

PROSPECTUS

THE GRENADA AGRIBUSINESS PUBLIC-PRIVATE PARTNERSHIP



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TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	4
1.0. ABOUT GRENADA	6
1.1. Overview of Grenada	6
1.2. Map of Grenada	6
1.3. Time Zone	6
1.4. Geographic Location.....	6
1.5. Climate	7
1.6. Population	7
1.7. Religion.....	7
1.8. Government.....	7
1.9. Education and Skills.....	7
1.10. Health	8
2.0. THE GRENADA ECONOMY	9
2.1 Tourism-led Growth.....	9
2.2. Jobs.....	9
2.3. Government Operations	9
2.4. Financial Services	10
2.5. Trade Receipts.....	10
2.6. Outlook.....	10
3.0. GRENADA ECONOMIC ENABLERS	11
3.1. Public Finance.....	11
3.2. Currency	11
3.3. Ease of Doing Business.....	11
3.4. Tax Regime	11
3.5. Investment Incentives	12
3.6. Labour Regime.....	13
3.7. Digital Penetration (as at January 2024)	13
4.0. THE COMPANY & BUSINESS MODEL.....	14
4.1. A New Tone at the Top.....	14
4.2. The Value Proposition	14
4.3. Exemplary Flexibility and Adaptation	15
4.4. Alignment with Operations and Measuring Success	16
4.5. Novel Features	16
4.6. Governance, Ownership and Capitalisation.....	17
4.7. Organisational Structure	18
4.8. Contractual Model.....	20

4.9. Key Risks and Mitigation Strategies.....	21
5.0. MARKET ANALYSIS: INSIGHT INTO KEY FEATURES	23
5.1. Key Trends	23
5.2. Challenges.....	23
5.3 . Opportunities within Grenada’s Agribusiness	24
6.0. MANAGEMENT'S VIEW ON MARKET TRENDS	25
7.0. CORPORATE FINANCIALS	26
7.1. MNIB Five Year Performance Review (2020-2024).....	26
7.2. New Start Up Financial Strategy Assumptions.....	30
8.0. REASONS FOR THE OFFERING AND USE OF PROCEEDS.....	40
REFERENCES.....	44

EXECUTIVE SUMMARY

PPP Background

During the first quarter of 2024, the Technical Working Group (TWG) appointed by the Ministry of Implementation and Transformation approved the findings and recommendations of the DCI Consultants' Report on the *Design and Development of a Business Model for A Public Private Partnership (PPP) in the Agribusiness Sector*¹. By April the Study had been approved by the Cabinet of Ministers. At the invitation of the Chairman of the Project Implementation Team (drawn from the TWG), the Consultants developed a Draft Prospectus which laid the basis for the technical presentations delivered at the **National Agribusiness Investors' Conference** hosted at the Radisson Conference Center on November 18, 2024 by the Ministry of Finance and the Ministry of Implementation and Transformation.

Political Will

Following speeches by Minister of Finance, Dennis Cornwall and Minister of Agriculture, Lennox Andrews, **Prime Minister Dickon Mitchell** addressed the 130 Conference attendees comprising government officials and business leaders from the agriculture, tourism and distribution sectors. He emphasized his Administration's *four-pronged commitment* to invest in the selected model for an Agribusiness public-private partnership (PPP) to replace the State-controlled Grenada Marketing National Importing Board (1973): *over EC\$17 million in accumulated MNIB debt absorbed, the available fixed assets pledged, tax-free concessions provided to the pioneer enterprise, and sole importer license granted for staple commodities - rice, milk and sugar.*

Purpose of the PPP

The new agribusiness Public-Private Partnership model seeks to address longstanding inefficiencies in the agricultural sector by integrating private sector expertise with public sector support. By leveraging this partnership, the new company will drive value-chain linkages, enhance food production and distribution, and promote innovative and sustainable practices. This initiative represents an overdue pivot to more inclusive governance and operational efficiency. The proposed entity will align agriculture more closely with national economic growth, food security, food nutrition, rural development and employment creation, fostering a healthier and more sustainable Grenada.

Focus of the Prospectus

This document provides potential investors with the insights needed to make informed decisions about participating in this transformative opportunity. Key sections include market analysis, risk mitigation strategies, financial projections, and the value proposition of the new entity.

Financial Projections and Pillars of Viability

The financial projections demonstrate the economic feasibility of the new entity underpinned by:

- A strategic governance structure that eliminates inefficiencies and fosters transparency.
- Proven private sector management and operational acumen.
- Sustainable revenue streams driven by innovative approaches like contract farming, floor pricing, alternative energy solutions, novel production technologies and zero-waste policies.
- Capital infusion from public, private, and farming sectors, ensuring shared risks and aligned incentives.

¹ Completed December 29, 2023

The Offering

The offering highlights equity participation and the robust financial foundations needed to ensure corporate profitability and sustainability.

- The ownership structure in the Articles of Incorporation should be pegged at 425,000 shares at a par value of EC\$100.00 per share.
- Start-up capitalization requires EC\$20 million represented by the issuance of 200,000 shares at a par value of XCD\$100.00 per share, subscribed as follows:
 - paid-up capital of EC\$12 million represented as 120,000 shares by the Private Sector;
 - paid-up capital of XCD\$5 million by the Government of Grenada represented as 50,000 shares; and
 - paid-up capital of XCD\$3 million by Farmers/Farmers' Organisations/NGOs/Civil Society represented as 30,000 shares.

Major Advantages for Investors and Grenada Agriculture

- **Modern Efficiency:** The PPP introduces private sector efficiency, driving operational excellence and fostering a culture of innovation.
- **Enhanced Support for Farmers:** Farm Certification, contract farming arrangements, access to financing, and technical support will empower farmers, their workers and farmers organisations to thrive.
- **Sustainable Practices:** Adoption of advanced technologies, Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and a zero-waste approach will ensure environmental and economic sustainability.
- **Economic Impact:** By stabilizing the agricultural sector, this new entity will boost rural employment, food security, and national GDP.
- **Legal Monopoly** on the importation of staple commodities will anchor the viability of the New Business Entity.
- **Investor Benefits:** With a conservatively projected 6.7% net profit margin and robust governance structures, the PPP provides an attractive investment opportunity.

Conclusion

This PPP offers a unique opportunity to reshape Grenada's agribusiness landscape, creating a model for sustainable agricultural practices in the Caribbean. By combining public policy support with private sector expertise, the initiative is poised to deliver value for all stakeholders—farmers, investors, and the nation at large.

Expressions of interest from interested investors are welcomed for this historic opportunity.

1.0. ABOUT GRENADA

1.1. Overview of Grenada

Grenada is an island nation in the Caribbean Sea, renowned for its rich culture, robust economy, and welcoming environment for investors. Its strategic geographic location, favorable climate, stable political environment and strong commitment to education, healthcare and economic development make it an attractive destination for investment. With a growing population and inclusive religious and cultural environment, Grenada offers a blend of traditional values and modern opportunities. The Government's policies, including a structured PPP framework, demonstrate a robust economic plan prioritizing transparency, fiscal responsibility and community benefits.

1.2. Map of Grenada

Grenada is located at the southern tip of the Grenadines Island chain. It consists of the main island of Grenada and the smaller islands, Carriacou and Petite Martinique.

Image 1: Map of Grenada emphasizing its key cities, communities and neighbouring islands.



1.3. Time Zone

Grenada operates on Atlantic Standard Time (AST), which is 4 hours behind Coordinated Universal Time (UTC-4). Grenada does not observe daylight saving time.

1.4. Geographic Location

- **Location:** Grenada is situated in the southeastern Caribbean Sea, approximately 100 miles (161 km) north of Venezuela.
- **Neighboring Territories:** It lies north of Trinidad and Tobago and south of Saint Vincent and the Grenadines. Grenada's position provides easy access to major shipping routes and international air travel.

1.5. Climate

- **Tropical Climate:** Grenada enjoys a tropical climate characterized by two main seasons—the dry season from January to mid-April and the rainy season from mid-April to December.
- **Temperature:** Average temperatures range from 24°C (75°F) to 30°C (86°F) per year.
- **Rainfall:** Annual rainfall averages between 1,500 and 2,200 millimeters (59 to 87 inches), with mountainous regions receiving higher rainfall.

1.6. Population

- **Size and Composition:** At January 2024, Grenada's population was estimated at 126,500², the majority of whom reside on the mainland.
- **Demographics:** The population is primarily of African descent, with vibrant communities of East Indian, European and other ethnic backgrounds.
- **Density and Urbanization:** The population density is about 300 persons per square kilometer, with significant urban concentration in the capital, St. George's.

1.7. Religion

- **Diverse Beliefs:** Grenada is culturally diverse, and this diversity is reflected in religious practices. The predominant religions include Christianity (primarily Roman Catholic, Anglican and Seventh-Day Adventist), with smaller communities practising Islam, Hinduism and Rastafarianism.
- **Religious Freedom:** The constitution provides for freedom of religion and various religious groups actively practice their faith across the islands.

1.8. Government

- **Political Structure:** Grenada is a parliamentary democracy within the Commonwealth. King Charles III is the head of state, represented locally by a Governor-General, while the Prime Minister serves as the head of government.
- **Legislative Branch:** The Parliament of Grenada consists of the Senate and the House of Representatives. House members are elected, while Senate members are appointed.
- **Stability and Democracy:** Grenada has a long history of stable, democratic governance, fostering a conducive environment for foreign investment and economic development.
- **PPP Policy:** The Government of Grenada has a structured Public-Private Partnership (PPP) Policy emphasizing value for money, fiscal responsibility, transparency, inclusiveness and environmental sustainability.

1.9. Education and Skills

- **Literacy and Education:** Grenada boasts a high literacy rate, with compulsory education for children aged 5 to 16. The Education system follows the British model.
- **Tertiary Institutions:** St. George's University, an internationally recognized institution located in Grenada, offers programs in medicine, veterinary medicine, business and arts and sciences, attracting students from around the world.

² Source: DataReportal - Global Digital Insights

- **Vocational Training:** Various vocational training programs exist to develop skills in tourism, hospitality, agriculture, and other sectors, contributing to a skilled and adaptable workforce.
- **Workforce:** The labor force is primarily employed in agriculture, tourism and services, with growing opportunities in technology and other emerging sectors.

1.10. Health

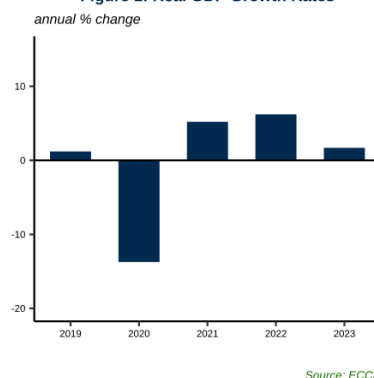
- **Healthcare System:** Grenada's healthcare system includes both public and private facilities. The General Hospital in St. George's and various community health centers provide primary and secondary care.
- **Healthcare Access:** The government ensures widespread access to healthcare services, with ongoing efforts to improve quality and availability.
- **Health Challenges:** Non-communicable diseases are prevalent, and the government and healthcare sector are actively working to address issues like diabetes, hypertension and obesity.
- **Public Health Initiatives:** The government frequently partners with private entities and international organizations to strengthen healthcare infrastructure, including initiatives for better patient care, disease prevention and public health education.

2.0. THE GRENADA ECONOMY

2.1 Tourism-led Growth

During 2023, the Grenada economy expanded by 3.6% compared to 7.3% growth in 2022. Ongoing resurgence in the tourism industry was the lead driver, thanks to a 50.7% increase in total visitor arrivals to 504,400 passengers compared with 334,799 in the previous year, predominantly from the USA, the UK and Canada as the demand for leisure continued to strengthen. The hotels and restaurants sub-sector contributed 26.6% to GDP, therefore. Growth in total value added was moderated, however, by contractions in agriculture, livestock and forestry (22.9%) caused by adverse weather events and in construction (12.0%) associated with delays experienced in some key government projects.

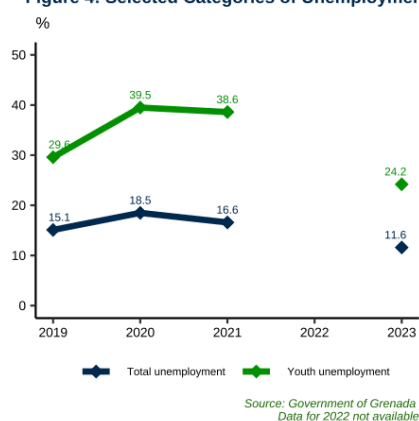
Figure 1: Real GDP Growth Rates



2.2. Jobs

Another positive spinoff of the economy's expansion was the reduced unemployment rate to 11.6% at September 2023, down from 16.6% in 2021 and 18.5% in 2020. Jobs creation and retention were recorded in tourism, wholesale and retail trade, especially. The imbalance by gender remained pronounced: males 6.0 % and females 18.1%; youth unemployment also fell to 24.2%, relative to 38.6% in 2021 and 39.5% in 2020.

Figure 4: Selected Categories of Unemployment



With labour markets improved and unemployment rates returning to below pre-Covid 19 levels, inflation rates were largely contained: rising by 2.2% at December 2023 down marginally from 2.9% in 2022. Increased costs for food and non-alcoholic beverages (5.1%), transport (3.1%) and alcoholic beverages, tobacco and narcotics (9.3%) drove the consumer price index upwards. Relatively stable oil prices on the global market during 2023 saw the housing, utilities, gas and fuels sub-index remaining virtually unchanged, rising by 0.02 per cent. is also estimated

2.3. Government Operations

Government recorded both primary and overall surpluses of \$361.1m (10.2% of GDP) and \$302.7m (8.5% of GDP), respectively, in 2023. The corresponding surpluses for 2022 were \$84.4m (2.6% of GDP) and \$30.7m (0.9 % of GDP). This stronger fiscal outturn was mainly influenced by an outsized current account surplus after grants of \$535.1m (15.1% of GDP), due to the inclusion of CBI inflows in the public accounts as part of non-tax revenues during FY 2023. Current revenue thus increased by 44.7 per cent (\$385.8m) to \$1.25b. Tax revenue also improved by 14.9% to \$842.6m, consistent with an expanding economy. On the capital side, the government spending was reduced by 22.0 per cent (\$74.8m) to \$265.4m, compared to \$340.2m in 2022.

At December 31, 2023 nominal public debt (excluding PetroCaribe) stood at \$2,244.7m or 63.1% of GDP, slightly below the prior year's 64.5% ratio. The balances comprised external debt of \$1,752.3m (49.3% of GDP) and domestic debt at \$492.4m (13.9% of GDP).

Central government enjoyed a 67.7% increase in its net deposit position to \$623.7m, compared with \$371.8m in 2022. This was the main influence behind the contraction by 10.8% (\$157.8m) in 2023, relative to the 8.6% growth recorded in 2022. Consistent with a growing economy, broad money liabilities increased by 1.4% (\$43.2m), following a 9.9% expansion in 2022. This was reflected in the growth of deposits in the banking system on aggregate. While transferable and other deposits in national currency rose by 10.1% and 1.8%, respectively, growth was moderated by a 25.4% contraction in foreign currency deposits.

2.4. Financial Services

A key feature of the Grenadian banking system is its strong *asset quality*. The ratio of non-performing to gross loans fell by 18 basis points to 3.4%, compared with 3.6% one year earlier, yet above the 2.2% recorded in 2019.

2.5. Trade Receipts

Buoyed by a resurgent tourism industry, Grenada's merchandise *trade deficit* widened by 31.4% to \$1,966.9m. Import payments rose to their highest level in over 5 years, surpassing the 2022 mark by 36.6% to \$2,169.7m, reflecting a combination of greater domestic demand and higher global prices. Similarly, export receipts posted their highest levels, more than doubling to \$202.7m, compared with \$92.3m in 2022. In respect of services, total visitor expenditure rose by 1.5% to \$882.6m, as the recovery in the tourism industry gained traction. External Trade therefore negatively impacted production.

2.6. Outlook

The focus of the present administration on laying the basic infrastructure for improved productivity outcomes - in the areas of health, education and skills training, and fostering the creative economy - augur well for the continued growth and development of the country. The Grenada economy is therefore expected to continue its current growth trajectory.

Notwithstanding ongoing climate change calamities, *resilience* continues to be the watchword of the nation's economic planners and political directorate.³

³ Source: ECCU Annual Economic and Financial Review – 2023, Grenada

3.0. GRENADA ECONOMIC ENABLERS

3.1. Public Finance

Grenada's economy is projected to grow by 3.9% in 2024 compared to 4.4% expected in 2023. Growth is bolstered by a strong tourism performance.⁴ Agriculture, forestry and fisheries remains among the top five (5) sectors, employing the largest number of persons. It also contributes 4.8% to GDP.

Public Debt remained relatively stable with a reduction of 2.8 percent in the first half of 2024.⁵

Exports of food products constitute 71.4% of total exports contributing to the narrowing of the trade deficit, in face of food imports that currently average 40,000 kilos per month. Naturally, the Consumer Price Index post-COVID has remained high, consistent with Global inflation.

3.2. Currency

Grenada's national currency is the Eastern Caribbean Dollar (XCD). The XCD has been pegged to the United States dollar since July 1976, without change, giving credence to its sustained stability. This stability in Grenada's national currency provides a boon for Grenada in attracting investments be it local investments or foreign direct investments.

3.3. Ease of Doing Business

Grenada was ranked as an upper middle economy-with a Gross National Income (GNI) of US\$8,780 in the 190 economies canvassed by the World Bank Group in its 2020 report. Notwithstanding its overall ranking, Grenada excelled at the starting a business category ranking 88 overall. In the Caribbean and Latin America grouping of 32 countries, Grenada ranked 8th in the ease of starting a business category. The process is estimated at 12 days in duration at a cost of XCD 3,810 in the World Bank Group's report.

The Grenada Industrial Development Corporation (GIDC) identified only four procedures to form a company: a business name search, business registration, tax registration and registration of employees for national social security.⁶

3.4. Tax Regime

Grenada's Tax Regime is governed by its Tax Administration Act No. 14 of April 2016. This Act revised and consolidated the existing laws and seeks to ensure the effective collection of taxes and other fees in taxes. The suite of taxes⁷ includes:

- Corporate income tax
- Customs Duties
- Stamp Duty
- PAYE
- Property Transfer Tax
- Vehicle Registration Tax

⁴ IMF Staff Concluding Statement on Grenada 2024 Article IV Mission.

⁵ Ministry of Finance 2024 Mid-Year Review Report.

⁶ Inter-American Development Bank. The Private Sector Report: Private Sector Assessment of Grenada.2013

⁷ World Bank Group. The Ease of Doing Business Report. 2020

- Social Security
- Value Added Tax
- Tax on Cheque Transactions.

According to the Inter-American Development Bank⁸, the Enterprise Surveys conducted in Grenada in support of the 2014 World Bank Report on the Ease of Doing Business showed that about one-third of the companies surveyed viewed tax administration as a major constraint to doing business in Grenada. The rate of 45.3 percent on average on profits trends was the highest in any comparator CARICOM countries, save for the Bahamas (45.6%).

3.5. Investment Incentives

Incentives designed for the benefit of the Agriculture and Agribusiness Sector have been confirmed by the GIDC as⁹:

1. Capital Investment Allowance for investments in excess of XCD 1 million as:

- 100% for the constructing and equipping of a facility;
- Investment allowance must be utilised within 15 years of approval.

2. Customs Duties exemption

- Building materials, fixtures and furnishings, networking elements and computer-hardware and software;
- Production machinery, equipment and spare parts for approved machinery and equipment for use in operations;
- Raw materials (if not available to be sourced locally and regionally) and packaging materials to be used in operations;
- 50%-100 % relief from import duties and taxes on vehicles (including specialised vehicles).

3. VAT exemptions/suspension

- Waiver of VAT on importation of capital goods which are subject to Customs Duties exemption.

4. Excise Tax Exemption on vehicles.

5. Carry forward of losses: 100% of losses incurred in any year may be carried forward for 6 years and offset against 100% of taxable income.

6. Tax credit for Training:

- Training allowance (deductible) at 150% of taxable income on the qualifying cost of training not exceeding XCD\$5,000 per employee trained;
- Applicable costs shall include:
 - Hiring a training instructor,
 - Tuition paid to the trainee to cover subsistence for the duration of the training but not exceeding 2 months per person.

7. Tax Credit for research and Development

- A 150% Tax credit for pre-approved Research and Development Expenditure for agribusiness projects that qualify for the investment allowance;

⁸ Inter-American Development Bank. The Private Sector Report: Private Sector Assessment Of Grenada.2013

⁹ Edwards, Melvin & Joseph, Michael: "Agribusiness Development Public-Private Partnership Implementation & Transformation Study,". December 2023.

- b) No deduction shall be allowed for:
- Expenditure on routine testing;
 - Efficiency surveys or management studies;
 - Routine data collection; or
 - Market research or sales promotion.

8. Tourism Projects over \$80 Million) 150% tax credit for the expenditure of domestically produced agribusiness inputs to include:

- Chicken, eggs
- Meat inclusive of duck meat;
- Fish;
- Ground provisions, fruits and vegetables;
- Cut flowers;
- Herbs and spices.

9. The Port Authority has routine in providing these additional concessions to encourage agricultural exports:

- 5-7 days free storage for perishables, and
- Minimal handling charges.

3.6. Labour Regime

Grenada's Labour Relations Act No. 32 of 2016 provides the framework for labour relations, addressing trade union registration, freedom of association, collective bargaining rights, and dispute procedures. According to the Inter-American Bank (2013), Grenada's transparent labour market regulations are not seen as a major hindrance to business operations.

However, businesses face challenges in finding skilled employees, as 65% of household heads have education levels no higher than primary, with only 19% achieving some secondary education (CDB 2008). This highlights the need for greater investment in human resource development, particularly as opportunities in agro-processing and technology adoption grow.

Labour in agriculture remains inefficient, with farm workers earning an average of XCD\$11.25 per hour for a 4-hour workday compared with XCD\$6.88 to EC\$7.25 per hour for construction workers and an average of XCD\$7.50 per hour for hospitality workers. The perception that farm work is demeaning has led to poor work ethic and limited labour availability for advancing technology in the sector.

3.7. Digital Penetration (as at January 2024)

The following data on Grenada was sourced from DataReportal - Global Digital Insights

Population Size	126,500
Mobile Connections	100,200 (79.2%)
Internet Users	101,600 (80%)
Social Media Users	65,300 (51.6%)
Cellular Mobile Connections	100,200 (72.9%)
Median Fixed Internet Connection Speed	80-96 Mbps
Facebook Users	82,605 (65.3%)
Tik Tok Users	43,770 (34.6%)
Linkedin	42,000 (33.2%)
X Users	17,100 (13.5%)

4.0. THE COMPANY & BUSINESS MODEL

4.1. A New Tone at the Top - IMEXA

In December 2022 the MNIB's accumulated debt was more than EC\$17 million. The MNIB had also found itself unable to honour its commitments to farmers and other creditors, leading to a loss of confidence. As a result, the Board moved from a market share more than 40%, as the dominant aggregator in the fresh produce sector, to some 20%.

Whereas instances of weak management and poor investment decisions featured in the decline of the MNIB, the fundamental flaws inherent in the governance model constituted the chief determinant. Board composition and senior management were subject to the vagaries of the political climate: the 1973 Act gave the subject minister unfettered powers over the regulation, governance and management of the corporation. This resulted in an inappropriate talent-mix at Board level, disruptive changes in Board composition and questionable management selection decisions. These factors undermined strategic planning efforts, financial sustainability and fostered a culture of fiduciary irresponsibility in the governance of the Marketing and National Importing Board.¹⁰

The overwhelming outcome of the various consultations held during January and November 2023 was a call for fresh new approaches for the production and distribution of food via a new vehicle that is more inclusive in ownership and governance and more responsive to changes in the global environment. Many respondents explicitly urged the need to infuse the operations of the joint venture with 'the culture of private sector efficiency'.

On 30th January 2025, a limited liability company, **Import-Export Agromart (IMEXA) Ltd. ('IMEXA')**, was incorporated under the proposed and accepted Public-Private Partnership (PPP) model. IMEXA (or the PPP as it is referred to interchangeably throughout this Prospectus), will replace the MNIB which no longer serves the needs of the Grenadian people and is accordingly, not fit for purpose.

Currently, and purely for start-up purposes, the sole shareholder of IMEXA is the Government of Grenada, who holds 100 nominal shares. This Prospectus is intended to provide prospective partners with pertinent information to guide their deliberations in purchasing the private shares being offered and issued by IMEXA.

The details of the Issuer, IMEXA, and other pertinent information about this Prospectus, may be found in the Schedule to this Prospectus at page 42 below.

4.2. The Value Proposition

A public-private partnership is typically a long-term contract between a private party and a government entity for providing a public asset or service. It thus creates an incentive mechanism aligning both private and public interests, for combined benefit.

The new company formed under this Public-Private Partnership (PPP), IMEXA, will be structured and operated in alignment with the **five guiding principles that underpin Grenada's PPP Policy (2014)**. These principles ensure the PPP delivers value for money while maintaining fiscal

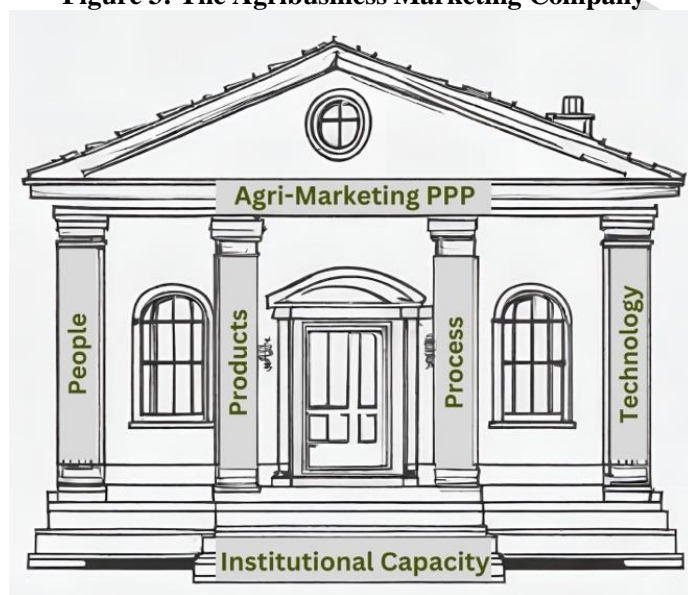
¹⁰ Christopher DeRiggs November 18, 2024.

responsibility, integrity, inclusiveness and environmental stewardship. Each principle will inform IMEXA's business model and operations.

Consistent with the value proposition and value delivery segments above, the all-important business component of the proposed PPP model provides details under four (4) basic building blocks:

- **Product** – the products and services to be delivered to clients and which are supported by the people, process and technology,
- **People** - the organizational and competency aspects,
- **Process** - the functions performed by the component and their implementation,
- **Technology** - the technology supporting the component and implementing the services it provides.

Figure 3: The Agribusiness Marketing Company



4.3. Exemplary Flexibility and Adaptation

As the PPP progresses, the business model will adapt to new technologies, market changes, and stakeholder feedback. This iterative process ensures that IMEXA remains aligned with its bedrock principles, while continuing to deliver positive outcomes for all involved. This foundation not only guided the initial formation of the PPP but will continually influence its operational decisions, stakeholder engagements and future growth, ensuring the partnership remains effective and aligned with the broader economic and social objectives of Grenada.

Table 1: Business Model – IMEXA

PRODUCTS	PEOPLE	PROCESS	TECHNOLOGY
Specific Commodities (as Sole Importer): <ul style="list-style-type: none"> - Crop & livestock produce - Value added Food Packs (frozen, ready-to-eat). - Local and export market opportunities - Market information dissemination - High-end 'Fresh' 	Targeted Clients: <ul style="list-style-type: none"> - Approved producers - Farmer Organisations - Large buyers - Purchasing Managers - Consumer Confidence Networks: <ul style="list-style-type: none"> - Institutional Partners Network e.g. MOA, MOE, MOH, GCIC, 	<ul style="list-style-type: none"> - Board Meetings - Results Management - Planning & Execution - Budgeting - Slate of Policies - Financial Controls - Audit & Disclosure - Sales & Profit Culture - Links to Food Lab - Standardisation & Grading SSOPs 	Computer literacy E-Commerce Platform: <ul style="list-style-type: none"> - Management Information System e.g. e-registry - Active website - Social media presence - Digital Display Boards - Text Messaging On-farm adaptation <ul style="list-style-type: none"> - Hydroponics

Store with curbside Delivery. - Feeding Programs at schools, hospitals, prisons. - Markets remodeled: Retail, Wholesale & Farmers. - Farm Certification - Food quality surveillance - HACCP Packhouse grading, storage and other facilities for export, hotels, supermarkets etc. - Technical on-farm services . - Low-interest loans, grace periods to client farmers. - Research & Development - New Agri-Ventures - Lobby: Public investment in rural and farm roads.	GIDC, Banks, Credit Unions. Organisation Chart: - Motivated, competent Employees - GM & Senior Managers - Committees - Board of Directors - Shareholders.	-Farm Inspection/Surveillance - Database of Suppliers - Farming Contracts - Partnership MOUs - Corporate Partnering - “Local & Fresh” brand - Local & export pricing, - Ancillary services explored - Access to Finance - Statutory Reporting - Lead Minister liaison - Sector Consultations - Monitoring & Evaluation	- Irrigation - Shade houses - Renewable Energy - Demonstration Plots Waste to Feed Logistics - Collection - Conversion - Distribution
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4.4. Alignment with Operations and Measuring Success

IMEXA will structure its company and business model around these guiding principles. This approach ensures that investments, operational decisions and strategic directions align with the overarching goals identified above.

Key Performance Indicators (KPIs) will be established for each principle to measure IMEXA’s progress and impact. For example:

- For **Value For Money**, KPIs might include cost savings achieved or improvements in output quality.
- For **Fiscal Discipline**, KPIs could track adherence to budgets, debt management, or revenue targets.
- For **Probity and Transparency**, frequent audits and public disclosure of performance data would be indicative of the extent to which the leadership is operating ethically.
- For **Partnership and Inclusiveness**, stakeholder satisfaction surveys and equitable distribution of benefits might be measured. Extensive consultation.
- For **Environmental and Social Responsibility**, reductions in carbon emissions, improvements in soil health, and community development outcomes would be assessed.

4.5. Novel Features

The recommended Grenada Business Model for IMEXA incorporates **desirable solutions** to longstanding challenges identified in the January and November 2023 consultations, effective innovations provided by the regional case studies examined and applicable, best practice features isolated from the global literature on successful Agriculture PPPs.

Contract farming assures a ready market for crop production, accelerates technology adaptation, elevates access to credit for producers, creates sustained jobs and transfers significant cash flows to the farming community. IMEXA, as contractor, will supply the farmer with selected inputs along with technical advice and vital contacts. Adoption of the contract farming mode will allow for greater predictability by way of a pre-agreed price, a quality assured quantity and an agreed time of delivery. By aligning supply more closely with demand in a deliberate and calculated way, the cost of produce will be stabilised and the traditional cycles of boom and bust will be reduced. Farmers will incur less losses and therefore earn more money.

Financial institutions will be more inclined to promote **special financing products** to farmers who are certified as proficient in Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) and who have been contracted to supply IMEXA. The inclusion of parallel training in record-keeping, finance, marketing and business management in the credit package and assignment of their supplier contracts (i.e. factoring) are likely to generate improved results in the medium term.

The use of *newer technology* in the production of food (e.g. solar water pumps) and to combat Praedial Larceny (e.g. cameras) will be upheld. The *zero-waste* approach to all products be transformative. Mindful of the harmful effects of Climate Change, Praedial Larceny, Pests and Diseases, the *legal monopoly* to import specified staple commodities performs the function of de-risking the business and providing a stable footing from which to climb.

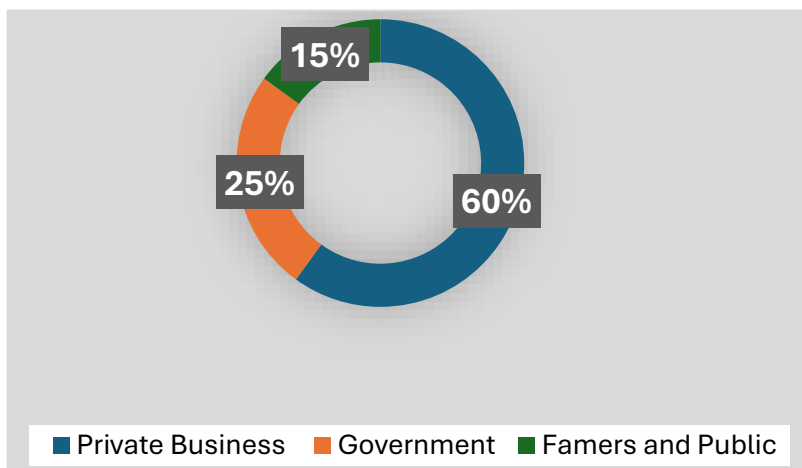
4.6. Governance, Ownership and Capitalisation

The Government of Grenada's policy on PPPs anticipates that the private sector will be a significant bearer of risk and management responsibility, which is typically reflected in equity distribution. Government's explicit approval of the recommended PPP construct demonstrates official commitment to supporting and overseeing the implementation of the new enterprise within its public sector investment management and budgetary frameworks. **Mobilizing adequate financial resources especially in Year One is critical for the viability of the PPP**, as illustrated in section 7. Official endorsement therefore ensures that adequate legislative backing and policy measures will be in place, contributing to the stability and predictability required for private sector participation.

Yet this must be combined with good governance and effective management of interpersonal, organizational, and operational synergies. As urged by the Consultants "this new Agri-marketing entity must be disruptive by design. It will infuse the private sector mode of doing business, into a decentralized decision making directorate...By attracting experienced business acumen and proven managerial excellence 'to the table'; by leveraging abundant public sector knowledge, skills and manpower in Agriculture, to become more effective and efficient."¹¹

Figure 4: The Recommended Equity Structure

¹¹ Edwards & Joseph: A Model Agribusiness PPP, December 2023.



The Consultants recommend an equity distribution for the new agribusiness entity at 60% private sector, 15% farmers' organizations/NGOs/Civil Society, and 25% government. This distribution, as reflected in Figure 4 above, ensures that each party has a vested interest in the success of the PPP and aligns their incentives towards achieving the partnership's objectives. Whereas the permutations may vary according to

investor interest, it is expected that one private sector entity will own at least 51% of the total shares, giving that entity legal control over the direction and management of the business.

On receipt of credible expressions of interest, the details of ownership percentages will be determined.

4.7. Organisational Structure

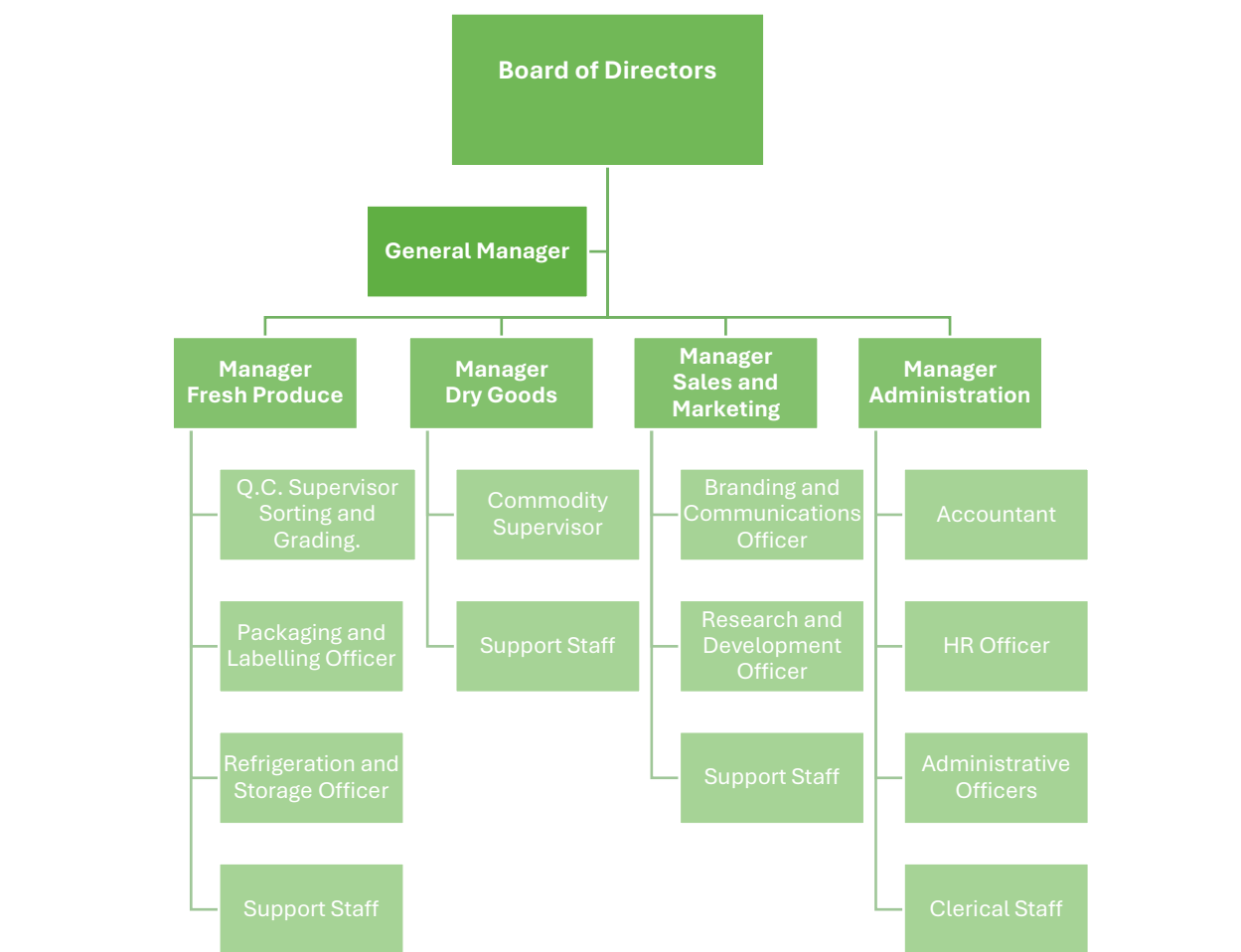
The chart in Figure 5 below shows the key functions of IMEXA, comprising 18 positions with 4 managers reporting to the General Manager. From the outset, two departments will be critical: Fresh Produce and Dry Goods. An Agroprocessing Facility may be a viable early addition based on domestic demand and by replicating the NAMDEVCO model in Trinidad.¹²

The Fresh Produce Grading Chart at Figure 6 illustrates the importance of a transparent standards-based grading system and the potential income streams associated with the zero-waste policy of the new company. Proven competencies in grading fresh produce will be imperative. Figure 7 shows the major processes involved in the farm-to-table produce flows for domestic and overseas consumption¹³.

Figure 5: Proposed Organogram – IMEXA

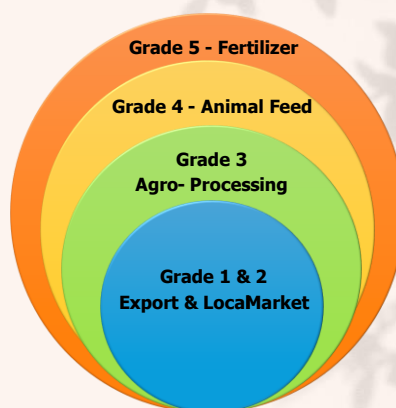
¹² Agroprocessing accounts for 12.5% of NAMDEVCO's annual revenue.

¹³ Graphics at Figures 4, 6 & 7 sourced from S. Rahaman - Agri-Business Marketing Model, 2024-11-18



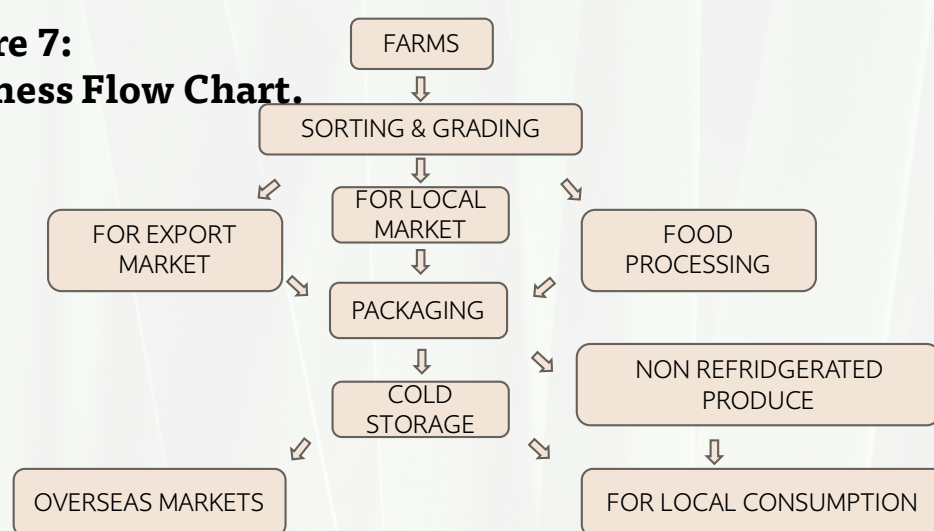
The Fresh Produce, Agro-processing and Dry Goods profit centres will be supported by operatives in Sales, Accounting, Human Resources and Administration.

Figure 6
Fresh Produce Grading Chart.



A phased approach to filling these positions during the initial 36 months is encouraged. With sound managerial leadership and effective market penetration, the configuration of the company's services and the hiring of employees will evolve.

**Figure 7:
Business Flow Chart.**



4.8. Contractual Model

The key components of the contract that will give effect to IMEXA are presented in Tables 2 and 3 below.

Table 2: Core Components - Model PPP Contract for IMEXA in Produce Markets and Trading

CONTRACT TYPE & DURATION	ASSET OWNERSHIP	OPERATION & MAINTENANCE	CAPITAL INVESTMENT	COMMERCIAL RISK	TRADED PRODUCE
Service, By Licence	Shared by Owners	Private sector-led	Shared by Owners	Shared by Owners	Crops, Livestock, Inputs, etc.

Table 3: IMEXA Model Contract – Core Components Elaborated

PPP Components	Characteristics
Service Contract	It is envisaged that a service contract will be entered into with the private sector majority shareholder to manage the day-to-day operations of IMEXA. The Government will participate as a shareholder through retention of a percentage of the entity. Government will then invite viable farmers organisations and non-government bodies to participate in equity ownership.
Asset Ownership	Shared between the Government, Private Sector, Farmers Organisations and non-government partners.
Capital Investment	The GOG Policy on PPPs states that the private sector will be the significant bearer of risk and management responsibility. This is construed and recommended at 60% equity held by the private sector, 15% by Farmers Organisations/NGO/Civil Society and the remaining 25% retained by Government.
Commercial Risk	Shared by Private Sector (operational risks) and the Farmers Organization (production risks). Private sector risks will be moderated by its authority as sole importer and distributor of specified products - rice, sugar and milk. The floor pricing mechanism moderates the risks borne by farmers and their organisations.
Duration	By the date as determined in the contract licence or by the conditions set in the exit clause of the contract licence.

Traded Produce	Fresh and processed fruits, herbs, vegetables, root crops, livestock, agricultural inputs and specified commodities.
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Anchored in these interlinked principles and processes, products and structures, IMEXA can become a model for other agribusiness PPPs worldwide.

4.9. Key Risks and Mitigation Strategies

While Grenada's economy has shown commendable resilience, public-private partnerships (PPPs) in the agribusiness sector carry inherent risks. Proactive risk identification and mitigation, at the sector level and among PPP stakeholders, are vital for ensuring success.

1. Exogenous Risks

- **Freight and Oil Price Fluctuations:** Global instability in freight charges and energy costs can affect operational budgets. Mitigation includes securing contracts with stable suppliers and exploring renewable energy options.
- **Climate Variability:** Extreme weather events pose challenges to production. Crop insurance and disaster contingency funds can protect stakeholders and stabilize incomes.
- **Policy Changes:** Shifts in trading arrangements or financial regulations may disrupt partnerships. Robust legal frameworks and a proactive Chamber of Industry and Commerce will ensure stability and investor confidence.

2. Internal Risks

- **Production Challenges:** Inconsistent supply, outdated infrastructure and weak governance hinder operations. Improved farm management, post-harvest handling systems and contract farming arrangements reduce such constraints.
- **Labour Issues:** Low availability of skilled labour and a perception of farm work as demeaning impact productivity. Upskilling initiatives, worker incentives and mechanization can improve efficiency.

3. Risk-Sharing Framework

- **Governance and Legal Protections:** Clearly defined roles, compensation mechanisms, and performance metrics ensure transparency and accountability.
- **Agricultural Insurance:** Subsidized insurance programs for farmers reduce exposure to climate-related losses, pests and diseases.
- **Contingency Funds:** Co-financed funds buffer against force majeure events, stabilizing operations during disruptions.
- **Quality and Pricing Stability:** Floor pricing mechanisms, contract farming and performance bonuses ensure consistent supply and income stability.

Table 4: Mitigating Risks Among IMEXA Stakeholders

Stakeholder	Risk-Mitigation Measures
Public Sector	1. Fiscal Incentives: Absorb MNIB debts, offer tax breaks and other incentives. 2. Capacity Building: Support formation and strengthening of farmer groups. 3. Extension Services: Provide farm management and other technical support. 4. Infrastructure Upgrades: Improve feeder roads and other essential facilities. 5. Facility Access: Approve use of government resources. 6. Insurance Access: Promote subsidized insurance and contingency funds. 7. Environmental Management: Conduct risk assessments and mitigation. 8. Market Regulation: Prevent monopolistic practices; reduce praedial larceny. 9. Ethical Conduct: Enforce a code of ethics. 10. Conflict Resolution: Establish early detection and resolution processes.
Lead Private Sector	1. Market Strategies: Overcome market penetration challenges. 2. Collaboration: Enhance partnerships with all stakeholders.

Stakeholder	Risk-Mitigation Measures
	3. Capacity Building: Contract farms certified in GAP, GMP and Traceability. 4. Ethical Conduct: Adhere to a code of ethics. 5. Conflict Resolution: Implement early resolution mechanisms. 6. Best Practices: Infuse RBM, KPIs, innovation, and VFM principles & methods.
Farmers' Organizations	1. Reduce Production Risks: Use climate-resistant crops and pest control. 2. Financial Access: Improve use of loan and investment opportunities. 3. Governance Improvement: Enhance management and marketing systems. 4. Ethical Conduct: Follow a code of ethics. 5. Conflict Resolution: Set up early resolution processes and adhere to them.

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5.0. MARKET ANALYSIS: INSIGHT INTO KEY FEATURES

Edwards & Joseph (2023) recommended that the change to a Public-Private Partnership will usher in a more effective marketing system that is likely to increase rural incomes and promote greater affordability of high-quality food supplies including fresh fruits, vegetables, meats, packaged foods for the consumer and agricultural inputs for the producer. Key market-related trends, challenges and opportunities within Grenada's Agribusiness are discussed in this section.

5.1. Key Trends

1. Agricultural Technology

Agricultural technology, including smart agriculture, precision farming and e-agriculture, is reshaping food production by integrating software, hardware and digital solutions to improve farm efficiency and yields. The application of artificial intelligence, such as agricultural robots and predictive analytics, enhances sector performance, while e-agriculture facilitates improved crop production and market access for fresh produce. Adopting these technologies in Grenada is critical for advancing food security.

2. Renewable Energy

Renewable energy, through solar and wind investments, is reducing energy costs and carbon footprints while boosting on-farm efficiencies. Solar powered cameras are already in use on some farms and helping to deter praedial larceny.

3. Networking

Digital tools and platforms are expanding opportunities for collaboration between local and overseas agro-entrepreneurs, strengthening agricultural networks.

4. Agrifinance, Business and Support Services

Specialised financial services, insurance, and consultancy are growing to support food production under CARICOM's 25 by 2025 Food Security Agenda. In 2023, following the lead by Republic Bank, the Grenada Cooperative Bank (GCBL) established a new unit exclusively to finance and grow MSMEs. During the November 2024 Agribusiness PPP Conference, the General Manager of the Grenada Development Bank stated that GDB agricultural lending will be increased.

5.2. Challenges

1. **Environmental and climate change challenges** reign supreme in food production in the Caribbean. Located to the south of the "hurricane belt", Grenada has been subjected to severe food crop destruction at the hands of Hurricanes Ivan, Emily and, most recently, Beryl.
2. **Lack of Competitiveness** by small-scale, family-sized farms with high cost of energy and other agricultural inputs is magnified by the high frequency of praedial larceny.
3. **Access to Capital** is impeded by various factors like:
 - weak business knowledge and acumen prevalent among farmers;
 - absence of record keeping and adherence to business plans, where they exist;
 - ageing farmers accentuated by low youth participation;
 - low appetite of creditors for the risk inherent in the business of agriculture;
 - high collateral requirements facing small-sized farms;

- tourism credit uptake crowds-out agricultural credit.

4. **Feminization of Agriculture** is widening the gender imbalance and its attendant challenges in agriculture.

5.3. Opportunities within Grenada's Agribusiness

Notwithstanding, the challenges faced by the production and marketing features of Grenada's agribusiness, these can be remediated by converting opportunities into positive economic and financial outcomes. Some of these opportunities include:

1. A robust suite of agribusiness investment incentives covering capital investment allowance, customs duties exemptions, VAT exemptions and/or suspension, excise tax exemptions, losses carried forward for tax payments, tax credit for training research and development, tax credit on the exportation of inputs geared for the production of agricultural products produced for the tourism sector, and the port facilitation of agricultural exports.
2. Agricultural technology, agricultural networking and e-commerce facilitated by increasing digital penetration.
3. Reducing the widening trade deficit through investing in opportunities for local trade in fresh fruits and vegetables, as was exemplified by the protracted COVID-19 disruptions to the global supply chains.
4. Seizing the competitive edge in nutmeg, cocoa, spices and other readily available raw materials for value-added products in the beauty, health and wellness industry.
5. Agro-tourism penetration through novel and improved eco-friendly farm visits.
6. Culinary arts innovation with new food products in promotion of nutritional food intake.
7. Replication of the successes of GRENROP in the food systems of other small farmer holdings.
8. Expanding apiculture, hydroponics, aquaponics, green housing and other non-traditional areas.

6.o. MANAGEMENT'S VIEW ON MARKET TRENDS

Studies endorsed by the Ministry of Agriculture in Grenada over the past 25 years and, since 2022, by the Ministry of Implementation are replete with findings that have identified most of the trends and challenges identified in section 5 above. The vision of the Government of Grenada for food production is captured in the **National Agricultural Plan 2015-2030**, which lays out a sector road map for agriculture's contribution to national economic growth, food security and climate change enhancement. The Plan aims to drive sustainable development and ensure long-term viability of the agricultural sector through strategies that will reduce dependence on food imports and imported food staples and increase availability of local fresh food products.

Interviews with the Technical Working Group during the final quarter of 2023 and with the Project Implementation Team during November 2024 indicate a fervent appetite to pursue innovative approaches to agri-marketing that will increase sustainable wealth creation for producers and related purveyors. **IMEXA is expected to not only be in full alignment with accepted and articulated government vision and policy, therefore, but it will play a central role in realising a national priority.**

The Ministry of Finance has consistently supported the National Agricultural Plan. Mutually reinforcing policy positions like Value Chain Strengthening and Strategic Partnering have been enunciated by the Minister of Tourism, Agriculture and Finance during their annual presentations in Parliament related to the debates on the Estimates of Revenue and Expenditure. The Minister of Finance and the Minister of Agriculture clearly articulated to the November 18, 2024 Agribusiness Investors Conference the increased resources committed by their ministries to transforming and strengthening the enabling framework to advance Food Security and assure the success of this and other agri-marketing initiatives.

The Prime Minister of Grenada has consistently stated the Government's support for a private sector, majority-owned entity in the equity distribution and corporate structure that will replace the MNIB. While he has not prescribed the ceiling for any single investor or connected group, at the said Conference he underscored the desirability of a well-defined, harmonious and inclusive combination of (*majority risk*) private sector with (*minority risk*) entrepreneurial farmer, civil society and State interests.

7.0. CORPORATE FINANCIALS

7.1. MNIB Five Year Performance Review (2020-2024)

This section of the Prospectus presents an analysis of the financial performance of MNIB over the Fiscal Years 2020 through 2024. The period was marred by the absence of audited financial statements. To aid the analysis, unaudited statements were used for the years 2020 through 2023; provisional financial statements were compiled for the Year 2024 by annualising the Revised Management Accounts provided for the first nine (9) months of 2024. The documents provided are tabulated below as the Statements of Financial Position in Table 5, the Statements of Income in Table 6, and the Operational Performance Analysis depicting MNIB's financial health and performance against globally accepted industry ratios in Table 7. Graphs and charts are added with explanatory notes to better illustrate important facets of MNIB's viability as a going concern.

Table 5: MNIB Review of Balance Sheet Data for the Five Year Period (2020-2024)

Balance Sheets	2020	2021	2022	2023	2024
	XCD\$'000	XCD\$'000	XCD\$'000	XCD\$'000	XCD\$'000
Current Assets					
Cash & Cash Equivalents	(2,405)	166	595	658	662
Receivables	1,736	1,569	1,675	460	679
Inventory	520	600	984	1507	1936
Total Current Assets	(149)	2,335	3,254	2625	3277
Other Assets (including Fixed Assets)	17,020	14,089	13,563	12614	12270
Total Assets	16,871	16,424	16,817	15239	15547
Liabilities					
Current Liabilities	3,327	3,918	4,275	2401	2403
Long-Term Liabilities	12,086	12,092	13,365	14964	15128
Total Liabilities	15,413	16,010	17,640	17365	17531
Accumulated Capital Fund	1,458	414	(823)	-2126	-1984
Total Liabilities & Capital	16,871	16,424	16,817	15239	15547
Balance Sheets	2020	2021	2022	2023	2024
Current Ratio	(0.04)	0.60	0.76	1.09	1.36
Total Liabilities	15,413	16,010	17,640	17,365	17,531
Accumulated Capital Fund	1,458	414	(823)	(2,126)	(1,984)
	16,871	16,424	16,817	15,239	15,547

Notes: 1. Balance Sheet data was provided in unaudited statements for 2020. 2021, 2022 and 2023;
2. Management accounts as at September 2024 were provided but annualised for comparison.

Figure 8: Bar Charts of MNIB Assets and Liabilities 2020-2024

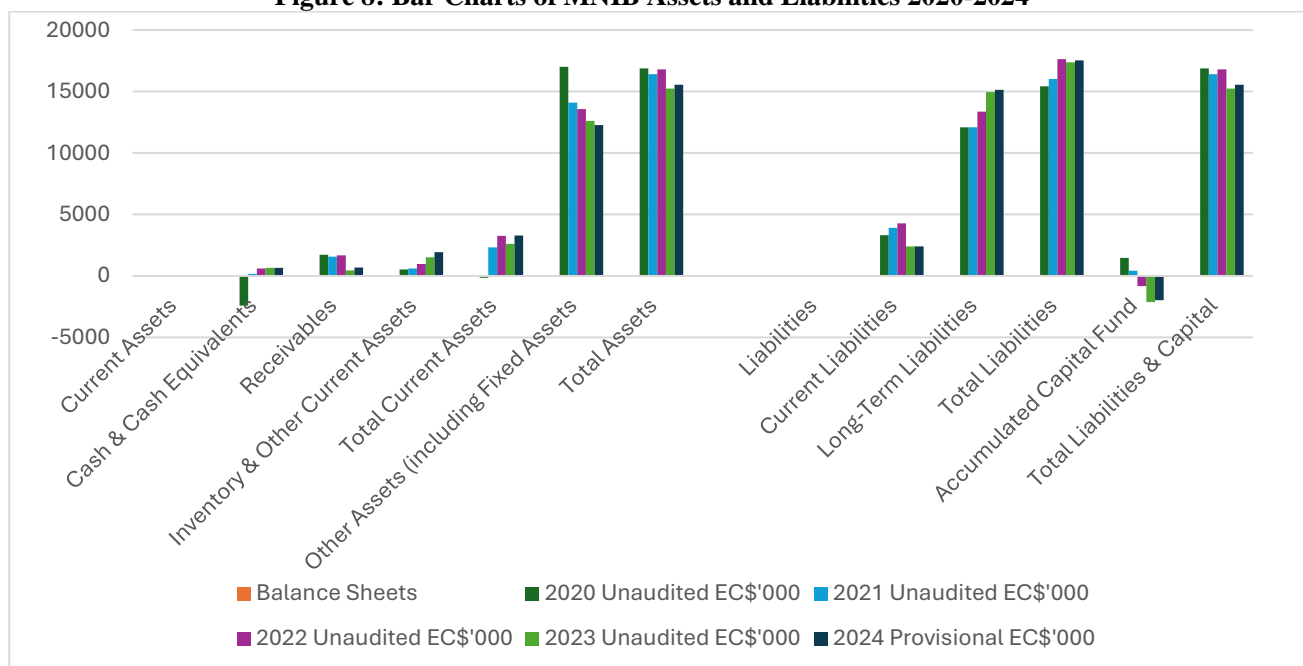
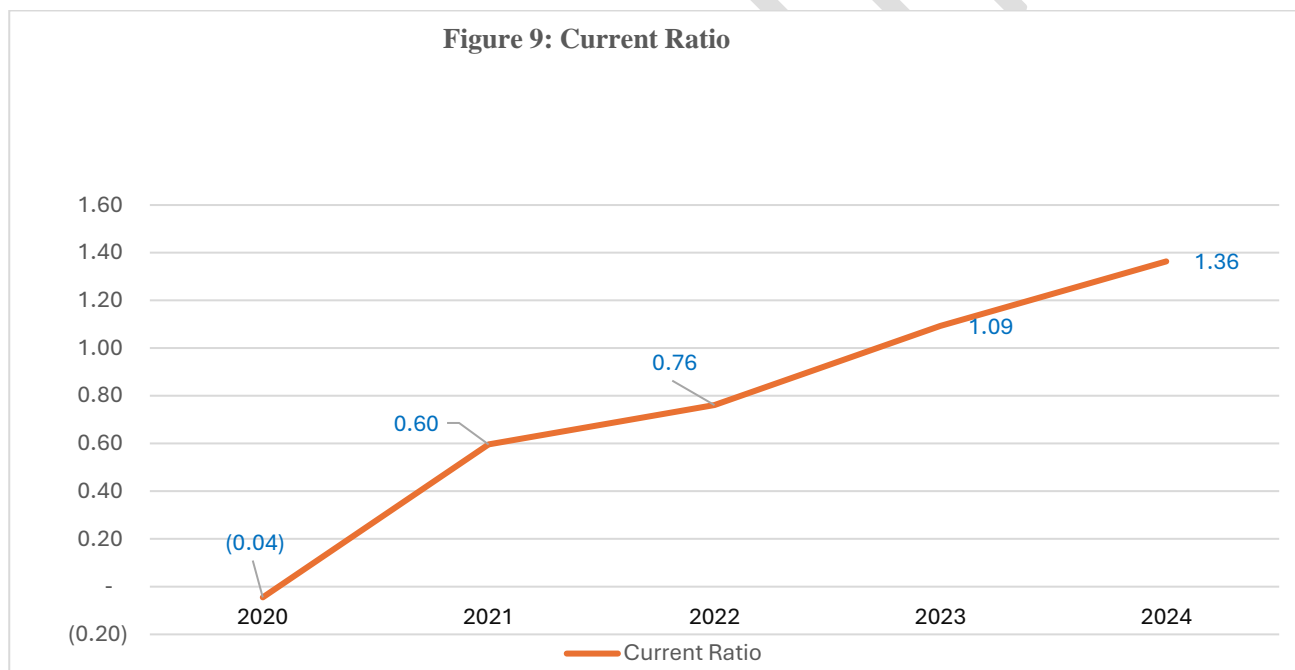
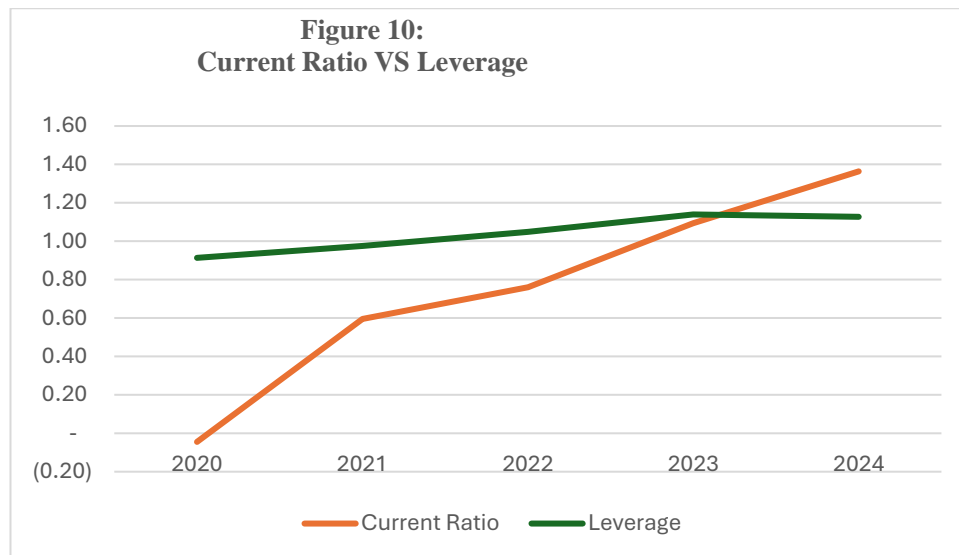


Figure 9: Current Ratio



Note: The Current Ratio shows the company's ability to cover its current obligations (Current Assets/Current Liabilities).



The three graphics above show that over the 5-year period, the MNIB improved its current ratio by contracting loans to cover its current obligations and to fund its operating activities. The bar chart in Figure 11 below provides a comparison of the annual changes in current ratio and leverage.

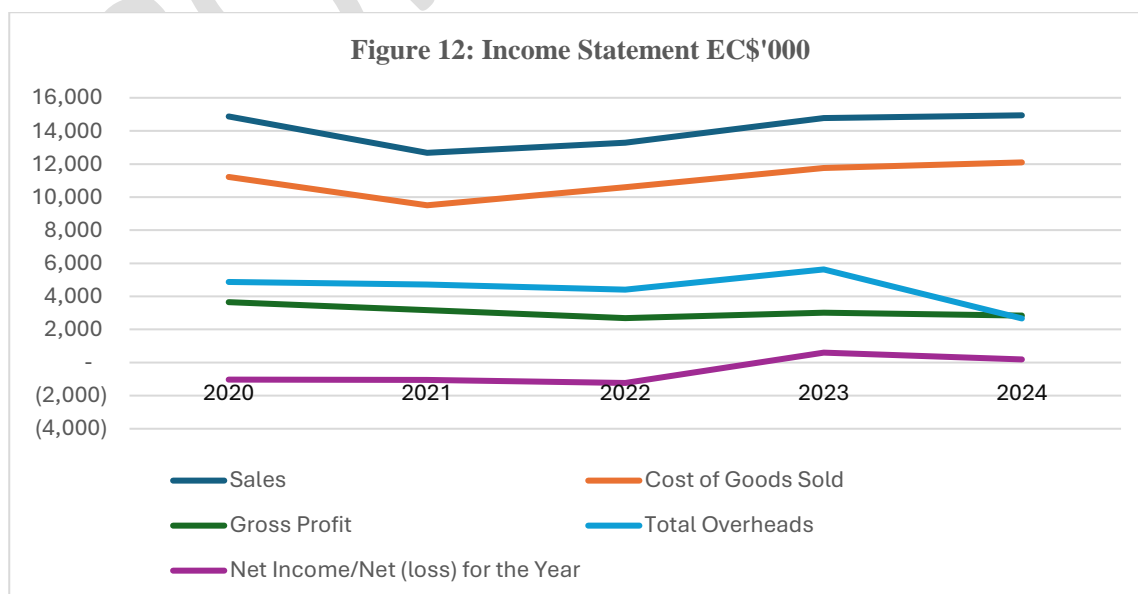
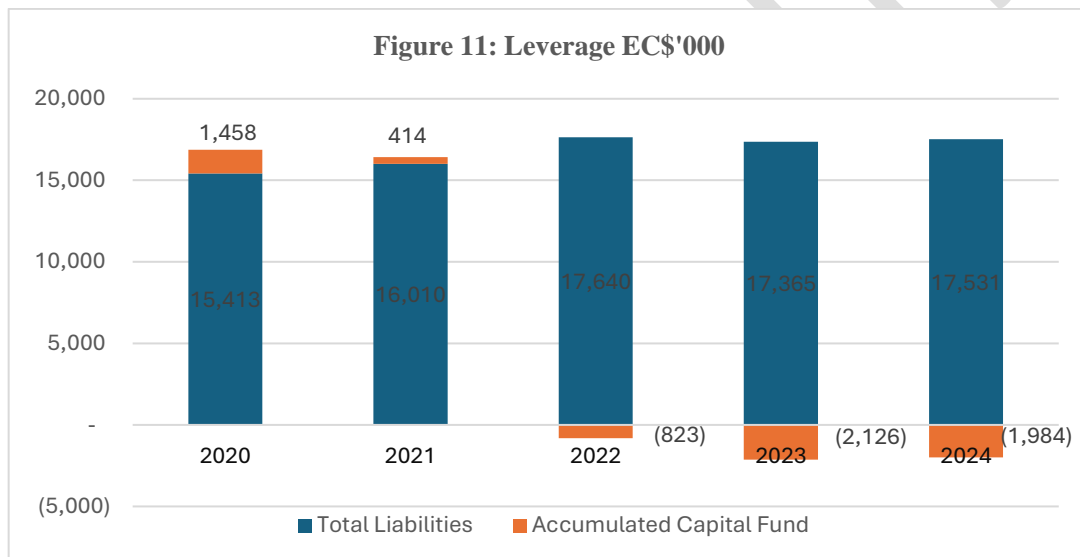


Table 6: MNIB Five-Year (2020-2024) Operational Performance

Income & Expense Statements	2020	2021	2022	2023	2024
	Unaudited XCD\$'000	Unaudited XCD\$'000	Unaudited XCD\$'000	Unaudited XCD\$'000	Provisional (Revised) XCD\$'000
Income					
Sales	14,873	12,676	13,288	14,784	14,943
Cost of Goods Sold	11,222	9,504	10,602	11,767	12,096
Gross Profit	3,651	3,172	2,686	3,017	2,847
Other Income	206	506	494	3,213	6
Total Income	15,079	13,182	13,782	17,997	14,949
Overheads					
Staff Related Overheads	2,399	2,265	2,376	3,898	1,051
Other Overheads	2,480	2,459	2,036	1,731	1,614
Total Overheads	4,879	4,724	4,412	5,629	2,665
Net Income/Net (loss) for the Year	(1,022)	(1,046)	(1,232)	601	188

Table 5 and Figure 10 above support the analysis in Table 7 that Debt was increased to improve Current Ratios. Annual sales income was stable in the past 5 years, Table 6 shows, with slight fluctuations between \$12.6m - \$14.8m. Annual reduction of overheads from \$4.8m to \$2.6m was notably consistent. Profitability improved consistently – showing increases in gross profit and net profit - due to cost controls on overheads and more efficient use of assets. Figures 12 and 13 further illustrate the performance.

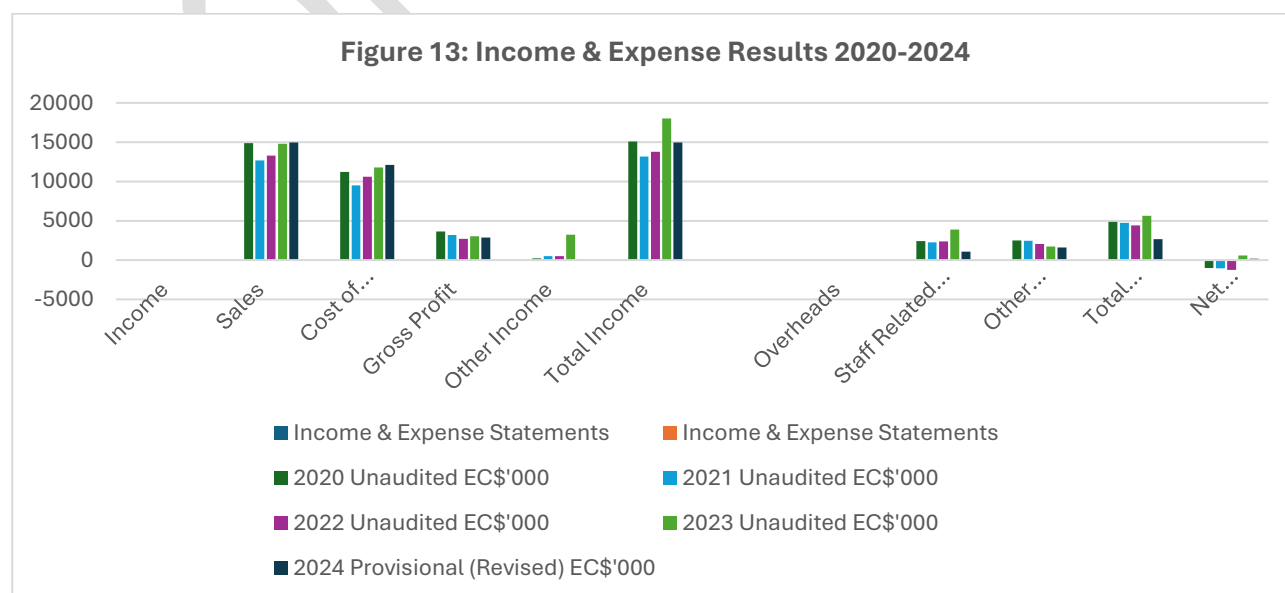


Table 7: MNIB Operational Analysis

MNIB Five Year (2020-2024) Finance Health & Performance Review						
Metric/Year	2020	2021	2022	2023	2024	Industry KPI Ratio
Operational Performance Analysis Using Financial Ratios						
Solvency Ratios						
Debt to Assets Ratio %	91.40%	97.50%	105%	114%	113%	40%≤
Debt to Equity Ratio x	10.6	38.7	-21.4	-15.3	-15.2	0.44≤
Liquidity Ratios						
Current Ratio x	-0.04	0.04	0.8	1.26	1.37	≥1.1
Quick Ratio x	-0.2	0.4	0.5	0.47	0.56	≥1.0
Cash Ratio x	-0.7	0.04	0.1	0.27	0.28	0.5≥1
Profitability Ratio						
Profit Margin/Return on Sales %	-6.9%	-8.2%	-9.3%	4.1%	1.3%	≥5%
Gross Margin %	2.5%	25.0%	20.0%	20.0%	19.1%	≥35.5% to ≥20
Return on Net Worth %	-70%	-253%	-2055%	-0.15%	-0.18%	≥15%
Return on Assets %	-6%	-8%	-7%	3.9%	1.2%	≥5%
Activity Ratios						
Inventory Turnover X	28.6	21.1	13.5	7.8	6.3	5≥10
Staff Overheads to Total Overheads %	49%	48%	54%	69%	39%	10%≥30%

- Notes:** 1. Food Industry KPIs are presented alongside their respective ratios for benchmarking.
2. **Solvency:** At no time was MNIB within the industry KPI solvency ratio.
3. **Liquidity:** Of 15 liquidity metrics computed only twice was the industry KPI liquidity ratio met, i.e. the current ratios in 2023 and 2024.
4. **Profitability:** Of the 20 profitability ratios computed, at no time did MNIB meet the industry KPI ratio.
5. **Activity:** Whilst inventory turnover was satisfactory, staff overheads were consistently higher than its industry standard.

7.2. New Start Up Financial Strategy Assumptions

Having determined from this and the Consultants' 2023 review of MNIB operations that the entity is illiquid, unprofitable, grossly inefficient in its activities and most of all insolvent, the decision to wind down the entity is inevitable. However, given the importance of such an entity to agribusiness and the socioeconomic life of Grenada, it was recommended that a start-up replacement in a PPP model be adopted. This recommendation was accepted by the Government of Grenada and IMEXA was incorporated on 30th January 2025.

In order for IMEXA to become viable and remain successful, it must be and remain liquid, profitable, efficient and solvent. Achieving these outcomes must be predicated on the following **core strategies and results**, at the least:

- The ownership structure in the Articles of Incorporation should be pegged at 425,000 shares at a par value of XCD\$100.00 per share.
- Start-up capitalization requires EC\$20 million represented by the issuance of 200,000 shares at a par value of XCD\$100.00 per share, subscribed as follows:
 - **paid-up capital of XCD\$12 million represented as 120,000 shares by the Private Sector;**
 - **paid-up capital of XCD\$5 million by the Government of Grenada represented as 50,000 shares; and**
 - **paid-up capital of XCD\$3 million by Farmers/Farmers' Organisations/NGOs/Civil Society represented as 30,000 shares.**
- A gradual build-up of share capital is encouraged, to a maximum of XCD\$42.5 million, as may be required.
- Equity may be subscribed in cash or in kind based on the fair market value of the assets contributed.
- Equity participation by:
 - Government will safeguard the consumer and the rural economy;
 - the Private Sector, headed by a Lead Partner, will infuse retail expertise, operational efficiencies and attractive returns on investments; and
 - farmers, farming organizations and NGO entities for buy-in, national consensus, and clientele growth.
- **Corporate Governance, including financial reporting, will be in alignment with applicable legislation and Government policy.**
- Management's focus will be results-driven strictly in the interest of commercial considerations including fair trade, rather than political considerations.
- Commercial viability will be premised on the adoption of food industry best practices as guided by internationally accepted, key performance indicators, (KPI's).
- A strong Government-led enabling environment will be sustained; this includes the sole importer and distributor licence for designated, price-controlled commodities awarded transferred to the entity as an 'economic anchor' against the risks inherent in agriculture and agribusiness.

The financial architecture of the new start-up, IMEXA, is presented in the projected Statement of Financial Position (Balance Sheet) at Table 8, the Statements of Income and Expenditure at Table 9, the Projected Operational Performances at Table 10, and Cash Flow Projections at Table 11. Important features of these tables are graphically presented in Figures 14 through 18.

Table 8: Start-up Projected Balance Sheet (Break-out) Data for Years 1 – 5

Balance Sheets	Year 1 XCD\$'000	Year 2 XCD\$'000	Year 3 XCD\$'000	Year 4 XCD\$'000	Year 5 XCD\$'000
Current Assets					
Cash & Cash Equivalents	1,500	1,575	1,655	1,750	1,700
Receivables	1,170	1,230	1,295	1,400	1,500
Inventory	3,120	3,275	3,440	3,650	3,800
Total Current Assets	5,790	6,080	6,390	6,800	7,000
Fixed Assets					
Furniture & Equipment	6,425	6,810	7,150	7,480	7,854
Computer & Equipment	2,045	2,147	2,254	2,380	2,570
Motor Vehicles	818	859	902	1,020	1,000
Buildings	19,922	20,859	21,904	23,120	24,276
Total Fixed Assets	29,210	30,675	32,210	34,000	35,700
Total Assets	35,000	36,755	38,600	40,800	42,700
Liabilities					
Current Liabilities	1,500	1,580	1,660	1,800	1,900
Long-Term Liabilities	13,500	14,175	14,940	16,000	16,800
Total Liabilities	15,000	15,755	16,600	17,800	18,700
Capital Fund					
Private Sector (60%)	12,000	12,600	13,200	13,800	14,400
Government (25%)	5,000	5,250	5,500	5,750	6,000
Farmers/NGOs/Civil Society (15%)	3,000	3,150	3,300	3,450	3,600
Total Capital Fund	20,000	21,000	22,000	23,000	24,000
Total Liabilities & Capital	35,000	36,755	38,600	40,800	42,700

NOTES:

1. Fixed assets are stated at their net value, that is, net of depreciation, additions or disposals.
2. Capital Fund contributions are from the Private Sector 60%, Government 25% and Farmers/NGOs/Civil Society 15%
3. Capital contributions for the procurement of fixed assets may be either in cash or kind.
4. The Five-year Projected Balance Sheet is constructed on an initial paid-up capital of EC\$20M with an annual net increase of EC\$1.0 M, generating annual asset growth of 4.6%-5%.
5. The aggregates above are pitched in alignment with industry standards, assuming better governance & management.

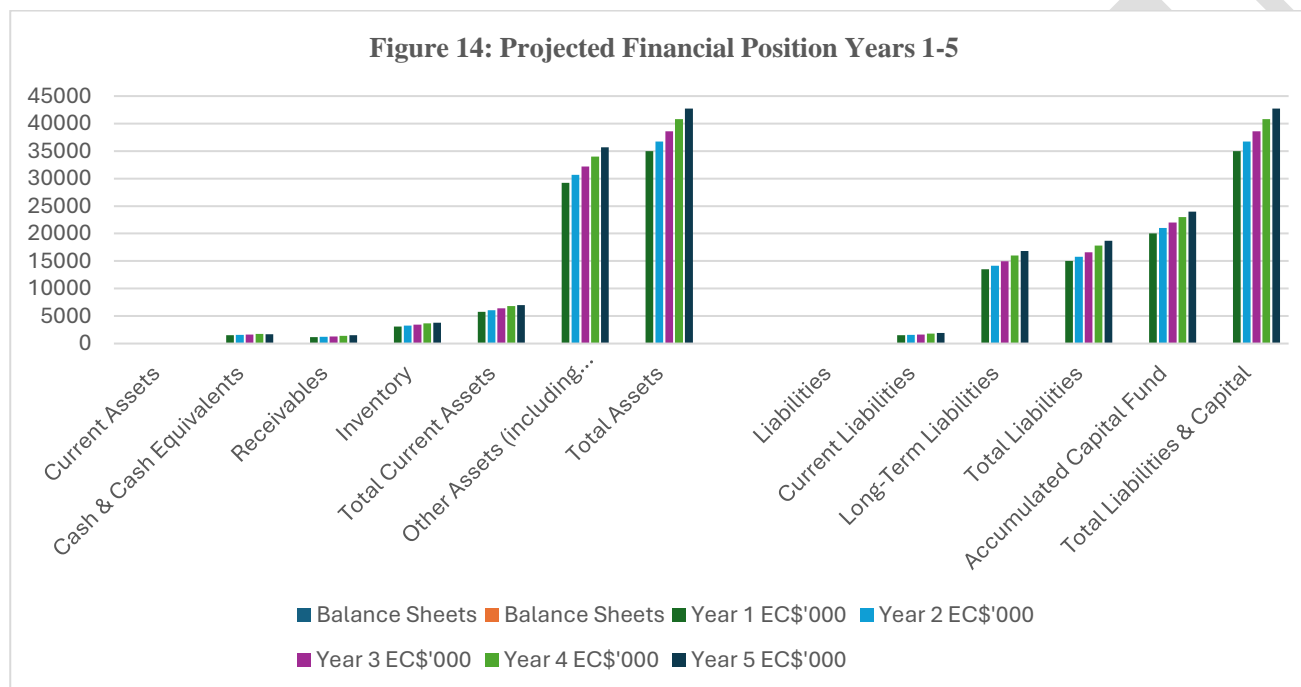


Figure 15 below shows that IMEXA will be capable to cover its current obligations, at worst 3.68:1 in Year 5 [Current Ratio = Current Assets/Current Liabilities].

Figure 16 illustrates the importance of capital adequacy in face of rising liabilities each year, thus containing leverage risks.

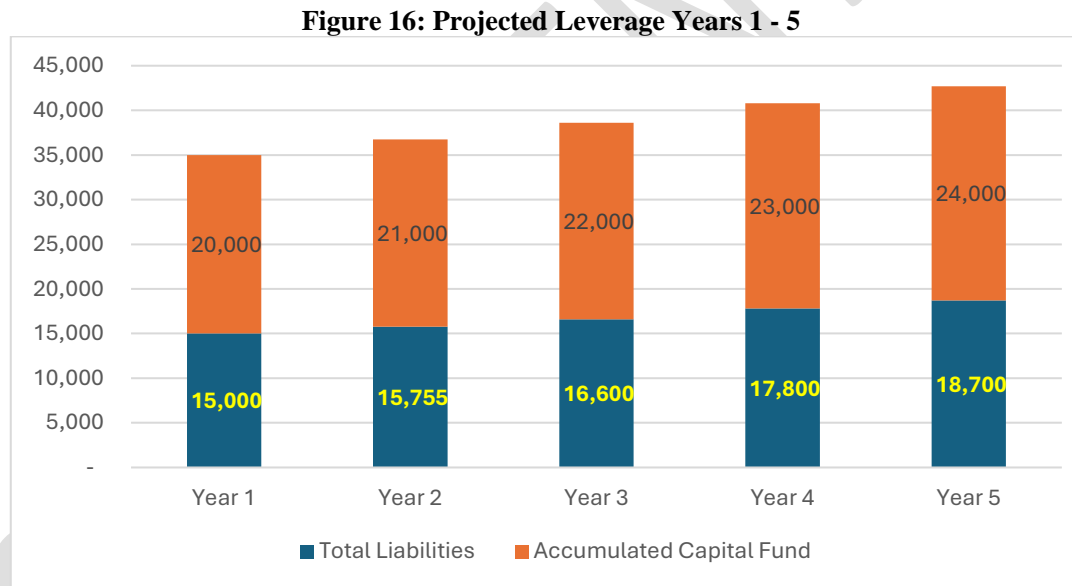
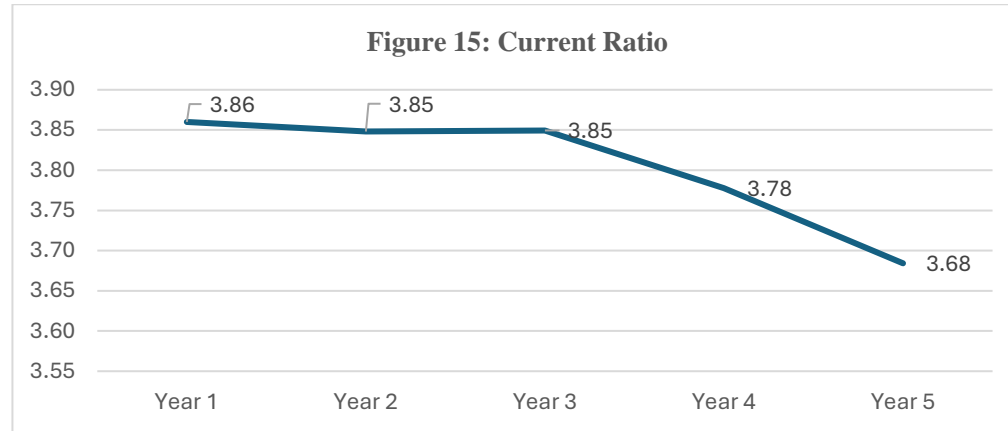


Table 9

Start Up Five-Year (Year 1 - Year 5) Projected Operational Performance

Income & Expense Statements	Year 1	Year 2	Year 3	Year 4	Year 5
	XCD\$'000	XCD\$'000	XCD\$'000	XCD\$'000	XCD\$'000
Income					
Sales	23,483	25,033	26,685	28,446	30,323
Cost of Goods Sold	18,070	19,263	20,534	21,889	23,334
Gross Profit	5,413	5,770	6,151	6,557	6,989
Other Income	411	438	467	498	531
Total Income	23,894	25,471	27,152	28,944	30,854
Overheads					
Staff Related Overheads	2,287	2,438	2,599	2,771	2,954
Other Overheads	1,955	2,084	2,221	2,367	2,523
Total Overheads	4,242	4,522	4,820	5,138	5,477
Net Income/Net (loss) for the Year	1,582	1,686	1,798	1,917	2,043

- Notes:** 1. The Five-year Projected Income & Expense Statement is constructed on an initial sales of EC\$23.48 M
The rationale for EC\$23.48 M is that for the past 10 years of MNIB operations, this level was the sales out-turn for 2015 for 2016. With improved liquidity, activity, governance, management and efficiencies; no less is envisaged.
2. Annual growth in sales is projected to be consistent with industry standards at Table 9.
3. Other income and expense related aggregates are assumed to be placed in alignment with commensurate industry standards of the value-for-money maxim of the new entity.

Figure 17: Projected Income Years 1-5

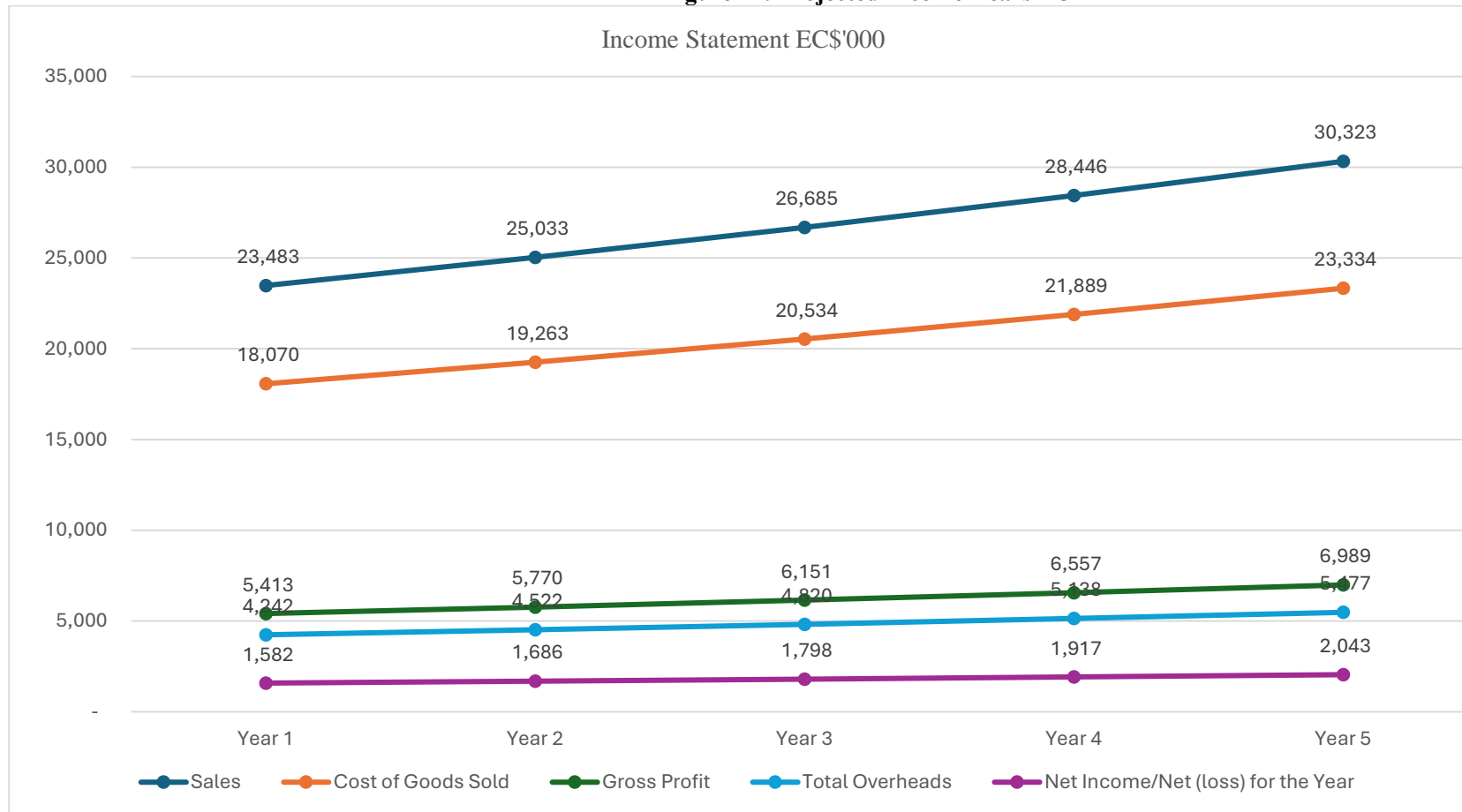


Table 10: Start Up Five Year (Year1-Year5) Financial Health & Performance Review Using Industry Ratios

Metric/Year	Year 1	Year 2	Year 3	Year 4	Year 5	Industry KPI Ratio
<u>Solvency Ratios</u>						
Debt to Assets Ratio %	43%	43%	43%	43%	44%	40% <
Debt to Equity Ratio x	0.75	0.75	0.75	0.77	0.78	0.44 <
<u>Liquidity Ratios</u>						
Current Ratio x	3.90	3.84	3.85	3.78	3.68	≥1.1
Quick Ratio x	1.78	1.77	1.78	1.75	1.68	≥1.0
Cash Ratio x	1.03	0.99	0.99	0.97	0.89	0.5 ≥1
<u>Profitability Ratios</u>						
Profit Margin/Return on Sales %	6.7%	6.7%	6.7%	6.7%	6.7%	≥5.0%
Gross Margin %	23.1%	23.0%	23.1%	23.1%	23.0%	≥36.5 to ≥20%
Return on Net Worth %	7.9%	8.0%	8.2%	8.3%	8.5%	≥15.0%
Return on Assets %	4.5%	4.6%	4.7%	4.7%	4.8%	≥5.0%
<u>Activity Ratios</u>						
Inventory Turnover X	7.8	7.6	7.8	7.8	8.0	5 ≥10
Staff Overheads to Total Revenue %	9.6%	9.6%	9.6%	9.6%	9.6%	≥30.0% to 10%

Notes: 1. The Five-year assessment of IMEXA's projected financial health and performance is based on the combined income statement and balance sheet projections for the corresponding Years 1 to Year 5.

2. Ratios for Solvency, Liquidity, Profitability and Activity are presented alongside KPIs for ease of comparison.

3. Since actual solvency, liquidity, profitability and efficiencies in activities mirror the projected model

then the **sustained viability** of the New Entity may well be assured.

4. **Gross Profit Margin** is pegged at 23 % within its range for the following reasons:

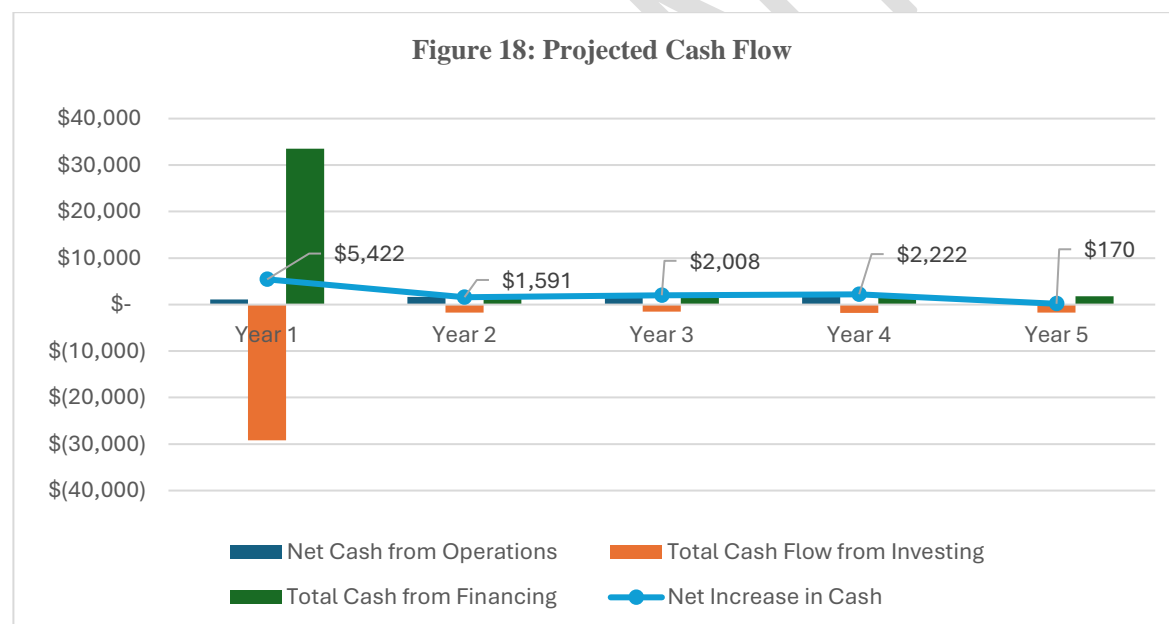
- a) Sales volume is strongly correlated to gross mark-up in a competitive environment of distribution & retail;
- b) higher the gross mark-up means lower the sales and ultimately lower the profit margin;
- c) average gross profit margin for MNIB over the 5-year assessed period was 17.7% when it enjoyed a non-competitive monopoly over imports of rice, sugar and powdered milk as the dominant contributor to total sales;
- d) the new start-up commodity mix will be more diversified beyond the designated products and therefore subject to greater competition. MNIB's 2025 Business Plan projected Gross Profit Margin at 75% to 78% between 2015 to 2019 but reduced it to 30 % in its 2018 Business Plan; the highest ever attained was 25% in the 2021 Unaudited Accounts.
- e) a target gross profit margin of 23 % is therefore more likely to deliver a net profit of 6.7%, within its KPI industry range.

Table 11: Start-up Five Year (Years 1-5) Projected Cash Flow From Operating Activities

Metric/Year	Year 1	Year 2	Year 3	Year 4	Year 5
	000s	000s	000s	000s	000s
Cash Flow From Operations					
Net Income (loss)	1,582	1,686	1,798	1,917	2,043
Net Receivables	1,170	60	65	105	100
Net Inventory	(3,120)	(155)	(165)	(210)	(150)
Current Liabilities	1,500	80	80	140	100
Net Cash from Operations	1,132	1,671	1,778	1,952	2,093
Cash Flow from Investing					
Purchase of Assets	(29,210)	(1,755)	(1,535)	(1,790)	(1,700)
Total Cash Flow from Investing	(29,210)	(1,755)	(1,535)	(1,790)	(1,700)
Cash Flow from Financing					
Increase/(decrease) in Capital Fund	20,000	1,000	1000	1000	1000
Long Term Debt	13,500	675	765	1060	800
Total Cash from Financing	33,500	1,675	1,765	2,060	1,800

Increase/(decrease) in Cash	5,422	1,591	2,008	2,222	2,193
Beginning Cash Balance	1,500	6,922	8,513	10,521	12,743
Net Increase (decrease) in Cash	5,422	1,591	2,008	2,222	2,193
Closing Cash Balance	6,922	8,513	10,521	12,743	14,936

- Notes:** 1. The Five-year Statement of Projected Cash Flow is compiled from the projected outcomes from the projected income statement and the projected balance sheet for the respective Year 1 to Year 5
2. It denotes a healthy build up in cash reserves for dividends pay-out.
3. It shows the need for EC\$20,000 in start-up capital to cover the purchase of assets and inventory in particular and to match the long-term debt proceeds.



8.o. REASONS FOR THE OFFERING AND USE OF PROCEEDS

Arising from its analysis of 70 cases of agricultural PPPs across 15 developing countries, the FAO has synthesized four lessons learned¹⁴:

- PPPs are among the best modalities for achieving *sustainable* development outcomes.
- Successful agribusiness partnering aligns the disparate interests and visions of the partners and *reaches consensus*, particularly on public-sector objectives and priorities for promoting PPPs.
- *Market risk* is typically carried by the lead private partner;
- The allocation of *production risk* can be carried by the farmers alone or shared with the public partner (e.g. by providing subsidized agricultural insurance, or co-funding contingency funds in case of force majeure).

The pooling of public and private funds and the sharing of roles in an agri-PPP investment vehicle have been widely established as a superior and potentially the best approach for achieving operational efficiencies and value for money in the developing world.

Many interested private sector companies are already involved in the retail and wholesale distribution of food and food products. Some are also in the back-end supply of farm equipment, seeds and fertilizers, some are involved in regional and international shipping; and others are involved in all facets.¹⁵ Yet the investment risks and costs for the private sector are too great to warrant private participation only.

Likewise, advancing food security and food nutrition is too onerous a goal to be pursued by public funding alone. Achieving complementarity between positive socio-economic spillover effects, the advantages of private sector management and marketing acumen, and the inclusion of small farmers from rural communities presents a win-win framework for all partners in the Grenada Agri-marketing PPP.

Mitigating identified exogenous and internal risks is essential for the success of this venture. By ensuring each party bears those risks for which it is best suited, the public and private partners will be better positioned to achieve value addition. Through a combination of effective governance, robust legislative and regulatory frameworks, shared risk management strategies, and strong fiscal commitments, these risks will be proactively reduced. By preparing for these factors, the PPP stands a much better chance of attracting investment and achieving its growth objectives in a dynamic and often unpredictable global economic environment.

Notwithstanding the paucity of data provided for the five-year period 2020 through 2024, the recommended start-up PPP paradigm was subjected to an initial five-year operational mode and its projected out-turn was assessed. The Financial Review in Section 7 has shown that, with an initial paid-up capital of XCD\$20 million, with an infusion of good governance (structure, controls and skills mix) and with competent management, for which adequate allocations have been provided, the new entity's solvency, liquidity, profitability and agility will be reasonably assured. The platform for long-term sustainability of the new Agri-marketing model is secure.

¹⁴ Rankin, R. et al "Public-private partnerships for agribusiness development: A review of international experiences" Rome, 2016.

¹⁵ Salim Rahaman – Conference Presentation 2024-11-18.

The endorsement of the recommended Agri-marketing PPP (which has since been incorporated as IMEXA) voiced by several farmers and business leaders attending the Agribusiness Investors Conference, gives hope for competitive responses to this Prospectus. It also validates the Government's choice of the same model.

The Public Sector will bring to this mutually beneficial relationship:

- Enabling policy
- Annual multi-faceted budgetary support
- Infrastructural support
- Quality assurance and due diligence
- Extension Services

The Private Sector will inculcate a corporate culture that emphasises:

- Modern approaches to governance
- Shorter decision-making time loops
- Efficiencies in day-to-day operations management
- Professional Development
- Performance-based productivity, accountability and incentives
- Access to proven industry-specific expertise
- Strong value chain linkages
- Accelerated adoption of ICT, E-Commerce, AI and other innovations
- Equity contribution in Cash.

The Farming and NGO communities will inject

- A cadre of committed farmers experienced in supplying MNIB, supermarkets, hotels and restaurants under contract
- Known entrepreneurial farmers keen to invest in upscaling their enterprises
- Young, passionate farmers who want to realize their potential by accessing necessary training and mentorship
- Reliable organisations ready to participate and to mobilise equity for the new entity.

The selected PPP model for IMEXA will boost a new culture of probity and performance in the efficient delivery of product quality and customer service, while pursuing its profit maximization and shareholder value objectives. This partnership not only constitutes an opportune modality for transforming and rejuvenating Grenada's agribusiness landscape; it also serves as a model for implementing sustainable agricultural practices in the Caribbean Region.

Since 1979 there has not been another opportunity for open-ended investment in a lucrative venture that has the potential to transform Agriculture and the Grenada economy. By making use of creative partnering, business leaders are urged to *seize the time*!!

This Prospectus has been drawn up in accordance with the SECURITIES ACT 2001 SECURITIES (PROSPECTUS) REGULATION 2001, a copy of which has been submitted to the EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION (ECSRC) for its approval in accordance with these Regulations.

If you are in doubt about the contents of this document, you should consult a person licensed under the Act who specializes in advising on the acquisition of shares and other securities.

THE SCHEDULE
(Details of Issuer)

NAME OF ISSUER: IMPORT-EXPORT AGROMART (IMEXA) LTD.

ADDRESS OF REGISTERED OFFICE: MINISTRY OF FINANCE
FINANCIAL COMPLEX
THE CARENAGE
ST. GEORGE'S
GRENADA

DATE OF INCORPORATION: 30TH JANUARY 2025

LOCATION OF INCORPORATION: ST. GEORGE'S

INTERIM DIRECTORS: MR. MIKE SYLVESTER
Permanent Secretary, Ministry of Finance

MR. ISAAC BHAGWAN
Permanent Secretary, Ministry of Agriculture

DATE OF PUBLICATION OF PROSPECTUS: [TBC]

ISSUE DATE: [TBC]

AUTHORS OF PROSPECTUS: MELVIN R. EDWARDS
MICHAEL B. JOSEPH
(DCI CONSULTANTS, ST. LUCIA)

PROSPECTUS REVISED BY: PROJECT IMPLEMENTATION TEAM
(APPOINTED BY GOVERNMENT OF GRENADA
FOR THE PPP PROJECT)

FINANCIAL PROJECTIONS BY: THE AUTHORS OF THE PROSPECTUS
MELVIN R. EDWARDS
MICHAEL B. JOSEPH
(DCI CONSULTANTS, ST. LUCIA)

AUDITOR OF FINANCIALS: HYACINTH JEREMIAH
HLB GRENADA
Chartered Accountants & Business Advisors
Unit # D13
GCNA Commercial Complex
Kirani James Boulevard
St. George's
GRENADA

DESCRIPTION OF SHARES BEING
OFFERED:

120,000 CLASS A PREFERENCE SHARES
(A copy of IMEXA's By-Law containing further shares
details accompanies this Prospectus)

Prospectus Disclaimer and Declarations

Disclaimer - Important Notice

This Prospectus is being made available by the Issuer for information purposes only to a select audience who agree to be bound by confidentiality and non-disclosure/non-dissemination terms. The Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase shares or any other securities IMEXA.

Forward-looking statements, assumptions and projections

Some of the statements in this Prospectus include forward-looking statements which reflect IMEXA's current views with respect to its financial performance, business strategy and future plans. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the PPP's actual results to differ materially from those indicated in these statements and projections. These factors include but are not limited to those described in the part of the Prospectus entitled "Key Risks" (4.9), which should be read in conjunction with the other cautionary statements that are included in the Prospectus. Any forward-looking statements in the Prospectus reflect IMEXA's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to IMEXA's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of the Prospectus. Subject to any obligations under the Prospectus Regulations, IMEXA undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to IMEXA are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in the Prospectus which could cause actual results to differ before making an investment decision. No statement in this Prospectus is intended as a profit forecast and no statement in the Prospectus should be interpreted to mean that the earnings of IMEXA for future years would necessarily match or exceed the historical published earnings of its predecessor MNIB.

Directors' Declarations

To the best of the knowledge of the Directors of IMEXA, the information contained in this Prospectus is in accordance with the facts. This Prospectus makes no omission likely to affect the import of the information.

I acknowledge that I have read and understood the notices and disclaimers set out above.

REFERENCES

- **Christopher DeRiggs:** “Setting the Context for the Agribusiness Investors Conference,” Speech delivered as PIT Project Manager at the National Agribusiness Investors Conference, November 18, 2024, Radisson Hotel, Grenada.
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- **Ministry of Agriculture:** The National Agriculture Plan 2015-2030.
- **Senator Salim Rahaman:** “The PPP Agri-Business Marketing Model” presentation to the National Agribusiness Investors Conference, November 18, 2024, Radisson Hotel, Grenada.