

ONE ACRE FUND

2024 Q2 Performance Report

Geopolitical conflict and extreme weather events continue to put pressure on global food production systems. One Acre Fund is committed to delivering services to Africa's smallholder farmers to boost harvests and build resilience against ongoing external challenges. By year-end 2024, we project serving 1.68 million farmers in our core program and an additional 3.8 million via our systems-change work.

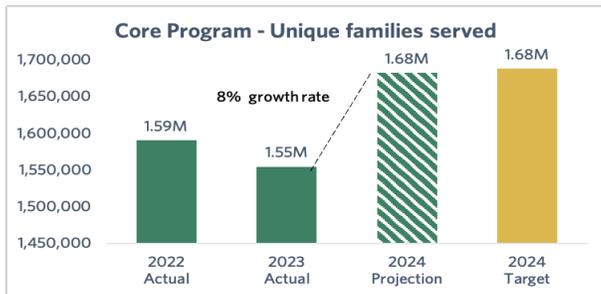
In Q2 several countries began their harvest season. In Burundi's Ngozi province, One Acre Fund clients achieved a successful bean harvest, which was featured in the national newspaper - [Burundi Eco](#).



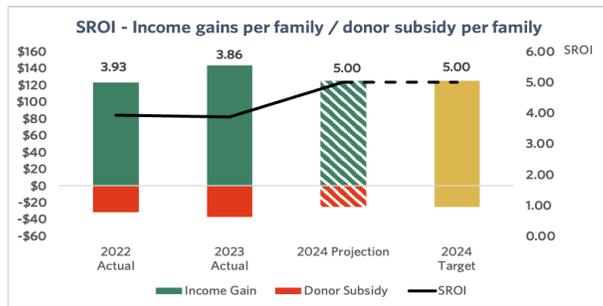
When Alphonse's parents joined One Acre Fund, their harvest increased from 1 bag to 5. She says, "I then realized that farming with One Acre Fund makes a difference, and that's why I didn't hesitate to join."

-Alphonsine Musanabera

CORE PROGRAM PERFORMANCE

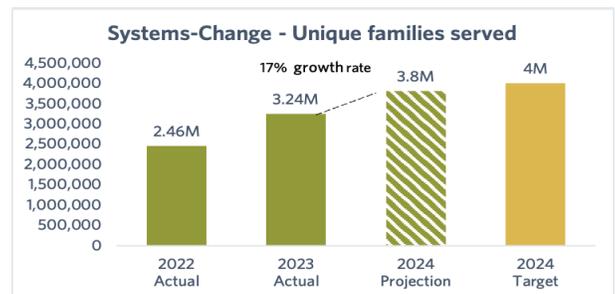


Scale On Track: We are on track to serve 1.68M farmers by year-end. Despite extreme weather challenges and high inflation (especially for food prices) in some countries like Malawi, we continue to see strong demand for core program services.

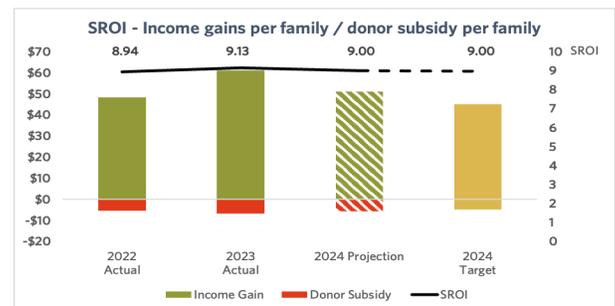


SROI Tentatively On Track: We forecast achieving an SROI of \$5:1 this year. The ongoing digitization of our programs is driving operational efficiencies in our core program services, cutting our operating costs.

SYSTEMS-CHANGE PERFORMANCE



Scale Slightly Behind Target: We expect to serve 3.8 million farmers, a 17% increase from last year. However, we anticipate a slight miss in meeting our target due to ongoing conflict in Ethiopia's Amhara region and the discontinuation of partner shops in Rwanda.



SROI Tentatively on Track: Current projections show us achieving an SROI of 9+ this year. We anticipate shortfalls in our partnerships scale will contribute to a higher cost/farmer, offset by higher revenues generated through our rural retail network.

Field-Building Unit

We are partnering with [Hello Tractor](#) to offer machinery rentals in Kenya. One Acre Fund Field Agents help farmers book tractor services through the social enterprise, significantly enhancing productivity by reducing the time and labor needed for plowing and land preparation.

Research and Development

We are collaborating with IFC and the Microinsurance Center at Milliman - a leading insurance consultancy - on a three-year study to determine the income that Malawian farmers need to sustain their families through tough years, providing crucial data for the agricultural insurance sector.

KEY CHALLENGES

Extreme Weather: In recent years, unpredictable rainfall patterns and prolonged droughts have increasingly disrupted planting and harvesting cycles, leading to reduced crop yields and food insecurity in our areas of operation. Additionally, the increased frequency of severe storms and floods has damaged infrastructure, eroded soils, and further compromised agricultural productivity across Africa. This year, for instance, Malawi experienced measurable losses due to recent drought conditions linked to El Niño weather patterns, significantly contributing to decreased food availability and increasing already high cereal prices. The extensive damages led to our largest crop insurance claim in One Acre Fund's history, equating to ~10-15% of the total farmer revenue from our Malawi program. Against this backdrop, it is clear that investments in climate resilience are more vital than ever for the farmers One Acre Fund serves. Recognizing this need, we are committed to providing strong financial safety nets by researching and scaling smallholder-tailored insurance innovations.

I. DELIVERY - Scale

Scale milestones	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status vs Target
Core farmers served*	1,587,900	1,554,400	1,688,000	1,682,000	On track
Kenya	436,500	216,800	275,000	239,400	Slightly behind target
Rwanda	764,100	832,200	900,000	900,000	On track
Burundi	189,200	275,900	325,000	344,000	On track
Malawi	95,900	109,300	135,000	135,000	On track
Nigeria	24,100	33,700	45,000	60,000	On track
Systems-Change (# unique farmers)	2,465,000	3,245,300	4,000,000	3,784,800	Slightly behind target
Systems-Change (# touchpoints)**	6,212,400	6,652,900	-	7,812,800	No target
Rural retail touchpoints	-	627,700	-	1,126,900	No target
Market access touchpoints	-	45,900	-	63,000	No target
Tree touchpoints	-	2,147,000	-	3,277,900	No target
Extension & other touchpoints	-	3,832,300	-	3,345,000	No target
Trees surviving after 1 year	29.8M	35.3M	40.9M	39.3M	Slightly behind target

*Core scale includes Zambia farmers for 2023-2024, where we are partnering with the IFDC on a two-year initiative that includes providing core program services to farmers in Zambia. Therefore, our core program 2024 projection includes 3,500 Zambia farmers.

**2022 and 2023 actuals for core farmers served includes farmers served by our Tanzania core program; however, in line with the restructure of our farmer-facing services in Tanzania, farmers accessing services through our rural retail network will now be counted under our systems-change unit.

**The provided touchpoint projections represent the total number of interventions delivered; importantly, a single farmer can experience multiple touchpoints in a given season.

Program Highlights

Nigeria: High demand and significant impact have driven the rapid growth of our program in Nigeria, one of Africa's largest smallholder markets. Our core program currently serves 60,000 farmers in three districts of Niger state: Minna, Mokwa, and Lapia, with early trials in Iseyin in the Southwest. Our growing field team and investments in digital tools, which have improved internal communications, data analysis, and performance monitoring, have bolstered program expansion. As we expand, we are enhancing farmers' long-term resilience through a climate-smart model that includes fertilizer micro-dosing, soil quality improvement, erosion control, and pest and disease management. Beyond our core program, we are advancing resilience through a focus on developing Nigeria's agroforestry infrastructure. Farm level tree planting is relatively new in the area, yet interest remains high: last year, our program enabled 111,000 farmers to plant nearly 2.7 million trees. In 2024, we aim to double this effort, supporting 220,000 farmers in planting over 5.6 million trees.



Tanzania: Last year, our Tanzania program shifted focus to agroforestry and rural retail in response to regulatory challenges. We are rapidly expanding our agroforestry initiatives in 2024, with plans to reach two more districts and support the planting of over 3 million trees country-wide. We continue to refine the rural retail channel, launching the first of three regional flagship 'super stores' earlier this year. These larger stores provide farmers with access to a wide range of agricultural inputs. Additionally, the Tanzania team is piloting an extension program with six officers across six shops, aiming to increase the adoption of improved agricultural practices (e.g., hybrid seed adoption, lime application for acidic soils, and intercropping). This strategy underscores our commitment to providing quality inputs and training to smallholder farmers within our rural retail model.

Field-building: We are pioneering new approaches to strengthen food systems by improving smallholder-facing value chains and helping agricultural businesses succeed. One of our key activities in this regard is our new Smallholder Resilience Ventures (SRV) unit. Launched in 2022, SRV makes strategic investments in agricultural small and medium-sized enterprises (SMEs) that source climate-resilient, high-value farmer crops such as fruit trees and coffee from smallholders. SRV-supported SMEs aim to help provide farmers with surplus revenue streams to reduce the adverse impacts of climate shocks while also delivering tangible environmental benefits such as reduced soil erosion. In 2024, SRV is advancing investments across Rwanda's avocado, chili, and coffee value chains. Meanwhile, in Kenya we are conducting market validation of an existing textured vegetable protein called Sossi, with the vision of potentially producing our own product in the future, along with exploring how to develop climate-friendly and reliable irrigation services to smallholder farmers.

II. DELIVERY - Sustainability

Sustainability milestones	2023 Actual	2024 Target	2024 Preliminary Results*
Financial sustainability	64%	75%	To report at year-end
Repayment rate	97%	96%	96% - 2024 projected repayment (On track)
Kenya	93%	95%+	92% - 2024 projected repayment (Slightly behind target)
Rwanda	98%	95%+	96% - 2024 projected repayment (On track)
Burundi	97%	98%+	98% - 2024 projected repayment (On track)
Malawi	99%	98%+	95% - 2024 projected repayment (Slightly behind target)
Nigeria	95%	95%+	95% - 2024 projected repayment (On track)

*Repayment rates include expected crop insurance recoveries. We anticipate our insurance claim for Malawi's 2024 season will represent 10-15% of the total loan repayment value.

Preliminary projections for 2024 show a 96% overall seasonal repayment rate, driven largely by the restructuring of our Kenya program, which reduced field staff presence. Although we could see lower repayment rates in Kenya reflecting on-going economic pressures facing clients, we are seeing strong repayment and sustainability in Burundi, Malawi, and Nigeria. These gains reflect operational improvements, including higher farmer-to-field officer ratios, increased margins per ton in our market access program, and better profitability on fertilizer sales—boosting our long-term sustainability prospects.

III. RESEARCH AND DEVELOPMENT PROJECTS

Priority Area #1: Scale Innovations

Purpose: Innovate program model to boost scale and financial sustainability

Success Measure	2023 Actual	2024 Target	2024 Preliminary Figures
Farmers per Field Officer, average	383	450	450 - (On track)
Earned margin % on inputs	12%	20%	20% - (On track)

Highlights

Streamlined Enrollment Pilot - Rwanda

In today's dynamic agricultural landscape, our ability to efficiently adapt to farmers' evolving needs is crucial for growing our impact. One key lever in this effort is the farmer journey, ensuring that One Acre Fund clients receive inputs on time and with ease. Toward this end, our Rwanda field team is revamping our enrollment process to drive efficiency and enhance the customer experience. Under a new enrollment strategy piloted this season, existing farmers no longer need to place orders directly with Field Officers (FOs) before picking up their inputs, instead confirming their orders via USSD. This streamlined process simplifies registration, allowing FOs to focus more time on marketing, training, and repayment efforts. Farmers also benefit from extended timelines and flexibility to manage their orders. This innovative approach is paving the way for building stronger relationships with farmers while enabling FO efficiency gains, setting the stage for serving more Rwandan farmers in years to come.

Priority Area #2: Product Innovations - Income Generation

Purpose: Grow and diversify income through new product R&D

Success Measure	Status of 2024 Target
Trial and scale new interventions to boost and diversify incomes	(1) Optimized agronomy: (1) Scale new seed spacing and reduced fertilizer rate recommendations in Kenya; (2) Update variety menus with key traits and selection guidance in Rwanda - (On track) (2) Commercialization: (1) In most mature programs (Kenya, Rwanda), offer 2+ commercial crops, supporting market access for 30,000 clients; (2) In earlier-stage programs (Burundi, Uganda, Malawi, Nigeria) scale at least 1 commercial crop intervention - (On track)

Highlights

Mushroom Cultivation - Burundi



Niyonzima Magifique in Gitega, Burundi

There is growing demand for cash crops in Burundi as farmers seek opportunities to diversify their income streams and reduce dependence on subsistence farming. One Acre Fund is leveraging its core competencies to improve the performance of pre-existing cooperatives in Burundi through market access initiatives. Through this work, our Burundi program now serves 50 cooperatives in total. Last year, we successfully tested a new entrepreneurial project focused on mushroom cultivation. Through this trial, One Acre Fund provides farming supplies to cooperatives on credit, as well as hands-on training and technical support on production, and guaranteed buyback of harvests through our buyback partner - a local processor called Sovert. In our first mushroom pilot with roughly 300 farmers, One Acre Fund delivered

an estimated \$350 in new income per cooperative, translating to \$3.50 per participating farmer. Building on the initial success of the project, we are now looking into ways to maximize dollar impact per farmer, including progressing up the value chain into processing, value addition, and sales to create a more financially sustainable model.

Priority Area #3: Product Innovations - Long-Term Impact

Purpose: Ensure long-term viability of our clients' lands and environments

Success Measure	Status of 2024 Target
Establish and achieve threshold soil health & climate resilience levels	(1) Soil health: Launch soil health campaigns with 70% of farmers in Rwanda's acidity-prone areas, with 20% adoption of lime application - (On track)

Highlights

Soil Health Radio Campaigns - Rwanda

Improving soil health is crucial for protecting farmers' lands and boosting their yields and profits. In Rwanda, One Acre Fund is leveraging radio campaigns to enhance farmer adoption of improved soil management practices. Radio is the most popular media platform in the country, reaching about 92% of Rwanda's farmers, according to our 2023 listenership survey. Our radio department uses mass marketing and creative advertising to promote practices that improve soil health, guiding farmers from awareness to adoption of beneficial behaviors and products. For example, 84% of farmers who heard the soil erosion campaign expressed their intent to implement erosion control techniques shared in the broadcasts.

Priority Area #4: Product Innovations - Health

Purpose: Improve family health through interventions leveraging One Acre Fund's distribution and training capability

Success Measure	Status of 2024 Target
Trial and scale interventions that improve dietary diversity and child development, and protect families from health shocks	Improve dietary diversity by increasing # of families adopting nutritious crops to 160,000 unique adopters - (On track)

Highlights

Expansion of Fruit Trees for Micronutrient-rich Diets

Trees play a crucial role in enhancing nutrition for smallholder farm families by providing a sustainable source of micronutrient-rich foods. Fruit trees, such as avocado and banana, offer additional income through surplus sales and meaningfully improve families' dietary diversity and food security. Multiple countries' agroforestry teams are currently working to expand nutrition-sensitive fruit tree programs, increasing farmer availability and consumption of fruit trees, including avocado, macadamia, banana, and other species. By year-end 2024, we are on track to meet our long-term goal of offering at least three species at scale in each agro-ecological zone we serve, with a mix of timber, non-timber, and fruit trees.

Priority Area #5: Impact Research and Methodology

Success Measure	Status of 2024 Target
Trial and scale interventions that improve dietary diversity and child development, and protect families from health shocks	Improve dietary diversity by increasing # of families adopting nutritious crops to 160,000 unique adopters - (On track)

Highlights

Smallholder Carbon Project Models - Zambia, Tanzania, Malawi, Rwanda



Edmerk Mwenzegule in Iringa region, Tanzania

We continue to advance our efforts to connect smallholder farmers to global carbon markets by refining and expanding our carbon finance pilots. We currently run three intensive agroforestry pilots across Zambia, Tanzania, and Malawi, along with one novel community-level landscape restoration pilot in Rwanda. Our goal across all pilots is to incentivize permanent tree planting and reward African smallholder farmers for their climate mitigation efforts. While the complex reality of carbon finance (including high upfront costs, complex certification processes, and stringent monitoring requirements) often leaves rural agroforestry projects unrecognized by international carbon markets, we are committed to building a scalable smallholder carbon program that overcomes these barriers. In 2023, approximately 7,000 smallholders participated in these pilots, with plans to expand to 20,000 farmers in 2024.

IV. ORGANIZATIONAL CAPACITY

Talent

*Maintain momentum with 75%+ highest skilled roles filled by African nat'ls; continue to invest in performance management improvements; maintain 50% African membership on global leadership body. - **ON TRACK***

In 2024, while continuing efforts to strengthen DEI by nationality, we are also extending our focus to improved gender representation in leadership, increased manager quality at all levels, and improved decision-making voice for our field staff. In line with our commitment to strengthen field team inclusion in decision-making, seven of our nine country programs developed engagement plans centered around the decisions that matter most to our farmer-facing team. These plans detail how team members will be involved in the outlined decision-making processes and how outcomes will be communicated to teams. Our remaining country programs will complete similar initiatives by year-end.

Fundraising

*Raise \$124M in grants - **ON TRACK**; raise \$114M in committed debt capacity to support farmer loan pool - **ON TRACK***

We are tracking ahead of our 2024 fundraising goal of \$124 million due to securing several large, unbudgeted grants earlier this year. Separately, as of June 30th, our debt capacity was \$90 million, with \$75 million already drawn. Additionally, we signed a \$10 million trade credit facility with a bank in Q2 for fertilizer purchases. We anticipate closing key debt deals in Q3 and Q4, ending with \$110M available debt. This is slightly below our 2024 target due to lower investor appetite for our retail notes program in a high-rate environment.

V. IMPACT

Impact milestones	2023 Actual	2024 Target	Status as of August 2024
Core agricultural bundle income per farm family			
Three-year rolling average (annual + asset)	\$123	\$130	All impact data to be reported at year-end
Annual average - \$ and %	\$143 / 35%	\$125 / 40%	
Social Return on Investment, or SROI (impact per farmer / donor subsidy per farmer)	3.86 : 1	5 : 1	
Annual country-level impact (annual + asset)			
Kenya - \$ and %	\$143 / 33%	(Targets not set at country level)	
Rwanda - \$ and %	\$130 / 31%		
Burundi - \$ and %	\$151 / 56%		
Malawi - \$ and %	\$204 / 49%		
Nigeria - \$ and %	\$318 / 31%		
Systems-Change income per farm family			
Weighted avg impact per unique farmer	\$61	\$45	

Core Bundle: Several One Acre Fund countries have begun the 2024 season’s harvest, and our M&E teams have now commenced our rigorous annual impact measurement activities. This year, we are seeing strong harvests in Burundi, a positive indicator of our impact in one of our poorest markets. However, with the continuation of the government subsidy program in Kenya, we anticipate a slight shortfall in farmer enrollment this year, as many farmers may opt for the subsidy program due to its lower costs. The fact that comparison farmers will see lower input costs could reduce our program’s boost in farm profits for the year. Additionally, Malawi is experiencing extreme weather challenges that we expect will significantly reduce farmer impact relative to last year. Despite these obstacles, we remain optimistic and committed to supporting our farmers through these difficulties. We look forward to sharing preliminary impact results in our Q4 report.

Systems-Change Unit: We continue to invest in partnerships with proven ability to cost-effectively deliver high impact to farmers. In 2024, we anticipate generating an above-target cumulative impact per unique farmer through our systems-change work despite reflecting a slight year-over-year decrease as we expand our partnerships in lower-income contexts. Our primary strategy to grow impact involves increasing investments in programs with strong farmer revenue potential, such as agroforestry, market access, and input production, particularly seeds in Rwanda. Our latest projections indicate that we will reach 3.8 million farmers through related projects in 2024, driving significant gains in farmer income and productivity. Moreover, all projects ultimately aim to strengthen partners’ capacities and countries’ entire food systems, impacting multiples of farmers beyond those directly participating in the intervention.

VI. CONCLUSION



Jenitha Madete and her brother in Njombe region, Tanzania

Africa’s smallholder farmers continue to face significant challenges, including ongoing economic uncertainties and increasingly erratic climate patterns. Through the programming and innovative R&D described above, One Acre Fund remains committed to providing innovative solutions and support to help farm families achieve big harvests, rich soils, and healthy families. We are deeply grateful for your continued support as we work together to serve 5+ million farm families this year.

APPENDIX 1 - Unaudited, Preliminary 2024 Q2 YTD Financials: 2024 began on a challenging note, with delayed rainfall followed by excessive downpours in Kenya, Rwanda, Burundi, Tanzania and Uganda. These weather fluctuations led to flash floods, posing significant risks to food security, especially given the tough macroeconomic environment in which our smallholder clients operate. Despite these challenges, One Acre Fund remains steadfast in its commitment to transforming every farming community by ensuring sustained food security and creating pathways to prosperity. Farmers in Kenya, Rwanda, Nigeria, and Burundi have received their inputs and have begun planting for the 2024 seasons.

Core Program - One Acre Fund direct services	Budget YTD	Actual YTD	Variance	% (YTD)
Farmer revenue	52,156,081	43,558,549	-8,597,532	-16.5%
Inputs (seed, fertilizer, solar lamps, etc.)	-39,550,204	-33,605,241	5,944,963	15.0%
Allowance for doubtful accounts	-2,347,651	-1,209,869	1,137,782	48.5%
Associated costs (crop insurance, transport, storage)	-5,842,283	-4,482,446	1,359,837	23.3%
Interest Expense	-1,195,340	-1,394,379	-199,039	-16.7%
Field operations costs (primarily salaries)	-10,479,359	-10,373,304	106,055	1.0%
Program support (primarily HQ costs, marketing and support depts.)	-8,075,886	-8,074,721	1,165	0.0%
Core Program Overhead Allocation	-1,634,294	-1,327,139	307,156	18.8%
Budget Buffer	-1,375,000	0	1,375,000	n/m
Core Program Total	-18,343,936	-16,908,550	1,435,387	7.8%
Systems Change - One Acre Fund for countries	Budget YTD	Actual YTD	Variance	% (YTD)
Farm input revenue	24,829,455	19,064,789	-5,764,666	-23.2%
Farm input costs	-21,496,064	-15,749,360	5,746,704	26.7%
Associated costs (transport, storage, allowance)	-2,540,874	-761,282	1,779,592	70.0%
Staff, program and management support for input sales	-7,660,785	-7,665,364	-4,578	-0.1%
Farm Input Sales Shared Overhead Allocation	-378,250	-336,813	41,437	11.0%
Net Contribution from Farm Input Sales	-7,246,517	-5,448,029	1,798,488	24.8%
Extension, Seed and other (net of revenue)	-2,670,394	-2,651,956	18,438	0.7%
Systems Change Overhead Allocation	-325,424	-275,454	49,970	15.4%
Systems Change Total	-10,242,334	-8,375,438	1,866,896	18.2%
Field Building	Budget YTD	Actual YTD	Variance	% (YTD)
Government Relations	-1,414,431	-1,251,279	163,151	11.5%
Communications	-1,174,703	-840,299	334,404	28.5%
Field Building Overhead Allocation	-202,539	-173,205	29,334	14.5%
Field Building	-2,791,674	-2,264,784	526,890	18.9%
Research and Development	Budget YTD	Actual YTD	Variance	% (YTD)
Product and service R&D	-2,782,125	-1,783,025	999,100	35.9%
Scale innovation	-275,013	-123,883	151,130	55.0%
New Country Scouting	-346,624	-332,015	14,609	4.2%
Strategy and Research	-382,430	-312,483	69,947	18.3%
Monitoring & Evaluation	-2,347,415	-1,852,215	495,201	21.1%
Research and Development Overhead Allocation	-321,525	-276,630	44,895	14.0%
Research and Development	-6,455,131	-4,680,250	1,774,881	27.5%
Shared Services	Budget YTD	Actual YTD	Variance	% (YTD)
Systems and infrastructure	-4,771,289	-4,911,248	-139,959	-2.9%
Finance	-1,208,518	-1,182,265	26,253	2.2%
People Operations	-1,856,838	-2,025,539	-168,701	-9.1%
Fund development	-3,040,809	-3,721,375	-680,566	-22.4%
Supporting departments (Executive, Legal)	-2,162,615	-2,628,531	-465,916	-21.5%
Shared Services Overhead Allocation	-435,740	-382,510	53,230	12.2%
Shared Services	-13,475,808	-14,851,467	-1,375,659	-10.2%
Remeasurement gain/loss	-3,000,000	844,284	3,844,284	n/m
Other revenue	0	1,150,314	1,150,314	n/m
Deficit before fundraising	-54,308,883	-45,085,891	9,222,992	17.0%
Donor Contributions	Budget YTD	Actual YTD	Variance	% (YTD)
Grant Revenue (Donor-Intended basis)	68,882,000	93,879,826	24,997,826	36.3%
Total Revenue (Donor-intended basis)	145,867,537	157,682,878	11,815,341	8.1%
Total Expense	-136,294,420	-109,454,237	26,840,183	19.7%
Net Income (Donor-Intended basis)	9,570,004	48,228,642	38,658,638	n/m
(-) Required Net Asset Additions	3,286,807	-10,000,000	(13,286,807)	n/m
Net Income after Required Net Asset Additions	12,856,811	38,228,642	25,371,830	197.3%
(+) Required Net Asset Additions	-3,286,807	10,000,000	13,286,807	n/m
(+) Restricted Grants Revenue	32,287,661	28,350,320	-3,937,341	-12.2%
(-) Restricted Cash Released	-41,944,661	-36,479,490	5,465,171	13.0%
Total Net Income (GAAP basis)	-86,996	40,099,472	40,186,468	n/m

Core Program: \$1.4m (8%) positive to budget at -\$16.9m (Budget: -\$18.3m). However, total farmer revenue fell about \$8.6m short of budget primarily due to lower-than-expected revenue in Kenya, driven by reduced enrollment numbers. In Burundi, smaller transaction sizes, resulting from lower phone adoption, further contributed to the revenue gap. In Nigeria, despite serving more farmers, resulting revenue in USD was lower than budgeted due to the depreciation of the Naira. Gross profit was below budget due to the revenue shortfall and slightly lower gross margin of 23% (Budget: 24%). Bad debt expenses were \$1.1m lower than budget, primarily due to the enrollment and revenue shortfalls in Kenya.

Systems Change: \$1.9m (18%) lower than budgeted, at -\$8.4m (Budget: -\$10.2m).
 -Reduced sales in Tanzania due to reduced footfall in shops, caused by fertilizer stockouts from USD shortages.
 -Market Access Program generated lower sales in Kenya due to staggered macadamia deliveries in line with contracts. Avocado value chain operations were scaled down due to logistical challenges along the Suez Canal.
 -Reduced revenues in Rwanda Market Access, due to a shortfall in grain aggregation in a challenging market characterized by competitive imports, government pricing, and undercutting.
 -Associated costs below budget due to the reversal of bad debt provisions for countries that completed repayment in Q2, lower spending resulting from reduced crop aggregation, and suspension of the potato value chain, in Kenya.

Field Building: net deficit was \$0.5m (19%) lower than budgeted, at -\$2.3m (Budget: -\$2.8m). This was primarily due to delayed marketing expenses from Kenya's long rains, lower headcount in Government Relations, reduced meetings, and decreased transport costs.

Research and Development: net deficit was \$1.8m (27%) lower than budgeted, at -\$4.7m (Budget: -\$6.5m). This was largely due to: savings in transport costs for field support teams, resulting from deprioritized trials, reduced movement, and delayed field activities in Ethiopia due to prevailing security concerns; delayed hires and delays in engaging external research consultants; fewer Monitoring and Evaluation surveys, driven by lower enrollment numbers.

Shared Services: net deficit was \$1.4m (10%) higher than budgeted, at -\$14.9m (Budget: -\$13.5m) due to a higher headcount in fund development and support teams to support expanded grant-related and philanthropy activities.

Remeasurement loss: \$0.8m gain from Kenyan Shilling appreciation against the US Dollar offset the Nigerian Naira loss. We expect further offset from potential Naira and Burundian Franc devaluation.

Other Revenue: \$0.9m crop insurance payouts, \$0.8m interest income, \$0.7m inventory sales, offset by \$1.4m loan forgiveness in Malawi.

Grant Revenue: Donor-intended revenue was +\$25m (36%) higher than budgeted, at \$93.9m (Budget: \$68.9m). This was mainly due to the recognition of several unbudgeted unrestricted grants. Grants to sub-recipients were below budget, largely due to delayed spending.

Net Income (Donor-Intended Basis): -Total revenue exceeded budget, thanks to higher-than-expected grant revenue offsetting earlier farmer revenue shortfalls.
 -Total expenses were under budget due to missed distribution targets, favorable FX variances, and savings on associated and overhead distribution costs.