,700 MT to 34,624 MT. AML still exported some processed maize and wheat products to DRC. In 2022, it exported 21 % of its processed maize compared to 17 % the previous year and 13 % of processed wheat compared to 37 % the previous year.

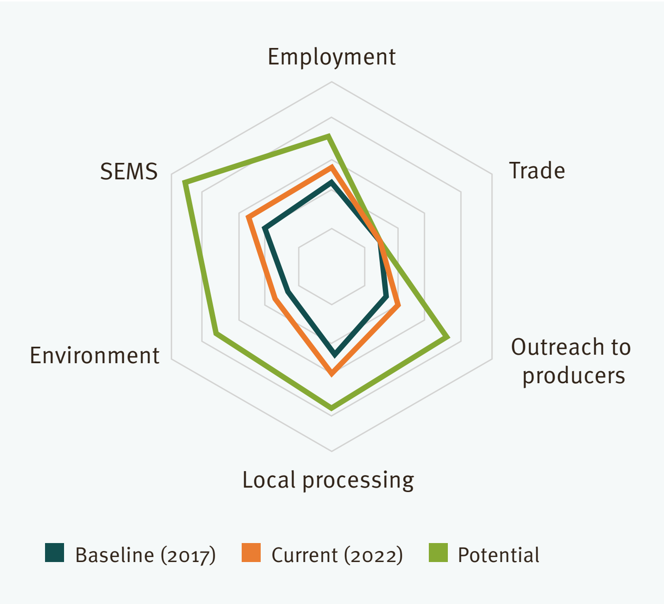
As the company continues implementing its policies related to social and environmental management, it plans to apply for ISO certification. This step will further enhance AML's sustainability management and enhance the company's competitiveness.

TA measures

In early 2020, the TA Facility financed a market study of maize flour product differentiation for AML. The study informed AML management on viable options to diversify its product range, and provided associated marketing strategies, which would additionally enable AML to make full use of its maize mill all year round. As a result of the study, the consultant delivered a market study and branding strategy for fortified maize products. AML moved forward with the consultant's recommendations and undertook a trial launch of the new product in 2021.

In 2021, the TA Facility supported AML in designing a sustainable sourcing strategy to enable the company to increase its purchase from smallholders while ensuring that the purchased maize is produced in a sustainable manner.

For a rapid appraisal of AATIF's impact on AML, the baseline data collection took place in September 2020 and the final baseline Report was delivered in late 2021. An impact brief outlining the main findings is available on the AATIF website.



ACTIVITIES REPORT: FUNDING

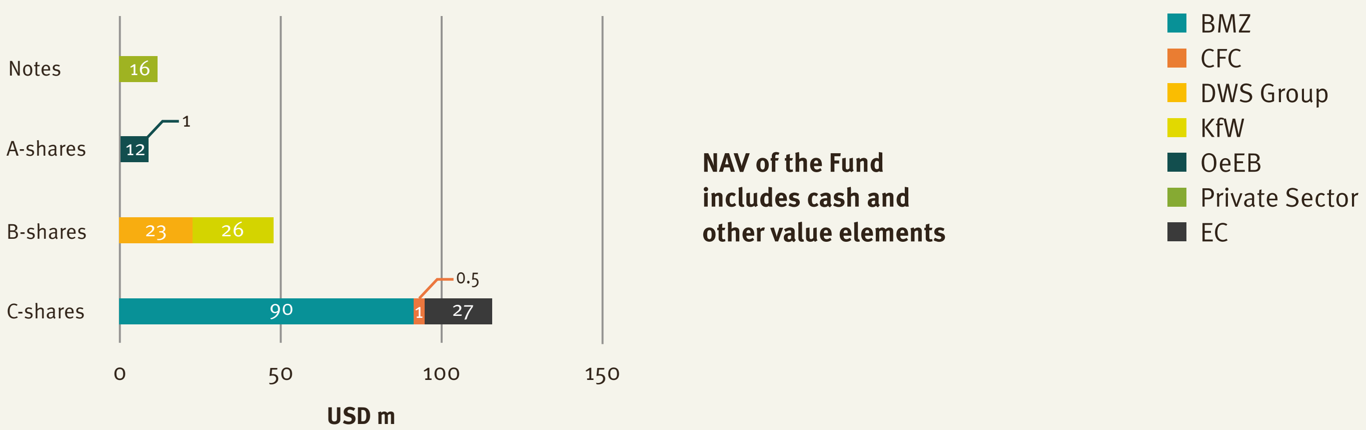
Investor capital structure as of 31 March 2023

Funding overview: In the 22/23 FY, AATIF could further bolster its C-shares cushion by the USD equivalent of EUR 19 m. EUR 9 m relates to a special contribution from the German Federal Ministry of Development and Cooperation (BMZ) to promote agricultural lending in Cameroon. The differential of EUR 10 m links to the 3rd and final tranche from the European Commission's EUR 30 m commitment. AATIF also drew down USD 10 m from the DEG notes commitment, allowing it to extend the maturity for the remaining commitment, which would have otherwise matured. AATIF repaid on schedule in Q2 2022 the EUR 20 m 3-year notes tranche which was issued in 2019. As of 31 March 2023, AATIF's risk capital provided by the public sector stood at 60 % of total assets. Throughout the year, the fund had ample liquidity position to draw from for new investments.

Undrawn commitments

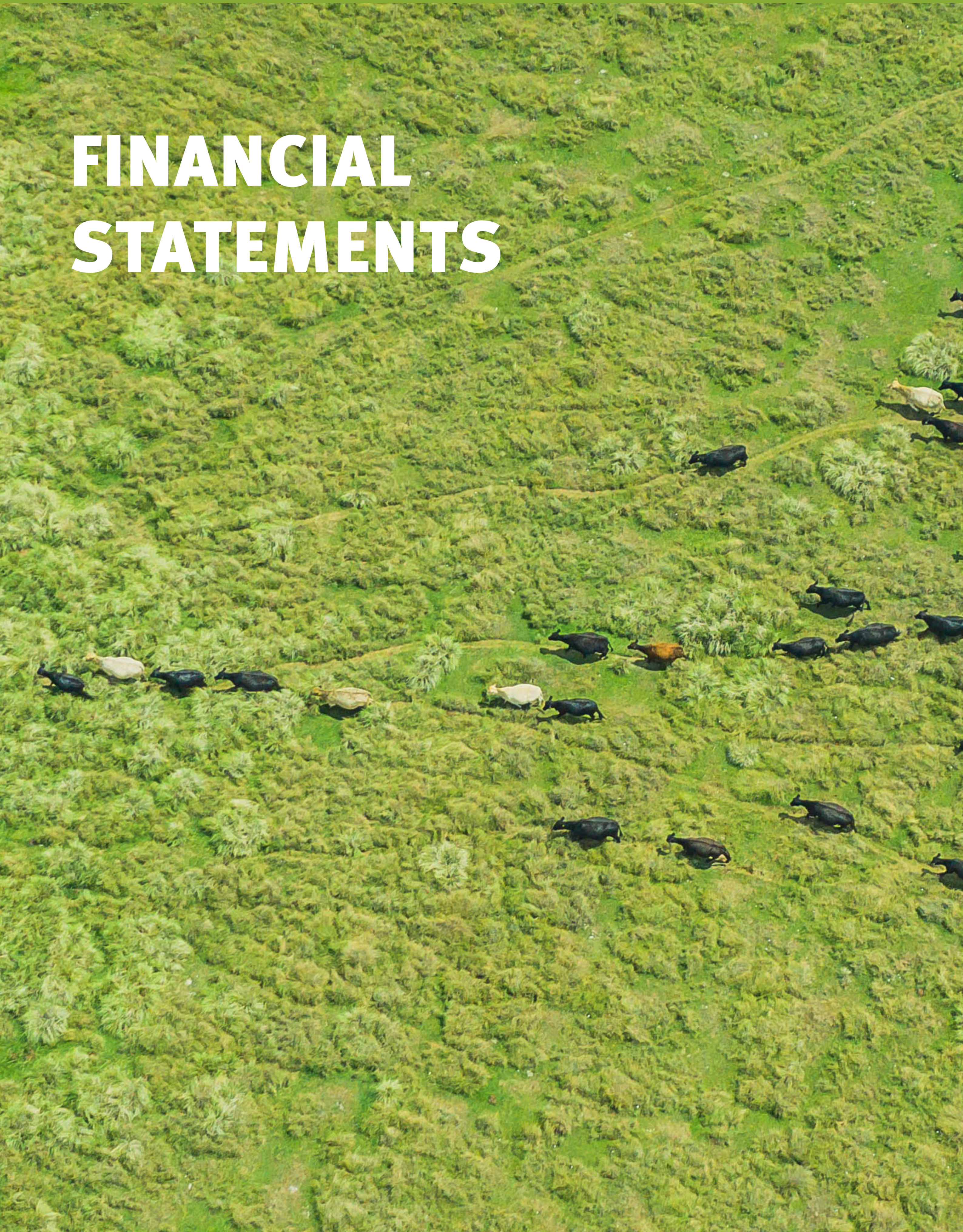
Total amount of undrawn capital: USD 14 m

NAV as of 31 march 2022



NAV of the Fund includes cash and other value elements

FINANCIAL STATEMENTS



Financial statements

Statement of financial position

USD	31 March 2023	31 March 2022
ASSETS		
Non-current assets		
Gross loans to Partner Institutions at amortised cost	100,474,124	80,663,673
Loan loss allowance	(3,016,178)	(23,686,476)
Loans to Partner Institutions at amortised cost	97,457,946	56,977,197
Financial assets at fair value through profit or loss	748,933	160,217
Other receivables and prepayments	19,634,207	690,161
Restricted cash	5,266,155	–
Current assets		
Gross loans to Partner Institutions at amortised cost	54,587,500	42,110,498
Loan loss allowance	(43,796,604)	(22,185,741)
Loans to Partner Institutions at amortised cost	10,790,896	19,924,757
Loans to Partner Institutions at fair value through profit and loss	–	–
Financial assets at fair value through profit or loss	168,080	–
Interest accruals on loans	1,284,925	612,770
Other receivables and prepayments	2,337,961	666,446
Other assets	12,277,608	12,275,226
Cash at bank	54,362,523	107,905,409
Total assets	**204,329,234**	**199,212,183**
LIABILITIES		
Current liabilities		
Accrued expenses	1,035,306	1,507,672
Other payables	464,273	413,246
Distribution to holders of redeemable ordinary shares payable	5,512,783	–
Notes	–	27,861,218
Class A-shares – tranche 1	–	2,868,960
Class A-shares – tranche 6	797,232	–
	7,809,594	**32,651,096**
Non-current liabilities		
Accrued expenses	325,559	515,357
Notes	16,513,685	5,523,634

Class A-shares – tranche 4	12,376,240	12,376,240
Class A-shares – tranche 6	–	797,232
Class B-shares – tranche 1	25,858,000	25,858,000
Class B-shares – tranche 2	22,718,366	22,718,366
Net assets attributable to holders of redeemable shareholders	**77,791,850**	**67,788,829**
Total liabilities	**85,601,444**	**100,439,925**
EQUITY		
Class C-shares – tranche 1		
Share capital	75,021,434	75,021,434
Profit / (loss) for the year	2,366,309	(359,247)
Retained earnings	(47,598,306)	(47,239,059)
Class C-shares – tranche 2		
Share capital	1,980,198	1,980,198
Profit / (loss) for the year	71,920	(10,173)
Retained earnings	(1,171,017)	(1,160,844)
Class C-shares – tranche 3		
Share capital	999,999	999,999
Profit / (loss) for the year	40,271	(7,252)
Retained earnings	(520,716)	(513,464)
Class C-shares – tranche 4		
Share capital	33,895,000	23,529,000
Profit / (loss) for the year	(56,183)	(1,134,713)
Retained earnings	(6,668,862)	-5,534,149
Class C-shares – tranche 5		
Share capital	60,959,135	60,959,135
Profit / (loss) for the year	(2,102,133)	(5,486,845)
Retained earnings	(7,758,607)	(2,271,762)
Class C-shares – tranche 6		
Share capital	9,535,340	–
Profit / (loss) for the year	(265,992)	–
Retained earnings	–	–
Total equity	**118,727,790**	**98,772,258**
Total liabilities and equity	**204,329,234**	**199,212,183**

Statement of profit or loss and other comprehensive income

USD	For the year ending 31 March 2023	For the year ending 31 March 2022
INCOME		
Interest income on loans	7,114,581	4,355,255
Interest income on cash at bank	1,301,227	–
Upfront management fees and success fees on loans	507,817	154,370
Income commitment fees on loans	199,845	–
Discount amortisation on loans to Partner Institutions	211,883	–
Unrealised gain on foreign exchange	114,667	2,049,840
Unrealised gain on financial assets/liabilities at fair value through profit or loss	957,833	1,279,625
Unrealised gain on other assets	2,382	–
Realised gain on foreign exchange	1,744,104	–
Other income	1,204,750	896,717
Total income	**13,359,089**	**8,735,807**

EXPENSES		
Direct operating expenses	(1,579,006)	(1,972,180)
Investment advisory fees	(1,491,306)	(1,293,068)
Commitment fees	(118,056)	–
Unrealised loss on foreign exchange	(1,176,925)	(2,966,019)
Unrealised loss on other assets	–	(3,314)
Realised loss on foreign exchange	–	(942,687)
Realised loss on financial asset/liabilities at fair value through profit or loss	(232,353)	(227,277)
Net change in loan loss allowance	(940,565)	(5,685,388)
Net change in other receivables loss allowance	(626,834)	–
Other expenses	(1,128,968)	(1,698,346)
Total expense	**(7,294,013)**	**(14,788,279)**
Operating gain / (loss)	**6,065,076**	**(6,052,472)**
Finance costs (excluding change in net assets attributable to shareholders)		
Interest expense on notes*	(498,101)	(945,758)
Distribution to holders of redeemable ordinary shares	(5,512,783)	–
Gain / (loss) for the year	**54,192**	**(6,998,230)**
Other comprehensive income	–	–
Total comprehensive income for the year	**54,192**	**(6,998,230)**

* Interest expenses on notes have been reclassified from the expense section to the finance cost section in the statement of comprehensive income with no impact on the Fund's financial position or performance.

Statement of changes in net assets attributable to holders of redeemable ordinary shares

USD	Net assets
As of 31 March 2021	**78,995,036**
Issue of redeemable shares (Class A)	–
Redemption of redeemable shares (Class A)	(2,000,000)
Issue of redeemable shares (Class B)	–
Redemption of redeemable shares (Class B)	(12,376,238)
Decrease in net assets attributable to shareholders from transactions in shares	**(14,376,238)**
Change in net assets attributable to shareholders from operations	–
As of 31 March 2022	**64,618,798**
Issue of redeemable shares (Class A)	–
Redemption of redeemable shares (Class A)	(2,868,960)
Issue of redeemable shares (Class B)	–
Redemption of redeemable shares (Class B)	–
Decrease in net assets attributable to shareholders from transactions in shares	**(2,868,960)**
Change in net assets attributable to shareholders from operations	–
As of 31 March 2023	**61,749,838**

Statement of changes in equity

USD	Total net assets	Share capital	Retained earnings	Comprehensive income for the year
As of 31 March 2021	**105,770,488**	**162,489,766**	**(52,544,282)**	**(4,174,996)**
Increase / (Decrease) in equity attributable to share capital	–	–	–	–
Increase / (Decrease) in equity attributable to retained earnings	–	–	(4,174,996)	4,174,996
Increase / (Decrease) in equity attributable to comprehensive income	(6,998,230)	–	–	(6,998,230)
As of 31 March 2022	**98,772,258**	**162,489,766**	**(56,719,278)**	**(6,998,230)**
Increase / (Decrease) in equity attributable to share capital	19,901,340	19,901,340	–	–
Increase / (Decrease) in equity attributable to retained earnings	–	–	(6,998,230)	6,998,230
Increase / (Decrease) in equity attributable to comprehensive income	54,192	–	–	54,192
As of 31 March 2023	**118,727,790**	**182,391,106**	**(63,717,508)**	**54,192**

Supplementary information

USD	31 March 2023	31 March 2022	31 March 2021
Net asset value per share (USD)*			
Class A-shares – tranche 1 (redeemable shares)	–	40,000.00	40,000.00
Class A-shares – tranche 3 (redeemable shares)	–	–	40,000.00
Class A-shares – tranche 4 (redeemable shares)	40,000.00	40,000.00	40,000.00
Class A-shares – tranche 6 (redeemable shares)	40,000.00	40,000.00	40,000.00
Class B-shares – tranche 1 (redeemable shares)	20,000.00	20,000.00	20,000.00
Class B-shares – tranche 2 (redeemable shares)	20,000.00	20,000.00	20,000.00
Class B-shares – tranche 3 (redeemable shares)	–	–	20,000.00
Class C-shares – tranche 1 (non–redeemable shares)	3,838.90	3,533.96	3,580.26
Class C-shares – tranche 2 (non–redeemable shares)	4,449.56	4,086.36	4,137.74
Class C-shares – tranche 3 (non–redeemable shares)	4,978.06	4,592.21	4,661.69
Class C-shares – tranche 4 (non–redeemable shares)[19]	5,314.57	5,350.53	5,710.63
Class C-shares – tranche 5 (non–redeemable shares)	8,382.40	8,727.24	9,627.33
Class C-shares – tranche 6 (non–redeemable shares)	9,721.05	–	–
Number of shares			
Class A-shares – tranche 1 (redeemable shares)	–	71.7240	71.7240
Class A-shares – tranche 3 (redeemable shares)	–	–	50.0000
Class A-shares – tranche 4 (redeemable shares)	309.4060	309.4060	309.4060
Class A-shares – tranche 6 (redeemable shares)	19.9308	19,9308	19,9308
Class B-shares – tranche 1 (redeemable shares)	1,292.9000	1,292.9000	1,292.9000
Class B-shares – tranche 2 (redeemable shares)	1,135.9183	1,135.9183	1,135.9183
Class B-shares – tranche 3 (redeemable shares)	–	–	618.8119
Class C-shares – tranche 1 (non–redeemable shares)	7,759.8804	7,759.8804	7,759.8804
Class C-shares – tranche 2 (non–redeemable shares)	198.0198	198.0198	198.0198
Class C-shares – tranche 3 (non–redeemable shares)	104.3687	104.3687	104.3687
Class C-shares – tranche 4 (non–redeemable shares)[19]	5,112.3571	3,151.1165	3,151.1165
Class C-shares – tranche 5 (non–redeemable shares)	6,095.9135	6,095.9135	6,095.9135
	953.5340	–	–

Statement of cash flow

USD	For the year ending 31 March 23	For the year ending 31 March 22
Loss for the year	5,566,975	(6,998,230)
Adjustments for non-cash items		
Non-cash items related to unrealised foreign exchange*	495,847	808,302
Loan loss allowance	940,565	5,685,388
Non-cash item related to effective interest rate	(8,296,476)	(4,130,393)
Upfront management fees on loans to be amortised	457,170	152,153
Discount amortisation on loans to Partner Institutions	3,788,117	–
Operating profit after adjustments for non-cash items	**2,952,198**	**(4,482,780)**
Net changes in operating assets and liabilities		
Net decrease / (increase) in other receivables and prepayments	(21,081,986)	1,062,375
Net (decrease) / increase in accrued expenses and accounts payable	(611,137)	(862,663)
Cash paid on loans to Partner Institutions granted	(65,661,671)	(27,943,848)
Cash received on loans to Partner Institutions matured / restructured	29,444,634	38,759,300
Net cash flow used in operating activities	**(57,910,160)**	**11,015,164**
Cash flow from investing activities		
Cash paid on other assets investment	(2,382)	(12,275,226)
Interest received	7,743,653	4,263,802
Net cash flow from investing activities	**7,741,271**	**(8,011,424)**
Cash flow from financing activities		
Notes issued / (redeemed / matured)	(17,701,000)	–
Payments from redemption of Class A-shares	(2,868,960)	(2,000,000)
Payments from redemption of Class B-shares	–	(12,376,238)
Proceeds from issue of Class C-shares	19,901,340	–
Payments for distributions	–	(1,362,738)
Net cash flow provided by financing activities	**(668,620)**	**(15,738,976)**
Net (decrease) / increase in cash and cash equivalents	(47,885,311)	(17,218,016)
Cash and cash equivalents at beginning of the year	**107,905,409**	**126,295,172**
Foreign exchange (gains) / losses	(391,420)	(1,171,747)
Cash and cash equivalents at end of year	**59,628,678**	**107,905,409**

* includes the unrealised variation on swaps.

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Partners and key investors

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KFW

DWS

Sustainability advisor:

ILO

UN environment programme

TA Facility Manager:

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