

The ABC Funds invests USD\$1 million in high impact ag-tech helping small scale farmers maximise profitability

- **Apollo Agriculture ('Apollo')** is a Kenyan ag-tech which provides an optimised bundle for farmers that includes advice, insurance, farming products and financing.
- **The investment will enable Apollo to reach more smallholder farmers who are unable to access microfinance and commercial bank lending.**

Luxembourg, 21 June 2021 - The Agri-Business Capital Fund ('ABC Fund') has invested USD\$1 million in Apollo Agriculture ('Apollo'), a Kenyan ag-tech which uses machine learning and automated operations technology to help small scale farmers access the resources they need to maximise their profitability.

Apollo provides an optimised bundle for farmers that includes financing, farming inputs, advice and insurance. Apollo's vertically integrated digital approach leverages machine learning and satellite data to service customers throughout the entire lifecycle, from acquisition, to credit decisions, and finally, collecting repayments.

Apollo acquires customers through a variety of digital marketing channels, and onboards them through their network of field agents, which currently numbers more than 1,200 across Kenya. These agents use Apollo's mobile app and software to onboard farmers, including collecting the GPS boundaries of their fields. Apollo then uses machine learning models to evaluate customer credit worthiness. Once approved, the farmer receives a voucher code via SMS to redeem at one of Apollo's 350+ agro-dealer distribution partners in Kenya, who use Apollo software to manage last-mile distribution. The farmer is provided with seeds and fertilizer, instead of cash, and pays back the loan via mobile payments after harvest. The majority of Apollo's customers farm maize, Africa's most abundant staple food crop, but Apollo is building on previously run pilots to launch new crops and products that can enable a shift from subsistence maize farming to more profitable, commercial farming.

Apollo has grown rapidly, nearly tripling its customer base over the last year, despite the challenges of the Covid-19 pandemic. Through insights from interviews with over 240 Apollo farmers, 89% of farmers report productivity increases and 71% of farmers say their productivity has "very much increased" since working with Apollo.

The ABC Fund is providing a credit facility of USD\$1 million to Apollo. Apollo will use the proceeds to continue scaling its high impact ag-tech solution to reach more smallholder farmers who are unable to access microfinance and commercial bank lending. The investment will have a positive impact to improve food security and reduce food shortages in rural Kenya.

The ABC Fund is a blended-finance impact fund which provides catalytic financing to underserved yet profitable segments of agribusiness value chains in developing countries. Prior to the investment in Apollo, the ABC Fund has provided a total of USD\$12 million in funding to three farmers co-operatives in Côte d'Ivoire, six small-and medium agri-businesses in Burkina Faso, Ghana, Mali and Côte d'Ivoire, and two financial institutions operating in Ecuador, Kenya and Uganda which on-lend to smallholder farmers.

Emanuele Santi, Fund Manager for the ABC Fund at Bamboo Capital Partners commented: *"Apollo is an excellent example of a technology-driven business which is making a real difference to improve the lives of marginalised farming communities in Kenya. Apollo's innovative solution to help smallholder farmers maximise profitability is proven, and moreover, it is directly improving food security and reducing shortages in the region. We are delighted that the ABC Fund now has the opportunity to play a crucial role in scaling Apollo to enable it to reach even more smallholder farmers and continue delivering a positive impact on the ground."*

Eli Pollak, CEO at Apollo Agriculture, commented: *"We are thrilled to partner with the ABC Fund. This funding will support our strong continued growth, enabling us to help more small-scale farmers access high-quality farming inputs, advice and insurance on credit, significantly increasing their yields and income. Apollo's automated, tech-driven approach is designed to help millions of farmers make the transition from subsistence to commercial farmer sustainably. We are excited to have ABC Fund as a strong partner as we continue to scale."*



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Media Contacts:

Instinctif Partners
+44 78 3767 4600
bamboo@instinctif.com

About the ABC Fund:

The ABC Fund is a blended-finance impact fund which provides catalytic financing to underserved yet profitable segments of agribusiness value chains in developing countries. The ABC Fund deploys loans and equity investments in farmer organisations, rural SMEs and financial institutions. They have potential for high growth and job creation and can also drive social development for their own communities and countries, but they often lack the capital they need to grow their businesses. The ABC Fund was initiated by the International Fund for Agricultural Development (IFAD) in partnership with, and is currently funded by investments from, the European Union, the Organization of African, Caribbean and Pacific States (OACPS), IFAD, the Luxembourg Government and the Alliance for a Green Revolution in Africa (AGRA). The IFAD investment was made possible thanks to financial support from the Swiss Agency for Development and Cooperation (SDC). The ABC Fund is managed by Bamboo Capital Partners in partnership with Injaro as investment advisors and with technical assistance led by Agriterra.

About Bamboo Capital Partners:

Bamboo Capital Partners (“Bamboo”) is an impact investing platform which provides innovative financing solutions to catalyse lasting impact. Bamboo bridges the gap between seed and growth stage funding through a full suite of finance options – from debt to equity – which it activates unilaterally or through strategic partnerships. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo aims to improve the lives of the world’s most marginalized communities while delivering strong financial returns. Since its inception, Bamboo has raised over \$400m and invested in over 30 developing countries. Its investees have positively impacted over 184 million lives and supported 45,000 jobs, including 15,900 jobs for women. The firm has a team of 30 professionals active across Europe, Latin America, Africa and Asia. Bamboo also acts as the Asset Management arm of global impact firm Palladium, which operates in over 90 countries, following a strategic partnership in 2020. For more information, please visit www.bamboocp.com or follow @bamboocp.

About Injaro Investments:

Established in 2009 by Dadié Tayoraud and Jerry Parkes, Injaro Investments is a private capital investment firm with a long track record in impact investments in Africa. Injaro makes investments in debt, quasi-equity, and equity in African SMEs, deploying capital and solutions to create value for partners and investors. Injaro’s experience includes managing Injaro Agricultural Capital Holdings (“IACHL”), a US\$49m impact investment fund focused on SME investments across the agricultural value chain in West Africa. Injaro’s investment portfolio has generated \$107m of revenues and benefitted more than 3.7 million persons, mainly comprising smallholder farmers, low-income persons and their families. For more information, please visit www.injaroinvestments.com or follow @injaro on Twitter and Injaro Investments Limited on LinkedIn.

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