

2022

 **farmforce**

# TACKLING FOOD'S FIRST MILE

**Farmforce – Company Introduction**

October



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- The information regarding the potential transaction is strictly confidential and we ask that all communication is directed to SEB Corporate Finance.



# KEY INVESTMENT HIGHLIGHTS

Huge  
**OPPORTUNITY**

**1**

**SUSTAINABLE  
SOURCING - A 'MUST  
HAVE' FOR GLOBAL  
SUPPLY CHAINS**

Proven  
**SOLUTION**

**2**

**PROVEN FIRST MILE  
TRACEABILITY  
SOLUTIONS AT SCALE**

Sticky global  
**CUSTOMERS**

**3**

**TRUSTED PARTNER TO  
GLOBAL TIER 1  
PLAYERS**

Experienced  
**TEAM**

**4**

**EXPERIENCED AND  
GLOBAL TEAM IN  
PLACE**

Attractive  
**FINANCIALS**

**5**

**SCALABLE SAAS  
BUSINESS MODEL WITH  
ATTRACTIVE GROWTH  
PLAN**

**SEEKING USD 7-10M, PROCEEDS TO FUEL FURTHER GROWTH  
LOOKING FOR INVESTORS WITH NETWORK AND COMPETENCE, COMPLEMENTING OUR EXISTING OWNERS**

# FARMFORCE AT A GLANCE

→ Norwegian **Agri-tech SaaS** company enabling visibility into food's first mile in emerging markets

**45+** global  
customers

**28** countries  
**4** continents

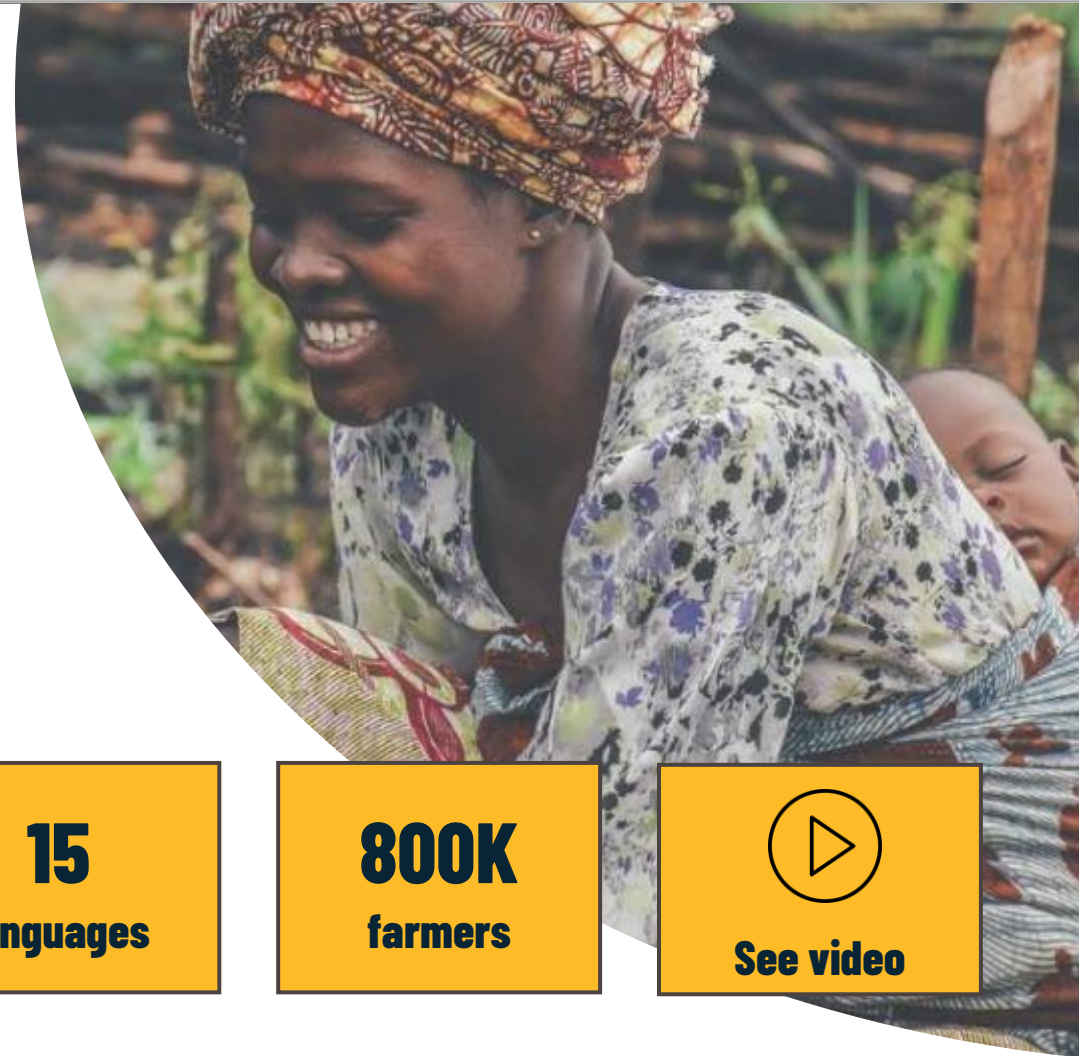
**+5,000**  
users

**15**  
languages

**800K**  
farmers



**See video**



# FOOD SUSTAINABILITY CHALLENGES HAPPEN IN THE FIRST MILE

570 million smallholders produce 50% of worlds food...



... with huge sustainability challenges



## Extreme Poverty

**490 million**

people in Africa live below the poverty line - \$1.90 purchasing power parity (PPP) /day – as per UNCTAD, 2021 report



## Child Labour

**+20%**

of all children in the world's poorest countries are engaged in child labour according to UNICEF in a 2022 report



## Deforestation

**178 million**

hectares of forest has been lost worldwide over the past three decades and it continues to decrease according to UNFAO



## Fraud

**46%**

of all organizations experienced fraud, corruption or other economic crimes in last 24 months as per PwC 2022 survey



## Low Yields

**33**

Countries in Africa, 9 in Asia and 2 in LatAm, are in extreme need of food due low crop yields (among others) as per UNFAO



## Illegal Chemicals

**75-87%**

of farmers surveyed by IFPRI in Africa use highly hazardous pesticides banned in most countries



# INCREASING PRESSURE TO FIX SUSTAINABILITY ISSUES

## REGULATIONS

Increasing regulations force companies to take actions



**“Regulation on Deforestation-Free Products”**  
Mandatory due diligence rules for imports of key agriculture commodities into the EU market



**“Consultation on implement DD on forest”**  
Legislation to implement due diligence in UK supply chains to tackle deforestation



**“Environmentally Sound Trade (FOREST) Act”**  
Prohibiting commodities from illegal deforested land to access US markets

## STAKEHOLDER PRESSURE

Consumers increasingly demand sustainable food , while corporations challenged with lack of ESG data

41%

of consumers say they have changed their purchasing choices within the past year to make a difference within environmental, social, economic and political issues

36%

of 30+ institutions across Europe and North Americas says that **quality and lack of data** is the biggest challenge when identifying ESG and climate-related risks and opportunities

**‘No sustainability without traceability’:  
Palm oil giant stresses value of supply chain  
knowledge for future success**

By Pearly Lee  
15 JAN 2022 - 10:01 AM GMT+8



*“(...)consumers are **demanding more sustainable products**, workers want to work at more sustainable businesses, and investors recognize the risk and opportunity.”*

# BUYERS COMMIT TO FIND SOLUTIONS

## Nestlé and Unilever CEOs: we will make our supply chains deforestation-free

Net zero will be a pipe dream without a collective effort to conserve and restore the world's forests

MARK SCHNEIDER

+ Add to myFT



Unilever



## GROWN FOR GOOD

As a global leader in flavor, McCormick's commitments promote continuous improvement of sustainable sourcing of herbs and spices. To underscore our commitment to sustainable sourcing, we developed *Grown for Good*. Our third-party verified sustainability standard goes beyond the industry norms to drive community resilience, including economic stability for farmers, gender equality and women's empowerment, as well as biodiversity conservation and regenerative farming practices.

[CLICK HERE TO READ THE GROWN FOR GOOD PRESS RELEASE](#)



## Major chocolate groups address cocoa child labour with drive for greater education



*"A total of 16 leading chocolate companies including Barry Callebaut, Cargill, Mondelez, Nestle, Hershey and Ferrero have joined Ivory Coast's government in a major drive to **address root causes of child labour** through improving education"*

## Cargill expands climate change commitments



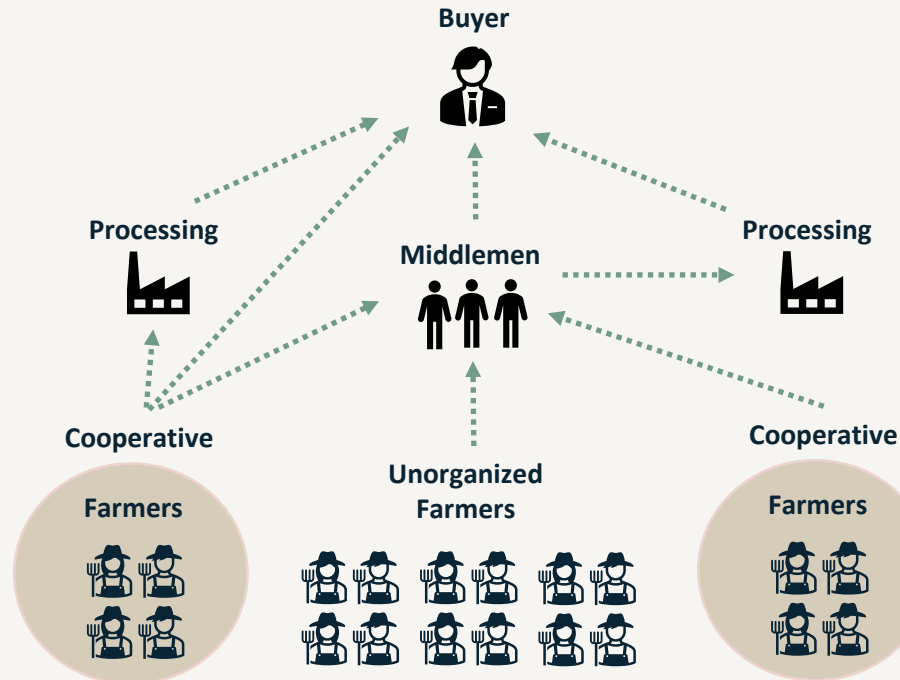
Company makes science-based commitment to reduce supply chain emissions by 30% by 2030; reinforces commitment to goals of the Paris Climate Agreement

Our commitment to  
ending **deforestation**  
and **restoring forests**



# VISIBILITY INTO THE FIRST MILE IS HARD

## COMPLEX SUPPLY CHAINS AND...



## ...CHALLENGING OPERATING CONDITIONS IN ORIGIN COUNTRIES

- 1 Large, fragmented volumes of farmers, supply chain actors & batches of crops:**
  - Diseconomies of scale due to large farmer numbers
  - Geographical dispersion of farms
  - Large number of actors in supply chain

..... Complexity .....>

Manage one thousand hectares farm      Manage thousand one hectare farms
- 2 Entrenched hidden interest from supply chain actors:**
  - Supply chain actors (middlemen) actively trying to hide info for commercial advantages
  - Fraud is common
- 3 Informal, low tech operating environment:**
  - Paper based systems
  - Lack of connectivity & tech adoption

...INCREASING DEMAND FOR DIGITAL TRACEABILITY SOLUTIONS LIKE FARMFORCE



# FARMFORCE – PROVEN FIRST MILE TRACEABILITY SOLUTIONS AT SCALE

## OUR CORE SOLUTION



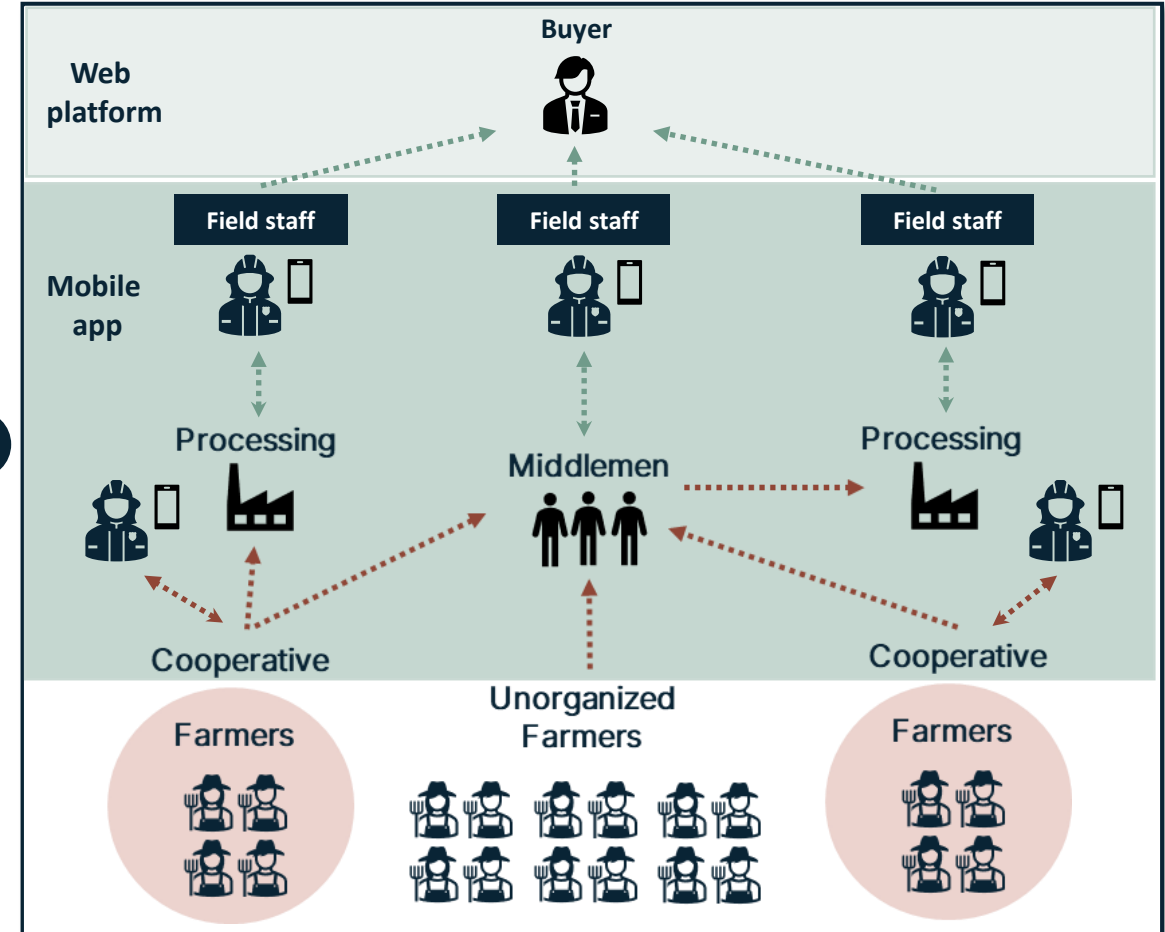
### Mobile App

Used by field staff collecting data from farmers

### Web Platform

Used by operations or sustainability managers at customers

## HOW IT WORKS ON THE GROUND



Field staff are already in place (employed by buyer, exporter or coop) and delivering farmer support services

# FARMFORCE OFFERS VALUE TO MANY STAKEHOLDERS

## MULTINATIONALS (MNCs)

**Demand for Complex Supply  
Chain Visibility**



- Traceability demanded by customers
- Key to manage brand value

## NON-GOVERNMENT ORGANIZATIONS (NGO)

**Need for Insights with  
Actionable Data**



- Need to understand impact of what they do
- Key to manage reporting to donors

## SMALL-MEDIUM ENTERPRISES (SME)

**Require Comprehensive  
Farm Management Tool**



- Key to run business efficiently
- Manage requirements from customers

**USE CASES DEPEND ON CROP AND GEOGRAPHY –  
ALL REQUIRE VISIBILITY INTO FOODS FIRST MILE**

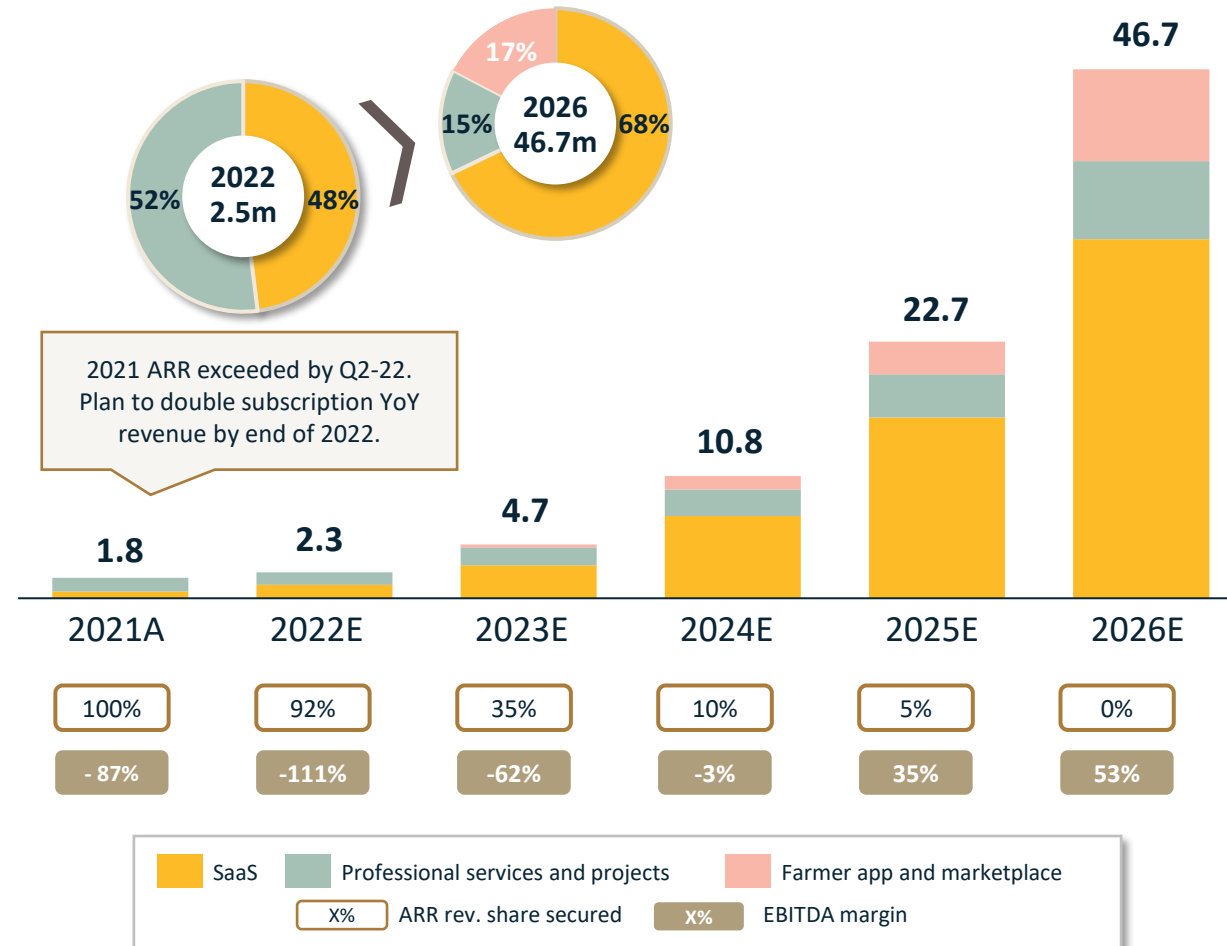
# ATTRACTIVE BUSINESS MODEL AND GROWTH POTENTIAL

## Attractive business model and financials, USDm

**96%** ARR  
growth '20-21

**USD 1.2m** ARR  
revenues in 2022E  
(+100%)

**USD 3.1m** total  
ARR bookings  
(secured) 2022-2025



## Tangible growth levers

### SCALE CURRENT SOLUTION:

Sell proven first mile traceability solutions with expanded functionality, especially related to deforestation, climate and payments

### THE FARMER APP

Mobile app to make farmers an active digital participant in the First Mile of a sourcing operation. Complementary to existing solutions and rolled out through existing customers to gain scale

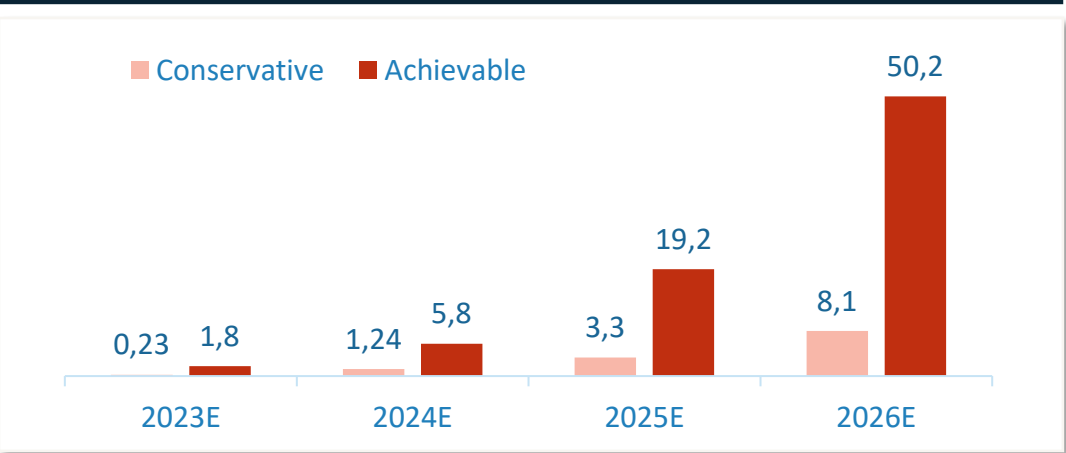
### MARKET PLACE

Use the farmer app as the stepping stone to build a market place delivering products and services to millions of farmers in the First Mile

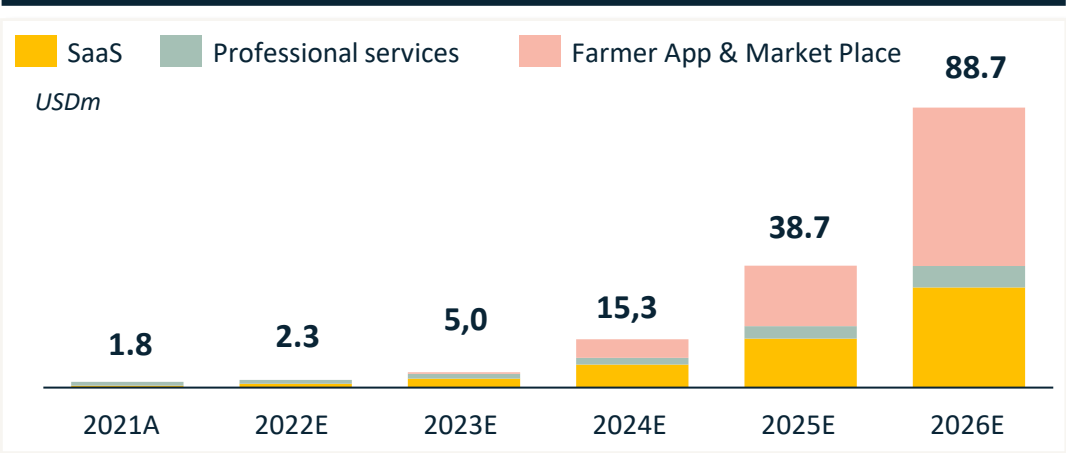


# WITH A HUGE POTENTIAL UPSIDE IN THE MARKET PLACE

## A conservative case has been used for market place



## Using the achievable case implies revenues of ~90m USD in 2026



Key Assumptions		Conservative	Achievable
FARMERS ON MARKETPLACE		<ul style="list-style-type: none"><li>100k farmers in 2024</li><li>400k in 2026 - (4.3%)</li></ul>	<ul style="list-style-type: none"><li>390k farmers in 2024</li><li>2,3M in 2026 - (25%) (Direct + Indirect Supply Chain)</li></ul>
FARMFORCE REVENUE PER FARMER		<ul style="list-style-type: none"><li>USD 12/year (2023-2025)</li><li>USD 18-24/Year (2026)</li></ul>	<ul style="list-style-type: none"><li>USD 12-24/year (USD 4 increase per farmer/year)</li></ul>

# TRANSACTION TERMS AND BACKGROUND

## Key transaction details

Issuer	<ul style="list-style-type: none"><li>Farmforce AS ("Farmforce" or the "Company")</li></ul>
Number of shares outstanding	<ul style="list-style-type: none"><li>2,338,224 shares currently outstanding</li></ul>
Price	<ul style="list-style-type: none"><li>USD [] per share (TBD)</li></ul>
Offer size	<ul style="list-style-type: none"><li>Approx. USD 8 million</li></ul>
Pre- commitments / other	<ul style="list-style-type: none"><li>The large professional owners are supportive and expected to participate in the series A round</li></ul>
Financial Advisor	<ul style="list-style-type: none"><li>SEB as Sole Financial Advisor</li></ul>

## Transaction background

- Farmforce was started as a project by the Syngenta Foundation in 2011 and was spun out in 2017 as a commercial Norwegian entity. The Syngenta Foundation has an observer seat at the board
- The Company had its seed financing round in 2020 /2021, and are now in the process of scaling their current business with both new and exiting clients, in addition to expanding their product portfolio
- New development includes climate and payment functionality to be added to the current solution, as well as a farmer App which is to be piloted in H2`2022 and will form the basis for a market place solution to be launched in 2023
- The proceeds from the transaction will be used to finance the company's growth plan to scale incl. building new functionalities and product offering
- The large existing owners are supportive and are expected to participate in the series A

Sources	USDm
Pre-committed (soft)	3
Market offering	~4-7
Sum	~7-10

Uses	USDm
Product development	~4-6
Organization	~3-4
Sum	~7-10





# THANK YOU!

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