



Press release

Norfund invests in a beef exporter in Ethiopia

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The Norwegian Investment Fund for Developing Countries (Norfund) has made a USD 7.4 million investment in Verde Beef Processing PLC, an Ethiopian beef producer.

Verde Beef Processing PLC (VBP) is an integrated beef producer that undertakes feed production and feedlotting activities. The company produces premium beef and aims to become the largest cattle processing operation in Eastern Africa with a target output of more than 130,000 carcasses per year. The capital provided by Norfund will help VBP achieve that goal by enabling the construction of a state of the art abattoir and meat processing facility – currently underway – and also to fund working capital for the business. 8 Miles - a UK based pan-African private equity fund - made an initial investment into VBP in November 2015.

VBP has a significant cost advantage over its international competition, and is expanding its feedlot operation in Ethiopia to capitalize on this; producing high-quality beef for export and local markets. Ethiopia's geographical positioning combined with its livestock population, the largest in Africa and the 6th largest in the world, position the country perfectly as a potential provider of meat to the rapidly expanding markets of the Middle East and Northern Africa (MENA) and Gulf states (GCC).

The beef farm is located in Adami Tulu district of the Oromia regional state, Ziway Ethiopia, close to the new railway line to Djibouti. The company is part of the agricultural transformation in Ethiopia and has been instrumental in the development of the surrounding community through purchase of calves and inputs for feed. The company has today created over 400 jobs directly on the farm with the skills upgrading that is needed for competing in the global beef market. In addition more than 3500 jobs has been created indirectly through local sourcing of calves and feed inputs. As the company expands, this numbers will grow, and is anticipated to reach 2000 employees and supporting over 50,000 livelihoods when the company reaches full operation. VBP also supports the Ethiopian economy by creating a premium product with local resources, which is then exported, generating much needed foreign currency.

“We’re excited about the partnership with Norfund which will enable us to provide incomes to thousands more families annually, generate USD 18 million of revenues in 2018, and reaching an export value of USD 100 million annually by 2021 and further develop the important meat sector in Ethiopia. Verde Beef is a critical project that is aligned with the Ethiopian government focus on job

creation, increasing exports and introducing improvements to the agricultural sector” says Mr. Scott Friesen, Chairman and Co-founder of Verde Beef Processing PLC.

“This is our first direct investment in Ethiopia, and Norfund is delighted to contribute to Ethiopia’s growth and export through Verde Beef”, says Managing Director of Norfund Mr. Kjell Roland, adding that “this investment is focused on employment creation and export and fits very well with our strategy to contribute to sustainable enterprises and economic development in Africa.”

Ethiopia is the second largest country in Africa in terms of population. Although the country has undergone significant economic and social changes and has recorded some of the highest growth rates in the world in some years, Ethiopia still ranks 173rd out of 186 countries on the United Nations Development Programmes Human development Index.

For more information contact:

Verde Beef Processing Ltd:

Mr. Scott Friesen, Chairman and Co-founder of Verde Beef Processing PLC, scott@verdantfrontiers.com phone: +1 512 796 6472

Norfund:

Mr. Kjartan Stigen, Head of Norfund’s Regional Office for East Africa, Nairobi, kjartan.stigen@norfund.no phone: +254 7000 888 11

Ms. Inger Nygaard, Communication Manager, inger.nygaard@norfund.no, phone: +47 47 70 12 48

About Verde Beef Processing

Verde Beef Processing was established in 2013 and operates the largest feedlot and beef processing business in Ethiopia employing more than 350 people. Verde Beef Processing is situated on a 1,300 hectare feedlot and crop-farming facility in Adami Tulu, south of Addis Ababa. The business uses its feedlot facilities to feed and fatten cattle and exports their premium quality Ethiopian beef to the Middle East. For more information, see: www.verdebeef.com

About Norfund

Norfund is owned by the Government of Norway and serves as an instrument in Norwegian development assistance policy. The fund’s mandate is to support the building of sustainable businesses in developing countries and thereby contribute to economic and social development.

Norfund always invests together with partners, be it Norwegian or international. The three main industries for investments are clean energy, financial institutions and Food & Agribusiness. Norfund’s geographical agribusiness focus is in East and Southern Africa, with offices in Nairobi and Maputo. In addition, Norfund invests in selected countries in Asia and Latin America, with regional offices in Costa Rica and Bangkok. Norfund has 69 employees’ world-wide and USD 1.9 billion in committed investments by the end of 2016. For more information, see: www.norfund.no

About 8 Miles

8 Miles LLP is an independent private equity fund management business, focused exclusively on making private equity investments in Africa. For more information, see www.8miles.com