

Newsletter 9

March 2020

Dear shareholders and friends of Kampani,

Please find a new update below! I hope everyone is staying healthy and in good spirits!

Annual General Meeting to go ahead – online – & the 2020 Annual Event postponed until the fall

The General Assembly will go ahead as planned on 28 May. Instead of a physical meeting, this will be done online. Shareholders will receive the official invite and preparatory readings in due course.

Our Annual Event has for been postponed until late September or early October.

Cassia Co-op – grinder is operational

When we signed the deal in 2018 we introduced you to some of the the specificities of the cinnamon trade and to Cassia Co-op. This SME sources, processes and trades cinnamon products. Its operations are based in Kerinci, Indonesia, the world center of Cassia production. The company uses an integrated contract farming model to supply sustainable, organic cinnamon directly from local smallholders to buyers (businesses) worldwide.

Thanks to Kampani's investment, Cassia Co-op was able to acquire its own grinder. The grinder converts crushed cinnamon into powder. Overnight, Cassia Co-op acquired the largest grinding capacity of any

company in Indonesia. For the grinding, Cassia Co-op erected a purpose built, state of the art facility which is fully compliant with FSSC22000 standards. This in turn enables it to sell to even the most demanding clients.





With this investment, Cassia Co-op is now fully vertically integrated - selling with higher product margins and reducing further the role of intermediaries. This expansion also allows the rest of the plant to run closer to capacity.

The company has experienced tremendous growth. While it exported 177 tons of cinnamon in 2013, this had increased to 1.562 tons in 2019. This is expected to double again in five years.

At the same time Cassia Co-op continued building a strong supply chain with direct relationships with smallholders who are trained at the Cassia training center. Furthermore, Cassia Co-op's price paid to farmers has multiplied five times during this period, rising to Rp41,000/kg (\$3) in 2019. In addition, Cassia Co-op pays a premium of 36 cents per kg for certified product. In short, a beautiful social impact is being generated for the thousands of farmers it works with.

I will continue to keep you posted!

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 that aims to unlock the potential of entrepreneurial farming in selected countries in Africa, Asia and Latin America. Kampani is a pioneering way to fight poverty and promote development. It provides growth capital investments to poor, but entrepreneurial, smallholder farmers organised in cooperatives.