

Newsletter 13 - December 2021

Dear Shareholders and friends of Kampani,

Please see our latest update! We hope everyone is healthy and excited for the New Year ahead.

Exciting news – Kampani signs an ADD-ON investment in Guatemala

Kampani is pleased to announce that we have signed a new add-on investment. This one is with **FECCEG**, a leading cooperative in Guatemala producing coffee, honey and panela. Our initial investment in 2017 allowed for the expansion to panela production, this loan is almost entirely repaid. FECCEG was founded in 2006, grouping 13 farmer cooperatives and over 1.000 producers, of which 39% are women. For more on its history, please visit their website: <http://www.fecceg.com/>

In December 2021, the Kampani team visited Guatemala to conduct a due diligence visit for the new investment. A subordinated loan of USD 887.000 will finance the construction of a larger warehouse in situ, which will expand capacity to store coffee from 25,000 quintals to 75,000 quintals once completed. Something unique about this transaction: Kampani will not only provide long term capital (USD 517k) but also a short-term/bridge loan (USD 370k) while the cooperative awaits the disbursement of a bank loan.



Construction of new coffee warehouse



Organic Honey produced by FECCEG

During the visit we toured the coffee, honey and panela processing facilities as well as some sugar cane fields. We were delighted to see the progress FECCEG has made since the last visit (pre covid) tasting some organic non-string bee honey and of course the *Cafecito*.

FECCEG is devoted to supporting vulnerable communities, hence the investment in panela, honey, and its indigenous branded coffee shops *Kishe* <https://kishecoffeeshop.com/>. These investments do bring in some revenue, but it represents less than 1% of the total revenues captured by FECCEG. FECCEG also embarked on creating an eco-tourism bed and breakfast that should soon be operational. Through these investments, FECCEG is generating employment and providing other sources of income for farmers and members of the community.



Roasted KISHE Coffee

In November, Kampani signed an ADD-ON investment in Tanzania

Kampani also signed a new add-on investment with **Mambo Coffee**, a green coffee exporter based in Tanzania and owned and managed by local entrepreneurs. Our first investment in 2019 provided growth capital for the construction of a new warehouse in the process facility in Morogoro and the acquisition of an additional truck. The relationship with Mambo Coffee and the investment, generating savings in a challenging environment with the COVID situation, has been satisfactory. www.mambocoffeeafrica.com

In November 2021, the Kampani team made a field visit to Tanzania to conduct a due diligence for an add on investment. A subordinated loan of USD\$622.000 will contribute to the financing of the construction of a warehouse, and a mechanical coffee dryer machine. As a result, the smallholder farmers in Mbinga, all lacking an own export capacity, have a secured access to the premium market. This region, with more than 100 coffee cooperatives, is the leading Arabica coffee area in Tanzania producing 50% of all Arabica in the country.

During the field visit, we had the opportunity to meet with local farmers from the cooperatives in Mbinga region Lisau AMCOS, Ugano AMCOS and Ugogo AMCOS. We also went to Morogoro to visit Mambo Coffee factory and warehouse, which was financed by Kampani.



Coffee Factory in Morogoro



Coffee Tasting in Morogoro Factory

Kampani team grows!

Between November and December of 2021, **Mauricio Barocio** and **Marilu Ortega** joined Kampani as full-time employees.

Mauricio has worked as a Senior Portfolio Manager for a multi-asset investment fund, focusing on sustainability, trade finance and microfinance. Other experiences include working as ESG consultant and Microfinance consultant. "I was eager to join Kampani to provide investment solutions for sustainable development and for poverty reduction in Emerging Markets. Kampani is unique by providing long term investments in the missing middle".

Marilu has been working in Impact Investing throughout her career, with a focus on providing access to finance to SMEs through financial intermediaries. She joins us from Symbiotics, an impact investing platform based out of Switzerland; "I am excited to be part of the scaling and growth of Kampani, what first attracted me to it was the provision of patient capital to empower agricultural SMEs and Cooperatives through both subordinated debt and equity investments, which is something most banks cannot do".

With this increased capacity, we hope to accelerate our portfolio growth tremendously. For more info on their bios, please visit our website. <https://www.kampani.org/the-team/>

We 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.