

Newsletter 6

August 2017

Dear shareholders and friends of Kampani,

Please find a new update below!

New deal: organic whole sugar in Guatemala

As announced in the previous newsletter, Kampani signed its third deal late June, disbursing the first tranche in the course of July. The investment target is FECCEG, a Guatemalan specialty coffee producer and exporter which has already successfully expanded to organic honey production. It now wants to add another business line: the production of whole organic sugar cane (*panela* in Spanish).

FECCEG is a federation of small producers associations with 890 paying members, representing 1,934 producers belonging to four ethnic groups.



Picture 1: clients also expect consistency in colour.

An Italian buyer has approved the most recent panela sample – meeting the exacting standards is no easy feat. We expect that the first container can be shipped in a few months. The panela should come from sugar cane produced by FECCEG members. The cane will be converted, however, in the factory of a partner while we wait for the construction of the FECCEG factory to start.

Construction in Kenya on schedule



Pictures 2 and 3: ongoing construction of Vert factory in Machakos (status on 14 August 2017)

For details on our deal in Kenya, I refer to previous newsletters. To recall briefly, it concerns Vert, an SME specialized in the sourcing, grading, packing and export of fresh vegetables: French beans, snow peas, baby corn, baby carrots, etc. In part thanks to the investment by Kampani, it is now able to diversify and will start a new business line in the production of mango and passion fruit pulp for the local market. For this purpose, Vert has purchased a plot about an hour's drive from Nairobi. The construction of the factory, shown in the pictures, is on schedule.

The new Board of Vert has now met twice. The transition from an informally run family enterprise to a formal company is ongoing. With the help of a consultant, Vert has identified its HR needs to strengthen its middle management. Vert has not been immune to the drought in the country and the elections, however, which has affected turnover.

Start of the new coffee-hulling season for Horamama



Picture 4: the grid reaches the factory! See the pylons in the background.

In Burundi, Horamama Coffee Dry Mill, the factory acquired by coffee producer COCOCA, is working at full capacity, in two shifts. COCOCA has managed to attract seven new member base cooperatives, while Horamama is also processing significant volumes for a third party.

In other words, in spite of the challenges described in the previous newsletter, COCOCA and Horamama are growing.

A tangible illustration of this point is that Horamama is now connected to the public power grid. The Horamama CEO is reporting few and short power cuts and a stable current. This should improve

margins, even more important because, in part due to the additional capital expenditure needs, Horamama's P&L showed a moderate loss last year.

Kampani Chairman Steven Serneels speaker at MO* event

Kampani's Chairman, Steven Serneels, has been invited to speak at a MO* event on 25 September.

Steven Serneels and Piet Colruyt work together in the SI² Fund - a social impact fund focusing on social enterprises in the Benelux. Together, they wrote the book "Allemaal Sociaal 3.0", which discusses social entrepreneurship: how companies can become more social and how social organizations can become more entrepreneurial. The book describes inspiring examples of possible answers to key societal challenges: structural cooperation between profit and non-profit, financial and social returns that go hand in hand, social innovations that create added value for companies etc.

It promises to be an extremely interesting event. You can find more details and sign up via this link:

<http://www.mo.be/molezing-als-ondernemers-de-bottomline-kunnen-veranderen-kunnen-ze-ook-de-wereld-veranderen>

Wouter Vandersypen

Executive Director, Kampani NV

PS: If you would rather not receive this newsletter, just let me know.

Kampani is a social impact investment fund to unlock the potential of entrepreneurial farming in Africa, Asia and Latin America. Kampani is a pioneering way to fight poverty and promote development. It provides growth capital investments to the world's poor, but entrepreneurial, farming families organised in producer organisations.