

## PRESS ANNOUNCEMENT

### DATABANK CONCLUDES FERTILIZER INVESTMENT IN AFRICA'S LARGEST PE MARKET

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The AAF SME Fund, a private equity fund focused on African food production and processing, managed by Databank Agrifund Manager Limited (DAFML), has successfully closed its investment in Avison, a fast-growing organic and integrated fertilizer business in South Africa.

The investment results from the merger of two businesses: Avison, which specializes in the production of pelletized chicken manure, and FMO Organics, which engages with agronomists to design plant-nutrient solutions for clients based on integrated fertilizer products. Together, the combined entity is poised to become a dynamic player in a country where organic fertilizers have seen an upward trend, with annual inorganic fertilizer requirements estimated at 2 million tons.

Avison has its main operations in Worcester in the Western Cape, where it runs composting and pelletizing facilities. With access to over 105 experienced agents in the Western Cape, the company has a solid competitive advantage to expand production. Its branded products have proven effective in increasing yields, improving soil fertility and ensuring long-term micronutrient build-up. With an impressive product line-up including various integrated fertilizers, as well as Avison Enhancer, Avison Enhancer S and Avison Stimulator, Avison has enjoyed significant patronage by the local community and will continue to focus its sales on both the domestic market and neighboring countries.

The AAF SME Fund initially provided a mix of equity and mezzanine funding and recently injected a follow-on investment to further assist the company's expansion plans across southern Africa.

In conjunction with this investment, the AAF's Technical Assistance Facility (TAF) is exploring projects that will provide technical assistance to Avison to enhance its growth strategy, marketing and distribution. It is expected that these projects will not only build the capacity of the company, but also create local employment opportunities by extending Avison's distribution channels.

Jurie Groenewald, CEO of Avison, specified that "the AAF SME investment in Avison has given us very important access to a growing African market. Food security, being the main focus of most responsible agriculture businesses in Africa, is also the main drive for Avison. Our partnerships, in particular with Databank, have enhanced our business not only with respect to superior management support but also our footprint across the food basket of Africa. At Avison we follow a holistic approach to farming and because Databank follows our aforementioned approach, this partnership is destined to succeed."

DAFML Senior Managing Partner, Dennis Matangira, affirmed that "the investment strengthened Databank's fertilizer platform strategy, and demand for organic fertilizer in southern Africa represents an important step in fulfilling the continent's food-security requirements. Making inputs such as fertilizer accessible to both commercial and small-scale farmers via inclusive delivery methods is critical to improving yields and building sustainable returns for farmers."

(WORDS 446)

*The AAF SME Fund is a sub-fund of the Africa Agriculture Fund (AAF), managed by Phatisa.*

*The AAF TAF is primarily funded by the EU, managed by the International Fund for Agricultural Development (IFAD) and implemented by TechnoServe. The project received additional donations from the Alliance for a Green Revolution in Africa (AGRA), Italian Development Cooperation and the United Nations Industrial Development Organization (UNIDO).*

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