

# FINDEV CANADA TRANSACTION SUMMARY

## Phatisa Food Fund 3 LLC

*This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental and social (E&S) risk assessment performed, potential risks identified, and related mitigation measures to be implemented.*



### Transaction description

Phatisa Food Fund 3 LLC (“PFF3” or “The Fund”) is a private equity fund managed by Phatisa Fund Managers 3 Limited, a Phatisa Group Limited company (“Phatisa”), an experienced investment manager focused on the food and agribusiness value chain in Africa. As a 2X-aligned fund, PFF3 aims to support 8 to 10 growth-oriented companies across the broad agrifood ecosystem, drive economic development and job creation, including in Least Developed Countries (“LDCs”), contribute to food security across the continent and advance gender equality by enabling more inclusive participation and opportunities for women.

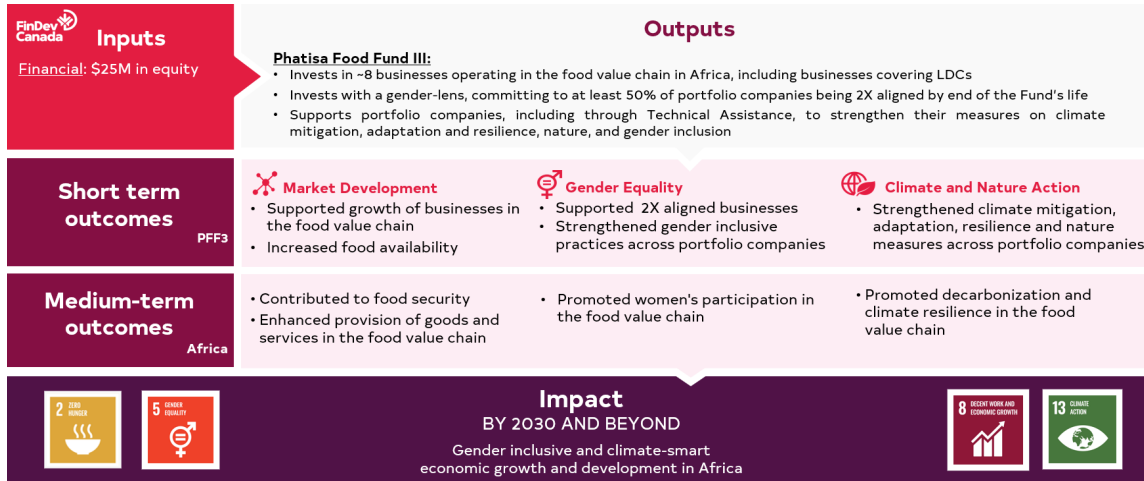
### Transaction details

<b>COUNTERPARTY</b>	Phatisa Food Fund 3 LLC. Phatisa Fund Managers 3 Limited (“the Manager”).
<b>DOMICILE</b>	Mauritius
<b>COUNTRY(IES) OF OPERATIONS</b>	Africa
<b>TERM OF FINANCING</b>	10 years (with possible extensions)
<b>SECTOR</b>	Agribusiness
<b>E&amp;S CATEGORY</b>	FI-2
<b>FINANCING PRODUCT</b>	Indirect Equity (funds)
<b>2X CANADA TRANSACTION AMOUNT</b>	USD 9 million
<b>FINDEV CANADA TRANSACTION AMOUNT</b>	USD 16 million
<b>DATE OF TRANSACTION DISCLOSURE</b>	November 28th, 2025
<b>DATE OF TRANSACTION SIGNING</b>	February 2nd, 2026
<b>DATE OF TRANSACTION SUMMARY PUBLICATION</b>	April 21st, 2026
<b>2X ALIGNMENT</b>	Yes, based on the Employment and Portfolio criteria

## Summary of anticipated development impacts

The development impact value proposition of this transaction is to support the growth of businesses across Africa's food value chain, including 2X-aligned businesses, while increasing food availability, strengthening gender-inclusive practices, and encouraging the implementation of climate and nature measures.

The impact theory of change below summarizes how PFF3 will contribute to FinDev Canada's long-term development impact goals and the Sustainable Development Goals (SDGs).



### MARKET DEVELOPMENT

- Increasing food availability:** PFF3 is expected to support the production of 4M tonnes of food and food-related products. By investing in diversified businesses along the food value chain, the Fund supports production, distribution, and reduces food loss and waste, contributing to food security and resilience of food systems.
- Supporting smallholder farmers:** Through investments in companies across the food value chain, the Fund targets over 50,000 smallholder farmers and microentrepreneurs, enabling them to develop their skills, and broaden access to markets and economic opportunities.
- Creating quality jobs:** PFF3 aims to sustain 12,000 permanent jobs and contribute to local economies through salary payments and taxes. This builds on the success of predecessor fund, Phatisa Food Fund 2, ("PFF2") which has supported close to 9,500 jobs and reached 15,500 farmers.



## GENDER EQUALITY

- **Advance gender equality in the workplace:** Phatisa, a signatory to the Women's Empowerment Principles (WEPs), promotes gender equality by integrating gender considerations across the investment lifecycle and implementing gender-responsive business practices. PFF3 aims to have 25% women representation in senior leadership or ownership and 30% in management roles across its portfolio while also requiring all companies to adopt and implement a gender equality policy.
- **Increasing women's employment:** PFF3 is expected to reach 20,000 female smallholders and microentrepreneurs and support 5,400 permanent jobs for women. Through its predecessor funds, Phatisa successfully increased the share of women's employment among its clients, a result they expect to replicate through PFF3.
- **2X qualification:** Building on the success of PFF2, which achieved 2X certification, this transaction is 2X qualified based on women's representation in Phatisa's workforce and the provision of quality employment for women, in addition to the Fund's commitment to channel 50% of its investments to 2X-aligned companies by exit.



## CLIMATE AND NATURE ACTION

- **Support climate-smart agriculture:** The Fund supports investment in climate-smart agriculture and the implementation of decarbonization strategies through target technical assistance, helping businesses adapt to climate risks such as droughts, floods, and heatwaves. Climate considerations are integrated throughout the investment cycle, which includes the application of an exclusion criteria for high-emission companies and the development of net-zero by 2050 targets for portfolio companies.
- **Encouraging sustainable agriculture practices:** PFF3 aims to reduce emissions across portfolio companies, with a 40% emissions reduction target for the Fund. Phatisa is also an early adopter of the Taskforce for Nature-related Financial Disclosures and has set portfolio commitments on environmental stewardship.

## Summary of Environmental and Social Assessment and related Risk Mitigation Measures

The Fund's anticipated investments are expected to present moderate, site-specific, and generally reversible environmental and social risks, including:

- Cumulative environmental risks associated with the sectors of operations of the clients
- Labour and working conditions
- Contextual risks such as countries' political and social instability
- Community safety

E&S risks are mitigated through the implementation of Phatisa's established Environmental, Social and Governance Management System (ESGMS), which is aligned with IFC Performance Standards. Ongoing portfolio-level monitoring is provided through a Risk Committee and regular E&S committee meetings with Limited Partners (including FinDev Canada).

The E&S due diligence (“ESDD”) was undertaken between October and November 2025 and consisted of track record search, direct engagement with the Manager’s E&S and human resources personnel, and a review of the E&S documentation.

As PFF3 is the successor fund to PFF2, in which FinDev Canada previously invested, and Phatisa’s ESGMS was previously assessed as effective under PFF2, the ESDD was streamlined and focused on system continuity, updates, and governance oversight. No site visit was undertaken.

The transaction was assessed against:

- IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- IFC Performance Standard 2: Labour and Working Conditions
- FinDev Canada Environmental and Social Policy

In line with the IFC Interpretation Note for Financial Intermediaries, the review confirmed that:

- The Fund maintains and continues to improve an ESGMS consistent with PS1
- Workforce management remains aligned with PS2
- Investments are screened against FinDev Canada’s Exclusion List
- Systems are in place to promote client compliance with applicable national laws and regulations.

Based on the assessment, PFF3 meets the applicable standards. Residual risks are considered moderate and manageable through the existing ESGMS and ongoing oversight. The E&S Category remains FI-2, consistent with the ex-ante disclosure.