

## MERGER TO DRIVE SUSTAINABLE PRODUCTION OF CERTIFIED ORGANIC PALM OIL IN SIERRA LEONE

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A landmark merger of the African palm oil producers, Goldtree and Natural Habitats Europe Africa, has been successfully completed. The businesses in Sierra Leone are in the process of securing full organic and Roundtable on Sustainable Palm Oil (RSPO) certification. With the aligned trading relationship with Natural Habitats Europe-Africa, the merged business will secure routes to markets for its premium product as it moves towards full certification.

Prior to the transaction, Goldtree was jointly owned by African private equity fund manager Phatisa – through its African Agriculture Fund (AAF) – and Finnfund, a Finnish development finance institution. Natural Habitats Europe Africa, is a Dutch company committed to the sustainable production of organic and fairly traded products, including RSPO certified organic palm oil. Post-merger, AAF holds 49.99%, with Finnfund and Natural Habitats Europe-Africa BV holding 22.51% and 27.5%, respectively.

**Pieter Van Dessel, Goldtree General Manager, said:** ‘We see meaningful synergies stemming from this merger, starting with the consolidation of our route-to-market strategies to enhance services in our local and international markets. Moreover, with Natural Habitats’ organic certification and management expertise, together with Goldtree’s deep experience in developing and managing outgrowers and plantations, we intend to increase exports of certified organic palm oil into Europe, to meet growing market demand for traceable, ethically produced and manufactured palm oil. We see this as both extremely exciting and pivotal to the way in which we will do business.’

**Nieks Bezuidenhout, leading the Phatisa merger team, added:** ‘This transaction provides significant opportunities to reach scale under a shared growth vision. Likewise, we intend to reap the benefits of efficiencies from improved utilisation within our milling capacity, resulting in a more sustainable business which is so critical to the livelihoods of our staff, smallholder farmers and the communities we touch. Phatisa is extremely proud of the partnership we have shared with Goldtree since our initial investment in 2011. We are excited to be part of a continued journey with management and the Goldtree outgrower community to unlock further potential and sustainably grow this business into the future.’

**Jan Hein de Vroe, CEO of Natural Habitats, concluded:** ‘Beyond the many operational advantages of this merger, we have the additional benefit of a guaranteed off-take of all RSPO and organic certified crude palm oil. Indeed, over time, we intend to deepen our European relationships as a trusted, certified RSPO organic oil producer to better service those markets, to the ultimate benefit of all our employees and the local communities who are reliant on our sustained growth and success.’

Established in 2007, Goldtree is located in Daru, in the Eastern Province of Sierra Leone. Its operations are based on the rehabilitation of an abandoned mill destroyed in the 1991–2002 civil war. The new mill was commissioned in 2013, making it the first commercial mill operating in Sierra Leone post the civil war. The mill has a 14 tonnes-per-hour capacity for processing fresh fruit bunches (FFB) into crude palm oil (CPO) and palm kernel oil. Goldtree employs a nucleus-outgrower production model, sourcing FFB from its own nucleus (c. 2,000 hectares) plus > 8,000 outgrowers farming within a 40-kilometre radius of the mill.

Natural Habitats Europe-Africa brings to the merger NedOil – an organically certified milling company in the central part of Sierra Leone producing CPO mainly from FFB secured from outgrowers – and Zimmi, a small organic nucleus plantation, with significant expansion opportunities, in the southern part of Sierra Leone.

Following the merger, Goldtree will have:

- 2,300 total replanted hectares
- 220,000 seedlings available for a further planting – 1,400 hectares worth
- reach 60,000 metric tonnes per year mill capacity at Daru
- enable 5,100 metric tonnes per year mill capacity at NedOil
- employ 300 permanent and 1,000 full-time equivalent staff
- positively impact c. 10,000 outgrowers

The transaction value has not been disclosed and the transaction is not subject to any outstanding conditions precedent or regulatory requirements.

**Ends.**

## About Phatisa

Phatisa is a sector-specific African private equity fund manager located in and operating across sub-Saharan Africa. The firm currently has three funds under management, totalling more than US\$ 400 million, focused on food and affordable housing. Phatisa comprises a team of over 37 dedicated staff and a solid track record of managing private equity funds and commercial businesses throughout the continent. We speak 29 languages and represent 12 nationalities. Phatisa's vision is to be the leading sector-focused development equity (DevEq) fund manager in Africa. This philosophy finds expression in the unique formula of DevEq = PAT\*  $x + r^2$ ; a balanced blend of private equity and development finance, striving to build sustainable assets and communities, while ensuring the best possible returns for investors. [www.phatisa.com](http://www.phatisa.com)

With US\$ 246 million in capital commitments, AAF was the continent's first private equity fund focused solely on the agriculture and food value chain and commenced operations in 2011. Fully invested, the AAF investment portfolio consisted of eight companies and one subsidiary fund investment, amounting to a footprint of 21 countries. Phatisa's impact objectives for AAF are directly aligned with eight SDGs, highlights from the *AAF Development Impact Report 2018*, include:

- **SDG 1: No poverty** – raised and invested US\$ 246 million in Africa.
- **SDG 2: Zero hunger** – produced > 2.8 million tonnes of food and food-related products in Africa.
- **SDG 5: Gender inequality** – impacted > 17,500 female employees and beneficiaries directly.
- **SDG 8: Decent work and economic growth** – impacted > 109,500 smallholder farmers and micro, small and medium enterprises linked to Phatisa food and food-related investment portfolio and associated technical assistance projects.
- **SDG 12: Sustainable development** – 100% of portfolio companies have environmental and waste management policies and 63% have implemented recycling initiatives.

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## About Natural Habitats

Natural Habitats is a Dutch company that is fully committed to the sustainable production of organic and fairly traded products, including organic palm oil. Natural Habitats products are cultivated using only 100% organic practices by small farmers and owned plantations in Africa, and add organic credibility to food, personal care and animal nutrition products. [www.natural-habitats.com](http://www.natural-habitats.com)