



Global Farmers Market

**WE ARE
CHANGING
THE RULES**

Annual Report 2022



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gebana Annual Report 2022

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“FAIRNESS IS NOT AN END STATE, BUT RATHER A MOVEMENT, A PROCESS, A JOURNEY.”

Ursula Brunner

Co-founder of the Banana Women

As usual, this document contains a report on our work over the past year. As a special feature in this annual report, which falls on our anniversary year, you'll also find insights and information from 50 years of the Banana Women and gebana's 25-year history on the left-hand side of these pages. We hope you enjoy this journey through our history.

1973

Birth of the Banana Women

In January 1973, Ursula Brunner organises a screening of the film *Bananera Libertad* for some 150 women, which exposes the abusive conditions on banana plantations. A few days later, Brunner receives a letter from Liselotte Räschle, which will be the impetus for the first meeting of the Banana Women, although they will not be referred to by this name until much later.

"Now that we've seen what's really going on with the bananas, we can't just keep buying bananas and act as if we didn't know. What should we do now?"

- Liselotte Räschle

Calling out Migros

On 3 March 1973, Migros announces the "banana miracle." Given the strong dollar valuation, the supermarket chain decides to reduce the kilogramme price of bananas by 15 cents. Horrified by this price cut, the Banana Women ask the retailer to allocate the 15 cents to projects for banana workers. Migros refuses. So the Banana Women ask everyone they can to send the money back to Migros. Many people respond to the call to action, transferring anywhere from several cents to a few francs. In this way, the women force the supermarket into talks.



First street protest

On 19 and 20 October 1973, the Banana Women take to the streets for the first time. They distribute over 600 kilos of fresh bananas and the first edition of the banana newspaper. They ask everyone they meet in Frauenfeld, "Have you ever thought about why bananas are so cheap?" The women collect 1500 signatures from people who are willing to pay 15 cents more for one kilo of bananas. They even make it onto Swiss television.



FOREWORD

TOUGH TIMES

2022 was not a good year. Despite growing by 17 %, we also had to report a loss of €1.5 million. It is the biggest loss in our history and the first since 2017. Nonetheless, we made significant inroads last year.

The pandemic years gave gebana a tremendous boost in development and two record results. The number of employees in the North doubled within these two years. Growth slowed as the situation began to normalise in the second half of 2021. However, we made the bold decision to make major investments in 2022, spent more money on advertising and reduced prices in our online shop at the same time.

Then came Russia's brutal attack on Ukraine. Fear was quickly followed by inflation, both of which left the organic and fair trade market in a state of shock. Sales declined for the first time ever. Direct shipping was affected, but our wholesale business was hit particularly hard. Major customers switched from optimistic planning to doomsday mode practically overnight. Many of them told us, "We don't need anything from this harvest. Come back next year." But the problem is that nature gives us fruit every year and the family farmers have to sell it.

We suddenly ran out of money

To make matters worse, transport and packaging costs continued to rise. In the second half of the year, the situation became a full-blown storm, which threatened to put gebana into financial difficulties. The increasing inventory levels tied up capital and money became tight. And it was right at this point that Christophe Schmidt took over as the new CEO. What a disaster! But then gebana showed up. Thousands of people demonstrated their support by subscribing to gebana bonds



1974

15 cents more per kilo

Starting in 1974, the Banana Women convince 100 grocery shops to sell Chiquita or Dole bananas at a 15 cents surcharge. The campaign runs until 1985, raising a total of 117'350 francs. The Banana Women transfer the money to projects for banana workers in Guatemala, Honduras and Colombia.

at record speed or paying for purchases in our online shop by credit card, Twint or advance payment instead of purchasing on account. This saved our liquidity and ensured our stability. Meanwhile, the gebana team was on its knees and our new CEO sported the typically worn and weathered face of gebana's captain just a few days in.

And so, despite everything, we managed to add 1'802 new family farmers to our network. Crisis or no crisis, we refuse to leave these and the other 10'000 families hanging. All in all, we generated €1.62 million in premiums for family farmers in 2022.

Thank you all very much. We can be proud!

Adrian Wiedmer

Chairman of the Board of Directors



On the banana plantations

In November 1976, Ursula Brunner travels to Central America for the first time. With only rudimentary knowledge of Spanish and nothing but three addresses in her pocket, she flies to Guatemala. It's a moving experience for her. Once there, she participates in a seminar held by Unión de los Países Exportadores de Bananos, UPEB for short. She forges relationships here that will come in handy for years. More trips to Central America will follow.

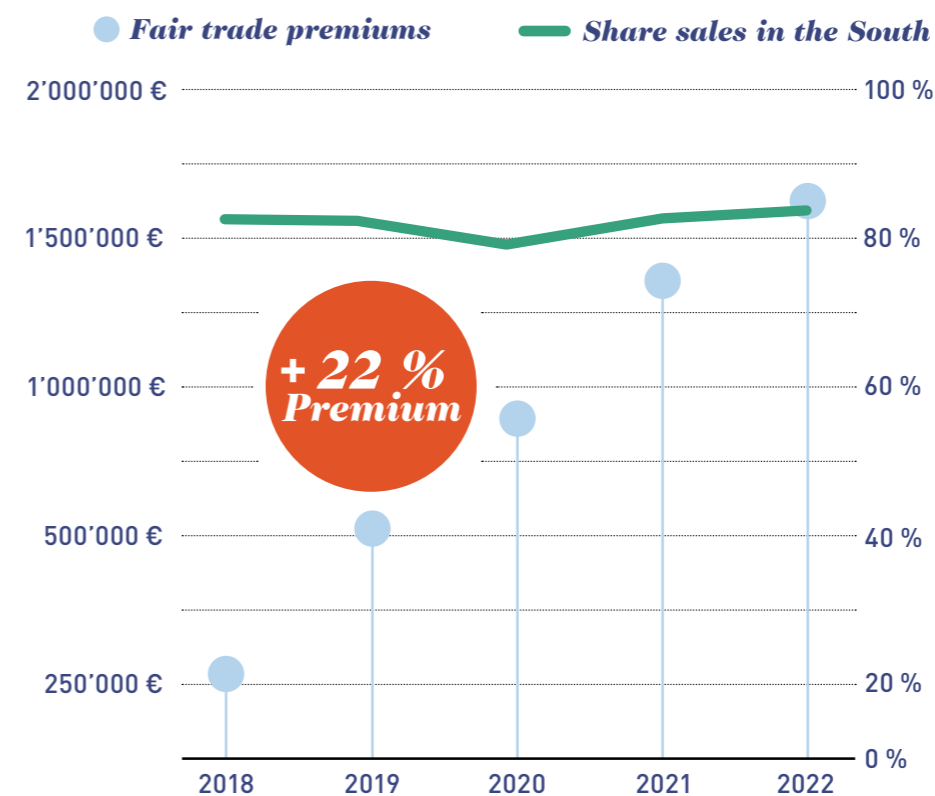


OUR IMPACT

WE CAN NEVER HAVE ENOUGH SUSTAINABILITY AND FAIRNESS. ESPECIALLY IN TIMES OF CRISIS!

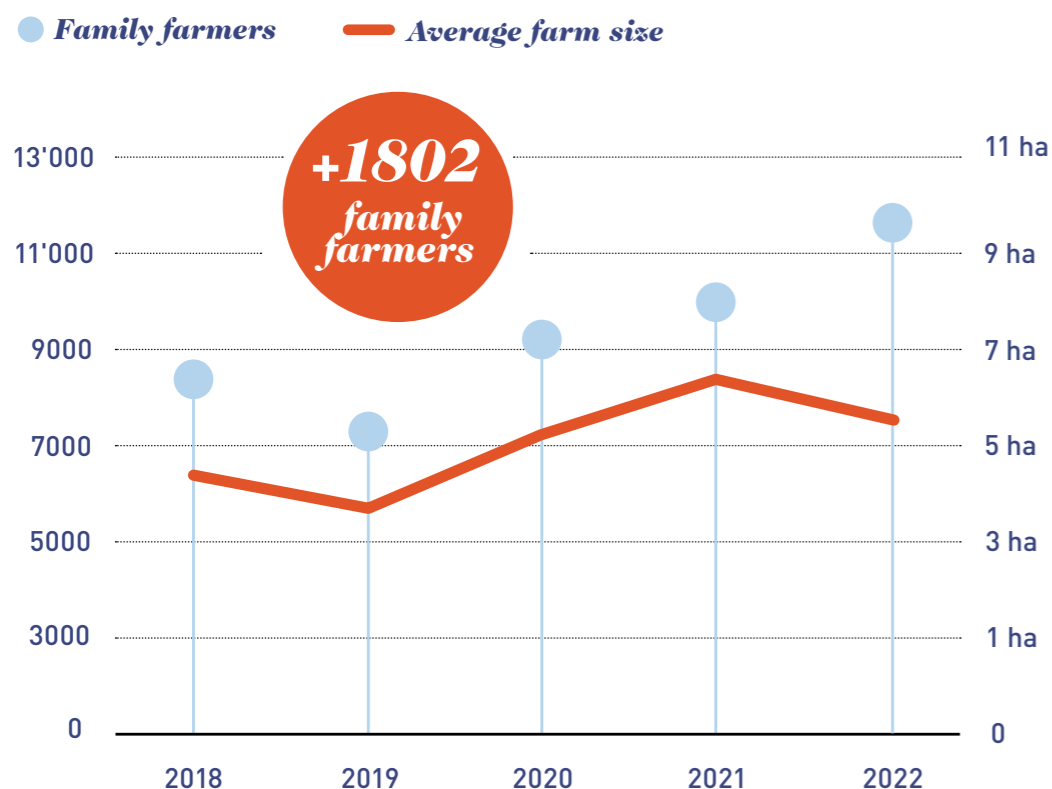
Revenue sharing and premiums

The share of sales in the South is the percentage of gebana's total sales that gets paid to the producing countries. The fair trade premiums consist of the Fairtrade and gebana model premiums as well as the solidarity contributions, such as for the olive oil from Palestine.

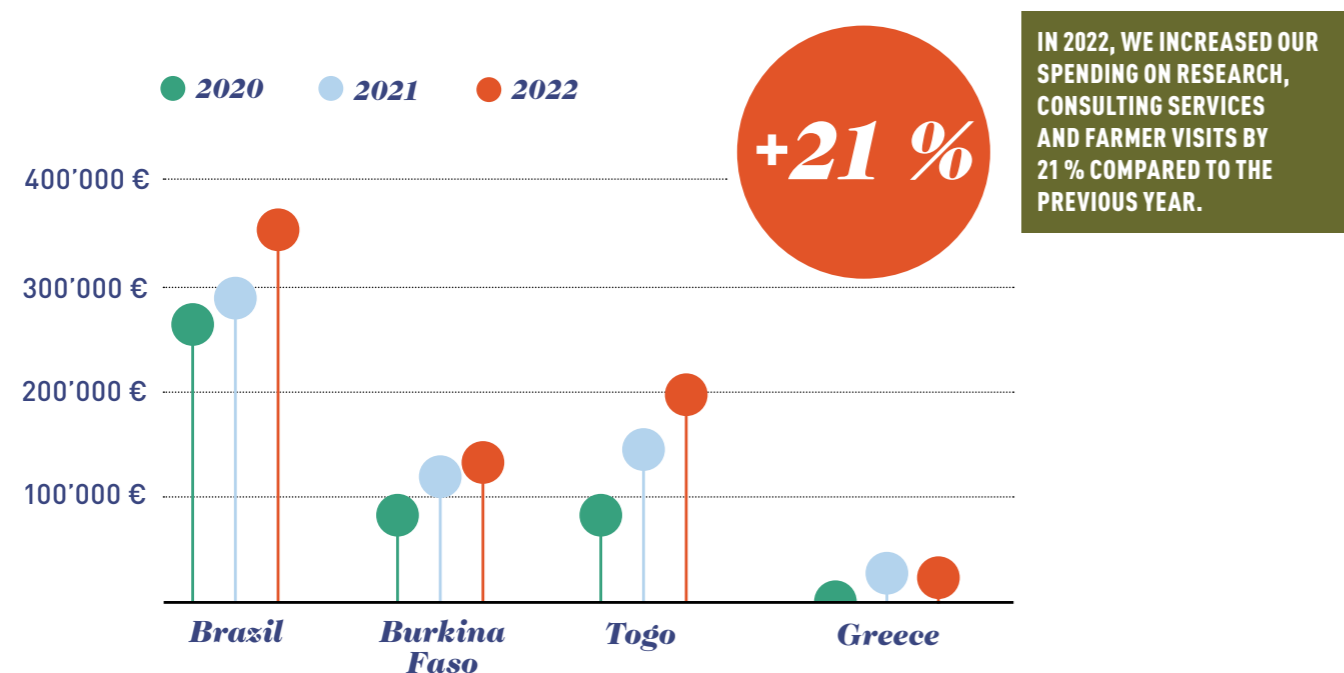


PREMIUMS FOR FAMILY FARMERS IN 2022 REACHED A TOTAL OF 1.62 MILLION €.

Family farmers and farm size



Expenditure on research and consulting services in organic farming

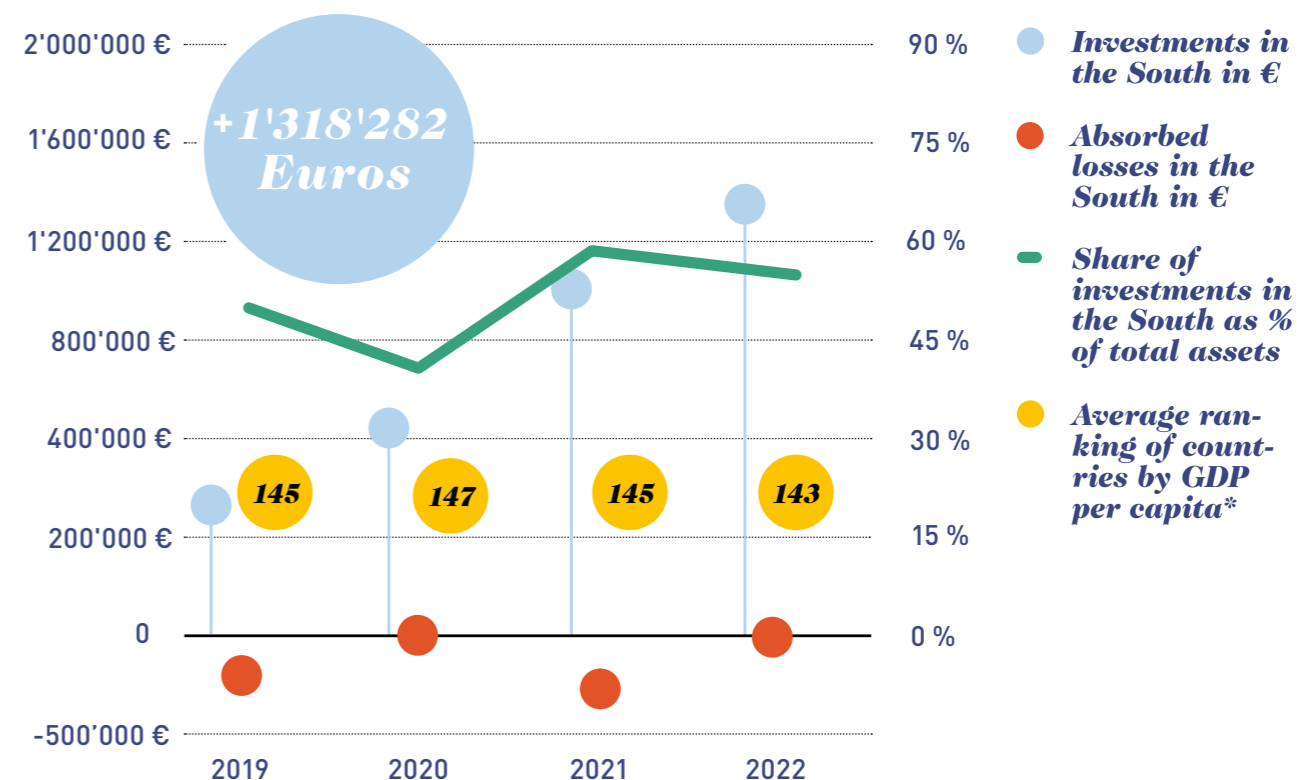


Investments and risks in the South

IN 2022, WE INVESTED MORE IN A SINGLE YEAR THAN EVER BEFORE. MOST OF THE MONEY WENT TO LAND AND MACHINERY IN BURKINA FASO.

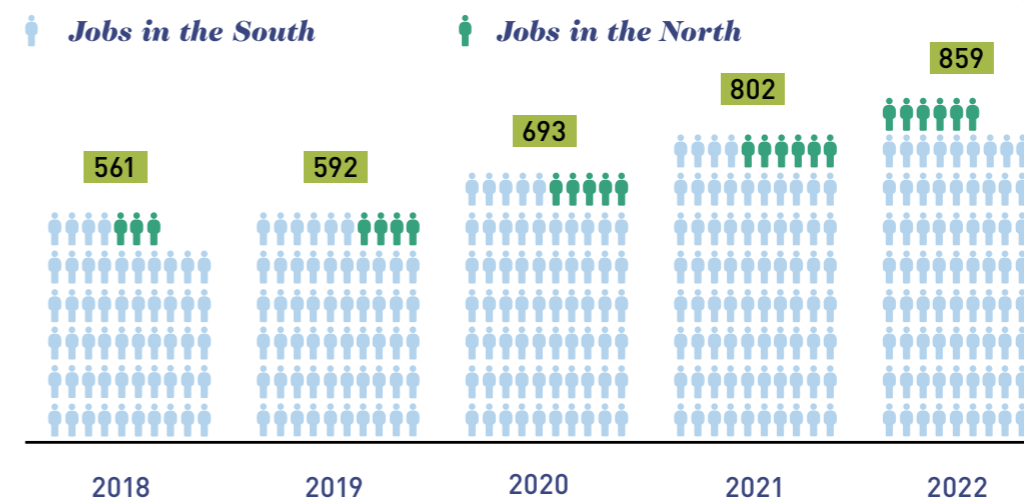
The investments referred to here are the fixed assets invested in the South. They are calculated as a percentage of the total assets. Absorbed losses are calculated as restructuring, write-offs and gifts to companies in the South.

*Countries where gebana has invested ranked by GDP per capita (according to IMF)



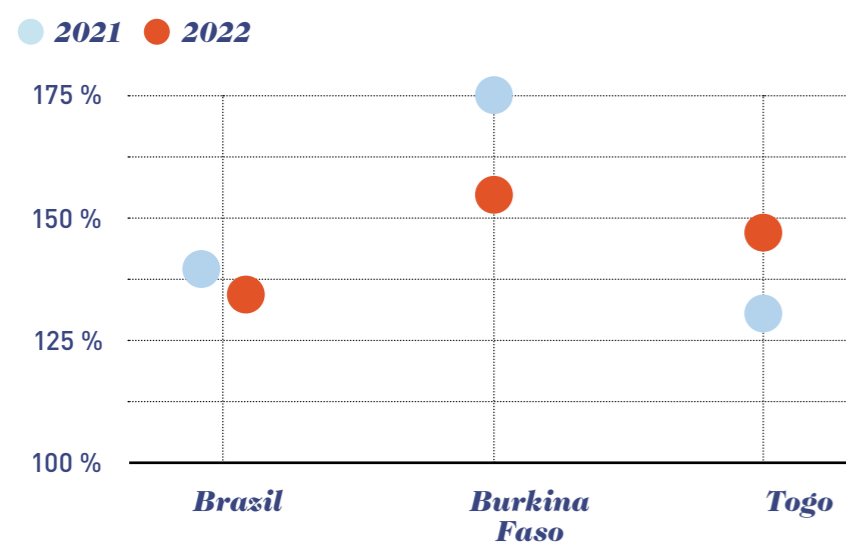
Jobs

Jobs are calculated as an annual average, as the number of jobs varies throughout the year.



Wages

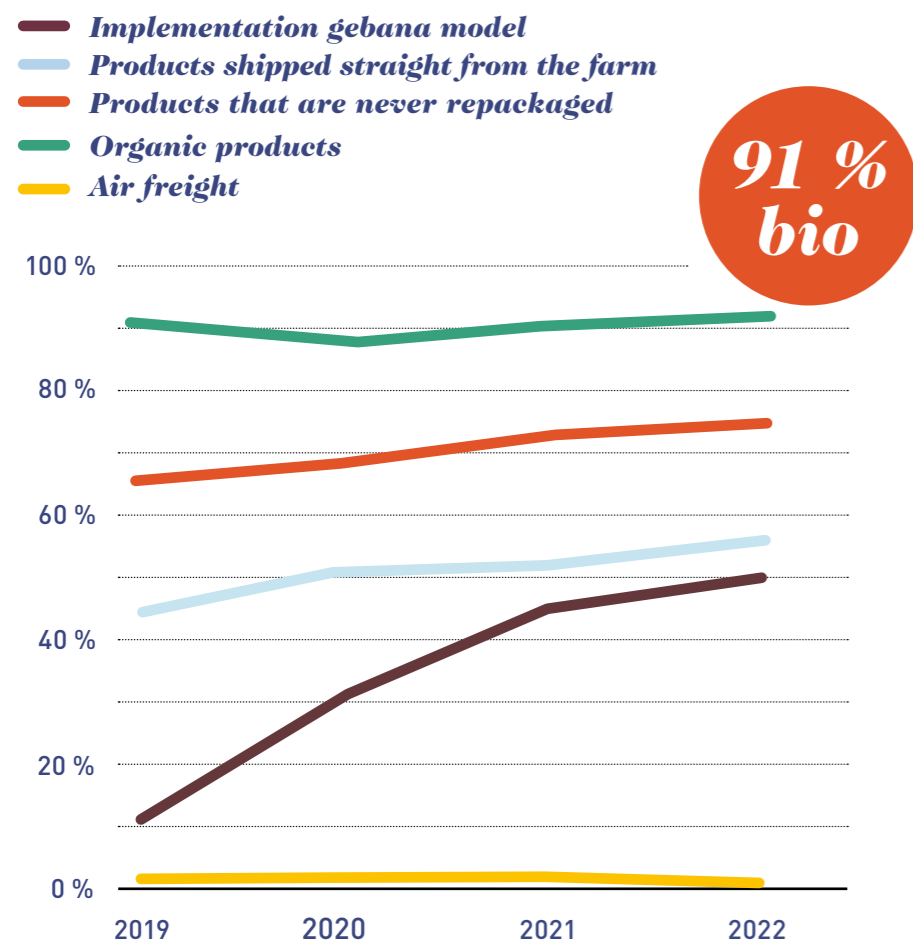
Wages in the lowest wage category relative to the national minimum wage including revenue sharing.



SINCE WE DID NOT MAKE A PROFIT IN 2022, THERE WAS NO PROFIT SHARING. AS A RESULT, WAGES DECREASED COMPARED TO THE PREVIOUS YEAR.

Sustainability of our range

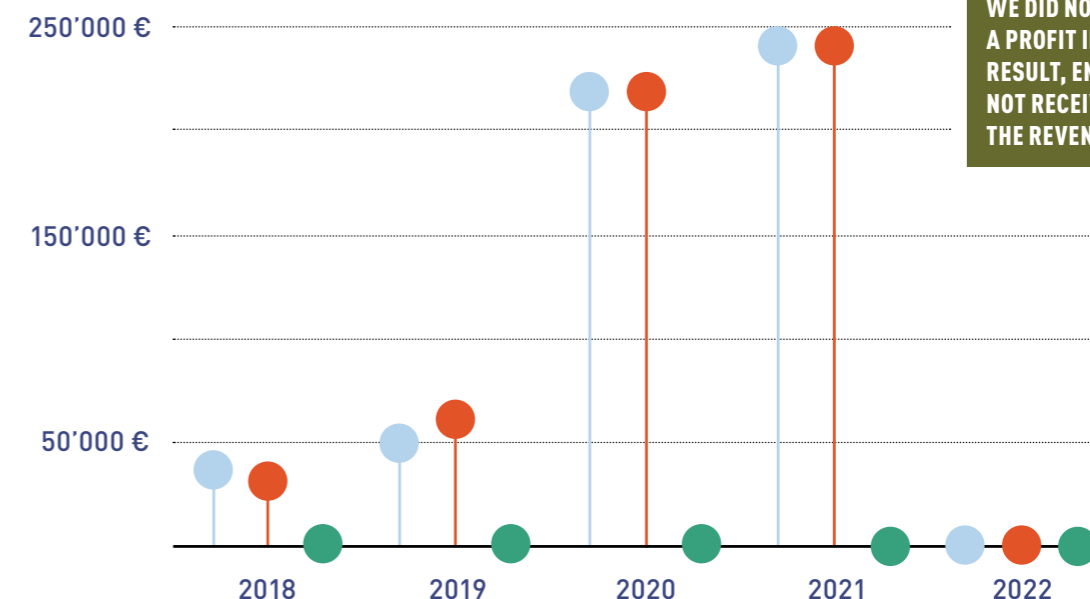
Share of direct shipping sales in per cent.



IN 2022, 10 % OF THE SALES FROM OUR ONLINE SHOP WENT DIRECTLY TO THE FAMILY FARMERS AS GEBANA MODEL PREMIUMS.

Revenue sharing

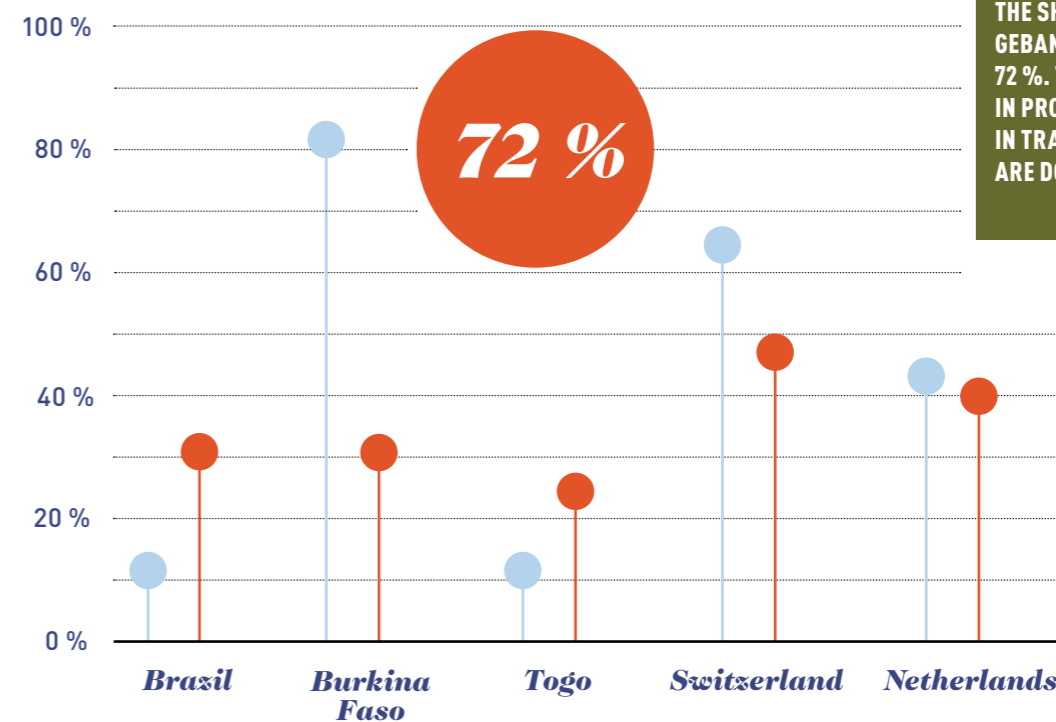
● Employees in the North (light blue), ● Employees in the South (red), ● Dividends (green)



WE DID NOT GENERATE A PROFIT IN 2021. AS A RESULT, EMPLOYEES DID NOT RECEIVE A SHARE OF THE REVENUE.

Jobs by gender

● Women overall (light blue), ● Women in management (red)



THE SHARE OF WOMEN AT GEBANA REMAINS STABLE AT 72%. THEY WORK MOSTLY IN PROCESSING. POSITIONS IN TRADE AND MANAGEMENT ARE DOMINATED BY MEN.

HIGHLIGHTS

CRISIS IN THE NORTH, EXCELLENT GROWTH FIGURES IN THE SOUTH AND GOOD NEWS FROM BRAZIL.

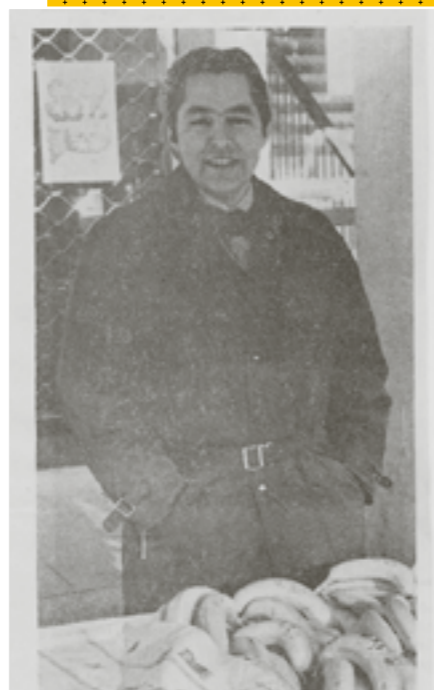
(Short-lived) euphoria at the start of the year

We started 2022 on a high note and with great expectations. We had already achieved the challenging goals set out in our business plan a year ahead of schedule, thanks to the strong growth during the coronavirus pandemic.

This gave us an advantage and allowed us to invest more in marketing and human resources. The aim of these investments was to test new ways to reach a large number of new customers. The plan was also to develop an organisational structure that would enable growth without cutting back on support for family farmers, supply chains and customer queries.

Our goal was to be competitive in the EU with lower prices

Elated by these positive results, we lowered many prices in our online shop at the beginning of the year. Part of our reasoning for this was to share a third of the profits from 2021 with consumers. At the same time, we wanted to become competitive in the EU, where market prices are considerably lower in some cases. This strategy



«Wönt Si Banane?»

«Wönt Si Banane?» Diese Frage wurde von Mitgliedern der Winterfelder Bananenaktion am Samstag wohl viele hundert Male gestellt. Die bei oder in vier Lebensmittelgeschäften — Coop, K. Wehli, B. Zehnder und Ch. Eggenberger — durchgeführte Aktion ergab einen Erlös von 160 Franken bei einem Aufschlag von 15 Rappen pro Kilogramm. Mehr als dieser Betrag freut die Bananenaktionler jedoch die Feststellung, dass zum Beispiel im Coop drin am Samstag trotz dem günstigeren Preis praktisch keine Bananen mehr verkauft wurden. Hat damit der Umweltschutz — etwas mehr zusammen der armen Bevölkerung in den Produktionsgebieten zu zahlen —, der nun seit einigen Jahren angestrebt wird, doch eingetret? Unser Bild: Pfr. Markus Roos half mit, die Bananen an den Markt zu bringen, um die Frauen zu helfen.



Banana Women everywhere!

By 1977, the Banana Women are no longer a small group from Frauenfeld, but a movement throughout all of Switzerland. There are organised groups in cities like Winterthur and Basel and many lone warriors from Burgdorf to the Engadin. Banana Women from all over Switzerland meet for the first Banana Women conference to share their experiences.



1985

“What should we do with these bananas?”

The Nica bananas

In May 1985, Brunner’s phone rings in the middle of the night. Abelardo Carles, director of Unión de los Países Exportadores de Bananos in Panama, is on the line. The US has just imposed a trade embargo on Nicaragua. Until now, Nicaragua has been exporting 20 million US dollars worth of bananas to the United States each year. “What should we do with the bananas?” the director asks desperately. Brunner pulls out all the stops. In 1986, the first Nica bananas are sold on the Swiss market.



READ ABOUT OUR INVESTMENTS ON PAGE 39.

→

worked, and we achieved high double-digit growth in the EU in 2022. Unfortunately, the story doesn't end there.

There will always be crises

There's a war in Europe! We were concerned about the Russian invasion of Ukraine not only as a political event. It also had a direct impact on supply chains and market prices. The situation also created great uncertainty among consumers, as was indicated by a sharply declining consumer confidence index. Moreover, there were strong price fluctuations in energy costs and fertilisers, partly due to the war. These resulted in double-digit inflation in Europe, something we hadn't experienced for decades.

Meanwhile, the increase in the daily cost of living caused demand for organic products to fall by up to 20 % in terms of sales in most European countries and even more in terms of volume due to price increases. This has hit us especially hard in the wholesale business. Customers are no longer taking the agreed quantities off our hands and we're struggling with high inventory levels in general.

Any crisis can become an opportunity. You just have to seize it

To make matters worse, Greece was affected by an unusually strong frost in February. The cold snap damaged large parts of the orange harvest. Nothing can be done about the frost itself. But the damage can be monitored if everything is running as it should. Unfortunately that was not the case.

The local team informed us about the damage too late, we underestimated the extent of it and reported it to our customers too late. As frost damage in oranges isn't visible from the outside immediately after the harvest, many customers ended up receiving bad fruit.

However, any crisis can become an opportunity. You just have to face it with courage. With this frost damage, that's exactly what we did. Our response was to provide extensive information on how the damage occurred and to compensate affected customers. In addition, we used the gebana model funds in such a way that we were able to provide

BANANEN AUS NICARAGUA - BANANEN MIT AUFPREIS

Begründung :

Da der Marktpreis aller Produkte aus den Dritten Weltländern, so auch der der Bananen, je nach

Angebot und Nachfrage

Wettbewerbsverzerrungen (Dumping-Preise usw.)

Machtkonstellationen reicher Konzerne, die den Markt bestimmen,

schwanken, ist es schwierig für die Produzentenländer, mit sicheren Einnahmen, die sie dringend brauchen, rechnen und ihren Haushaltplan machen zu können.

Ein kleiner, aber immer gleichbleibender Aufpreis auf einen Kilo Bananen ist eine **sichere Einnahme**.

Das Geld des Aufpreises geht in einen Fonds, aus dem PROJEKTE zur Verbesserung der Lebensbedingungen der Bevölkerung in den Plantagen finanziert wird.

WICHTIG :

Es ist ganz wichtig, dass der arbeitenden Bevölkerung in den Plantagen gesagt werden kann :

- **DAS GELD, MIT DEM DIE PROJEKTE BEZahlt WERDEN, IST GELD, DAS DURCH EURE ARBEIT UEBER DEN VERKAUF DER BANANEN AUF DEN MARKT WIEDER ZU EUCH ZURUCKKEHRT !**

Fair trade premium against their will

With the introduction of bananas from Nicaragua in Switzerland, the Banana Women's sales partner, OS3 (now Claro Fair Trade), insists on applying a surcharge of 10 cents per kilo. This is not what the Banana Women had in mind. The plan was for the Nica banana to obtain a good price based on strong market demand. In the end, the women agree. From now on, the money will be channelled into a fund for projects on the plantations. This surcharge becomes one of the first premiums paid in a manner similar to today's fair trade premiums.

READ ABOUT WHY WE HAVE GROWN DESPITE CRISES ON PAGE 37.



greater compensation to the family farmers who lost the most. We now have considerably stricter quality assurance, deeply grateful family farmers and an enormously successful subsequent season with more orders for oranges than ever. Despite this, we are not yet satisfied with our quality management, which is why we would like to ask you now to inform us right away if you are dissatisfied with our performance. This is the only way we can improve.

High flyers in the South

At gebana, we are driven by a clear mission: to generate the greatest social and environmental impact by creating value chains for food from small-scale farmers to consumers. This implies that growth is a priority objective for us. Simply put, the bigger we get, the more we can do in the countries of origin.

At any rate, 2022 was a year in which this mission became mission impossible for many. But not in the South. Our subsidiaries, gebana Togo, gebana Burkina Faso and gebana Brazil, outpaced everyone else in the group. The team in Lomé managed to smash the growth record of the previous year. But gebana Burkina Faso and gebana Brazil didn't fail to impress either, achieving high double-digit sales growth.

Miracles are wonderful, but we can't expect them to keep happening

Admittedly, some of it was down to luck. There are things we can control, but we have no influence on market prices. And they moved in a very advantageous direction last year, especially for gebana Togo. Combined with a good harvest, everything was going smoothly.

While we can't assume that these miracles will keep happening, we're very pleased and proud of the performance of our colleagues in the South.

READ ABOUT THE GROWTH OF OUR SUBSIDIARIES IN THE SOUTH ON PAGE 37.



GErechter BANAnenhandel

(fair banana trade)



On 12 March 1988, the Banana Women founded the association "Gerechter Bananenhandel", or "gebana", for short, which stands for "fair banana trade". By creating an organisation with a professional structure and a strong name, they hope to carry more weight in negotiations and at the commercial level.

More premium payouts than ever before

When it comes to ensuring more fairness in the retail chain, the gebana model is gaining importance. One feature of the model is that 10 % of the revenue from direct sales is paid out to the family farmers as an additional premium. Depending on the product and season, this can amount to several months' wages. We also support local projects.

The money from the gebana model allows family farmers to invest in the future, send their children to school and improve their living conditions. In 2022, we paid out more than €1 million following this model. Together with Fairtrade premiums and solidarity contributions, our premium payments amounted to €1.6 million.

Last year, we brought an external partner, Coopavam, into the gebana model for the first time. The cooperative works in the Brazilian rain forest and supplies us with Brazil nuts. Having successfully integrated this partner, we have demonstrated that the gebana model also works outside our own ecosystem. We'll be bringing in three to four new partners over the course of 2023.

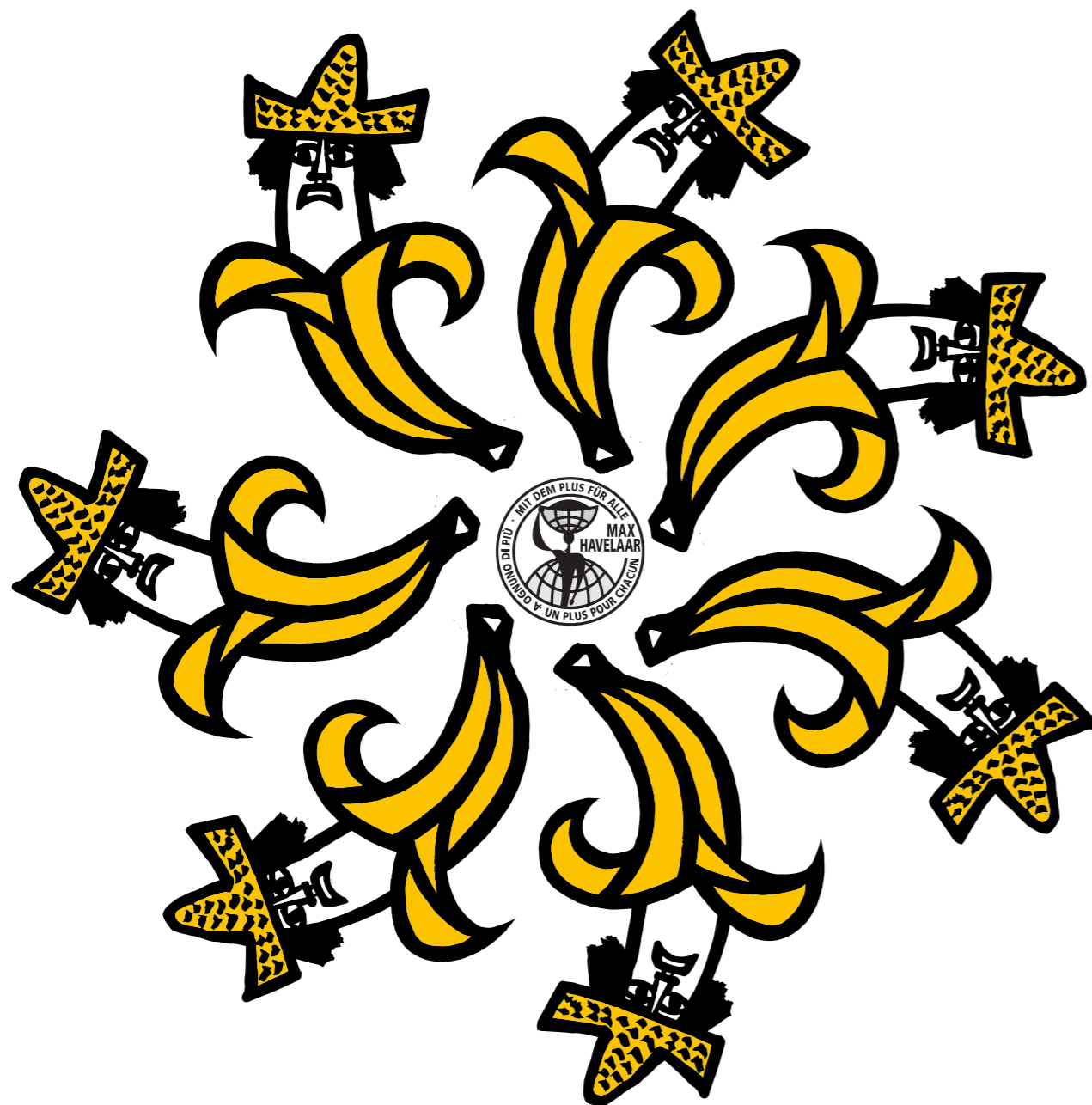
Between the trees

As part of the gebana model, we also try to develop local expertise. In addition to our own training courses, we implement various long-term development projects, often in cooperation with external partners. Last year, the focus of these projects was once again on dynamic agroforestry.

The idea behind dynamic agroforestry is based on an ancient principle: Combine different plant species in such a way that they positively influence each other.

New methods for positive effects on the environment and people

However, the aim of dynamic agroforestry is not only to create direct interactions between the plants, but also to bring about lasting and positive effects for the environment and people.



Fair trade standard without gebana

In 1992, the Swiss relief agencies create the Max Havelaar Foundation, a funding organisation for fair trade. The organisation develops standards for the cultivation and prices of agricultural products. Anyone who adheres to these standards and is able to prove it can now label their products as fair. gebana rejects this approach, as it sees fairness as a process rather than an end state. Because gebana interprets fairness in a different way and for a number of other reasons, disagreements with Max Havelaar remain unresolved for years. Even when the organisation decides to introduce the fair-trade banana, it does so without gebana, even though the Banana Women are the only experts in the country at this time with over 20 years of experience in the field.

We have already provided support to 50 family farmers in Burkina Faso and Togo in the conversion process with the aim of diversifying their fields and keeping them sustainably fertile. In 2022, we distributed 18'000 plants to 327 family farmers in Togo to diversify their cocoa parcels. In addition, 924 family farmers received around 38'000 cocoa seedlings to rejuvenate their plots. In Togo and Burkina Faso, around 10'800 farmers participated in over 400 training sessions on sustainable agricultural practices, during which they learned to farm their fields more productively.

ELVIRA ZINGG

Head of Supplier Development, Zurich

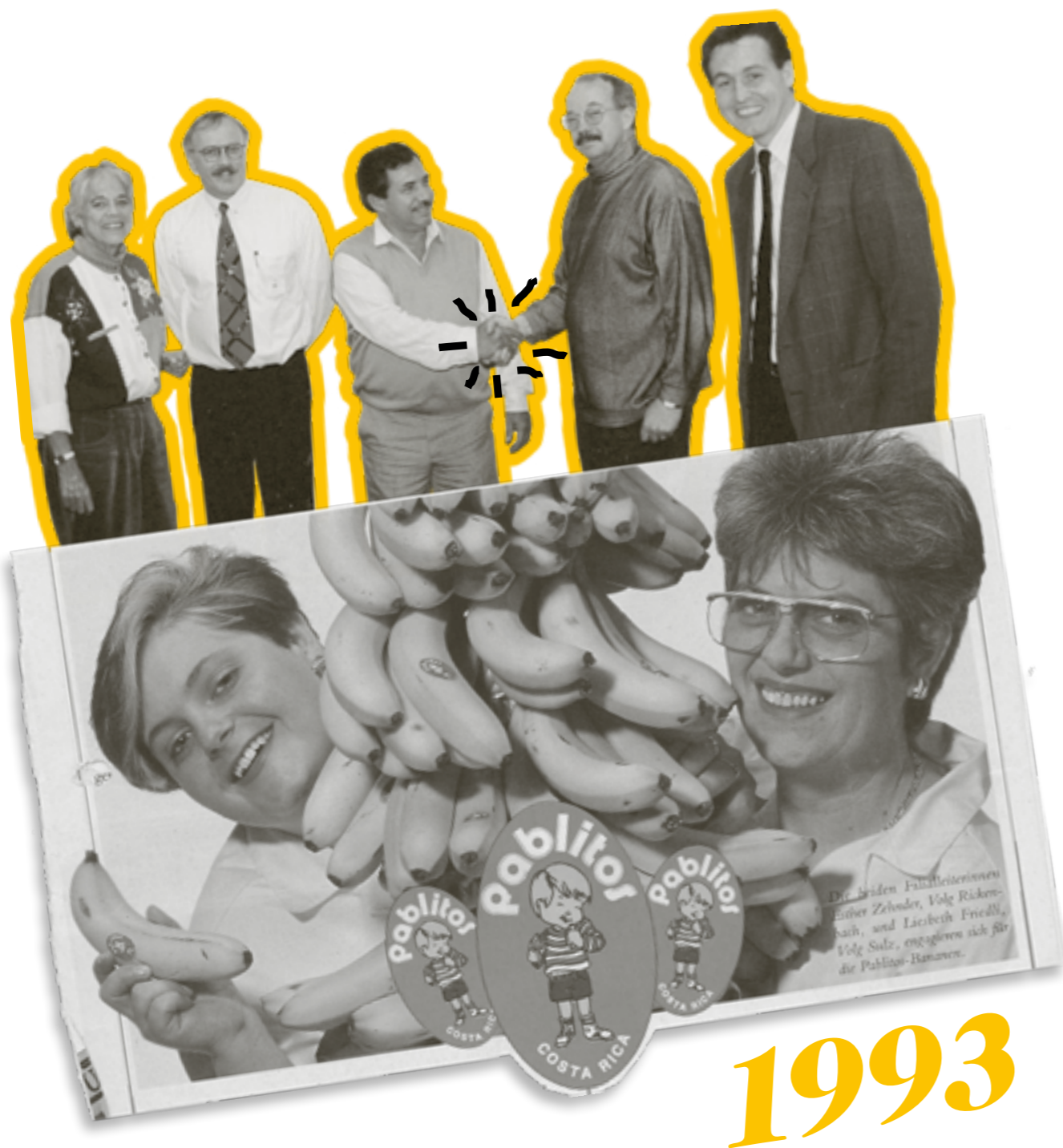
"We launched the first co-financed project with dynamic agroforestry in 2020. Co-financing from external partners is key for this new type of agriculture because we need advice from external experts and plant around 1'000 seedlings on a plot of 0.25 hectares. All of that costs money. The farmers were sceptical at first and it was difficult to find people who were willing to convert their plots. But now they are really excited, especially in Togo, and everyone wants to join in.

Family farmers see that their annual crops are already producing a yield, which they can use themselves or sell on the local market. The challenge we are facing in Burkina Faso is that nomadic shepherds traditionally bring their livestock to graze under the mango and cashew trees. It naturally makes little sense for us to plant annual crops there only to have the animals eat it all. We're currently looking for solutions."

One step forward, two steps back

For two years now, we have been planning to build a new factory in Burkina Faso for processing cashews and mangos. This will create 1'000 additional jobs. We have been relentlessly pursuing this project, which we fondly call *la belle usine*.

However, at the time of writing this report, the foundation has yet to be laid. The people of Burkina Faso had to live through two military coups in



"Success with Pablitos"

Between 1992 and 1993, banana production in Nicaragua collapses. The Banana Women seek an alternative, which they find with Pablitos bananas from Costa Rica. They are introduced to the Swiss market in November 1993. The bananas are met with great success after gebana association member Beat Curau brings the Volg retail chain on board. By the spring of 1994, 350 Volg supermarkets and 350 other shops carrying Volg products start selling Pablitos.



2022. Unfortunately, these government upheavals have been causing considerable delays to the factory project. The security situation remains unstable. This must be taken into account in the project's risk management.

The land has been purchased, important permits have been granted and detailed planning is in progress

TURN TO PAGE 45 TO READ ABOUT OUR OTHER INVESTMENTS IN 2022 IN ADDITION TO THE LAND PURCHASE IN BURKINA FASO.



It's reassuring to know that despite all the risks, the gebana Board of Directors is committed to the project and we have now purchased a suitable plot of land. Detailed planning is in full swing and important permits have been granted. Given that we have never been risk-averse and have always been willing to work under difficult conditions in the South, we are determined to implement this project with success, which will open up promising future prospects for more people in the region.

THIERRY COMPAORE
Co-Project Manager Factory, Bobo-Dioulasso

"I'm responsible for the technical side of the new factory in Burkina Faso and the contact person for all stakeholders on site. Working with the authorities is a time-consuming and ongoing challenge with this project. The state wheels turn slowly. The two military coups last year further exacerbated the situation. Several approval procedures were delayed by the change of government, which in turn delayed the whole process. The calculation of the

construction costs last year was also a challenge. The initial offers were too high, so we had to reduce the costs for the overall project. But we were successful, and the Board of Directors recently approved the revised budget. Now we can move ahead! It's going to be a lot of work, but I'm looking forward to it. My motivation is to increase local value creation, create more jobs for the people here and put a smile on their faces."

The best customers in the world

We have known for a long time that we can rely on our loyal supporters. But time and again, we are left speechless by the degree of solidarity and confidence people have shown in gebana.



AND WE'RE OFF!

At the Annual General Meeting at the end of March 1998, the members of the gebana association decide to establish a joint stock company, gebana AG. The plan is for the company to engage in fair trade, while the association continues with its awareness-raising activities. Everything is in place and the trading company gebana AG is created in August 1998. The founding of the company is the next step for the members of the association in the pursuit of their vision of fairer trade in the interest of environmental protection. gebana's mission is to build socially, environmentally and economically sustainable retail chains, thereby making global trade fairer. The first product will be organic soy from small-scale family farmers in Paraná, Brazil.

The reissuing of gebana bonds was a complete success

So we turned to our customers and supporters once again and launched the 2023 gebana bonds. We hoped to generate an amount similar to what we achieved in 2020, which was around €3 million. As the name of the bonds suggests, we wanted to achieve this goal in 2023. Sure enough, we already exceeded our goal by Christmas 2022, ultimately reaching the maximum amount of 5 million Swiss francs. Many thanks to all those who share the risk with us by investing in our continuing development!

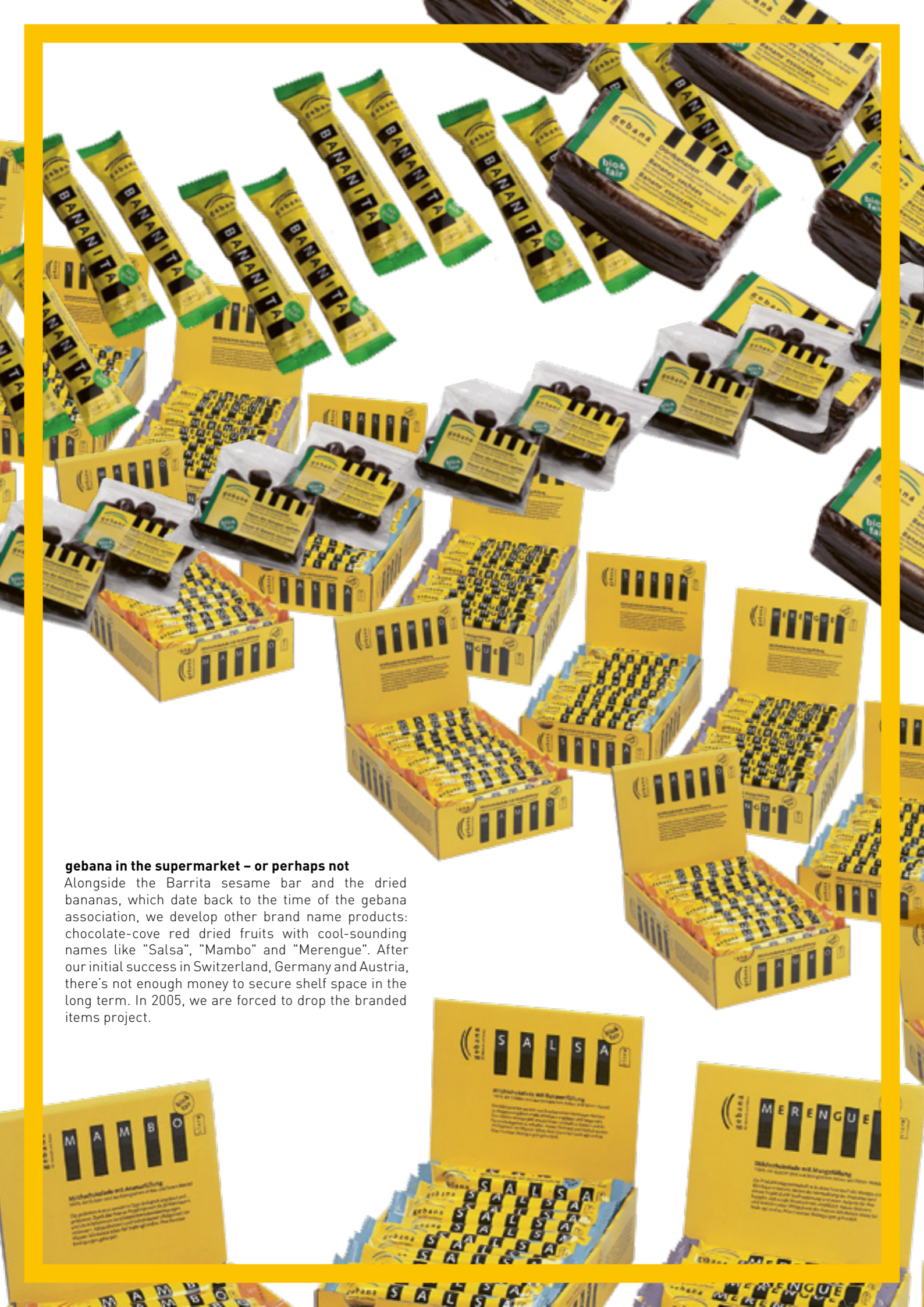
Given the trust shown to us by our supporters, we are pleased about every opportunity we have to meet them in person. As a company that mainly interacts with its target group through an online shop, we find it unfortunate that we don't have many opportunities to get closer to our customers. But the first gebana market at the Volkshaus in Zurich in November 2022 changed all that. The market gave more people than ever the chance to talk to us. The feedback from over 300 guests was so positive that we decided to organise the gebana anniversary market at the Mühle Tiefenbrunnen on 9 September 2023. We'll keep you posted and provide you with more details as soon as possible. We would love to see you there!

READ ABOUT OUR RECORD SALES AND OUR LOSS ON PAGE 45.



Building supply chains – it works!

We want to set up companies in the global South, help them grow prosperous, despite all the challenges they face, and leave them to run themselves autonomously. But we know from past experience that this is far from easy. The clearest example is our former subsidiary, gebana Afrique. In 2017, the Burkina Faso-based company was in effect facing bankruptcy.



gebana in the supermarket – or perhaps not

Alongside the Barrita sesame bar and the dried bananas, which date back to the time of the gebana association, we develop other brand name products: chocolate-cove red dried fruits with cool-sounding names like "Salsa", "Mambo" and "Merengue". After our initial success in Switzerland, Germany and Austria, there's not enough money to secure shelf space in the long term. In 2005, we are forced to drop the branded items project.

Thanks to a unique crowdfunding campaign that included what was likely the longest ever pre-purchase of dried fruits and cashews in Switzerland and over 2'800 courageous supporters, we managed to avert this unwanted demise. Today, gebana Afrique is called gebana Burkina Faso and is a healthy, profitable company. What a magnificent turnaround! Profitability also means that we were able to fulfil our promise from back then and repay our investors' loans, including profit participation, last year.

gebana Brazil has been sold and is now operating independently

We have similar good news this year from Brazil. In the last annual report, we mentioned that we were looking for a buyer for gebana Brazil. The search has ended and the majority of the shares in gebana Brazil have been held by the Dutch company Anders Invest since 1 January 2023. The company's focus is on sustainability and long-term growth.

Why did we sell? Back in 2012, we had to restructure gebana Brazil. The situation was similar to that in Burkina Faso. Since then, the ailing subsidiary has grown to become a market leader in Brazil's organic grain market. In 2022, gebana Brazil bought 10'500 tonnes of organic soy and 2'500 tonnes of GMO-free soy and produced 8'000 tonnes of soybean press cake, 1'300 tonnes of soybean oil and 40 tonnes of lecithin.

We lack the means to develop such a large company. This is why we decided to leave gebana Brazil to run itself. The figures have confirmed for years that our subsidiary has matured and will manage very well without us. In terms of the sale, however, it was clear that any future investor would need to share our values and that we would remain on board for the initial period. We found the right buyer in Anders Invest. We have kept a minority stake of 30 % to see the subsidiary through the transition.

The sale of gebana Brazil has ultimately proven that it is possible to get a company up and running independently in a challenging environment. The financial resources from the sale will help us launch new projects and emerge from the difficult market situation with renewed strength.

2002

Bankrupt and starting over

After big losses and failures in sales, gebana is bankrupt. The investors have to write off 90 %. But there are still people who believe in gebana and reinvest. In Brazil, Japanese investors take over our local partner and want us out. In the same year, we found a subsidiary in order to continue working with the family farmers. gebana Brasili becomes gebana's first subsidiary in the South.



Straight from the farmer to the customer

For the first time, we sell products from the country of origin directly to consumers through online channels. gebana direct shipping is born!

In 2005, our online shop goes live. Customers can order over 150 organically produced fair trade food products online for the first time. With the support of Fiona Hefti, Miss Switzerland 2004, we advertise the online shop in Bern's old town in April. This branch of the business will prove to be the key to stabilising the risky gebana business model in the coming years.



FINANCIALS

GROWTH DESPITE THE CRISIS. BUT NOT ENOUGH TO STAY IN THE BLACK.

gebana Group performance

In a shrinking market environment, the gebana Group's net sales rose by 17.4 % to €71.5 million in 2022. The gross margin increased by only 4.5 % to €15.3 million, which corresponds to 21.4 % of revenue. In the previous year, the figure was 24 %. This margin trend is largely due to the volume mix. The low-margin wholesale businesses in Brazil, Togo and Burkina Faso grew disproportionately compared to the high-margin direct shipping business.

Gross income is a better indication of the margin trend as it includes currency hedging for business conducted in Brazilian real. This margin decreased by 1.4 percentage points, but rose by 10.5 % in absolute terms.

Marketing, personnel and administrative costs increased in excess of revenue

Significant increases in marketing costs, which rose by 68 % to €2.8 million, had a major impact on the earnings trend. This increase was intentional. It was a deliberate decision, made with due regard to our success in previous years in order to attract new customers, to drive internationalisation and test new marketing activities. Based on the findings we are bringing the marketing share back down to a more reliable 8.5 % of net revenue. However, we expect significant gains in efficiency.

Ahead of our time

In search of funds, we accept loans from private individuals and issue participation certificates for the first time. This gives us greater financial independence from banks and makes us a pioneer of the crowdfunding trend that only begins much later. These loans will not become legal until many years later as gebana Bonds.

In addition, we establish the subsidiary gebana Afrique in Burkina Faso in order to better the structure and control the purchase of dried mangos. We also develop close partnerships with holdings in Tunisia and Togo which, together with Brazil, form our "gebana South" operations.

2006



Unfortunately, the brilliant earnings of 2021 turned into a loss in 2022

The operating profit margin of the gebana Group before depreciation, interest and taxes (EBITDA) declined to €1.8 million or 2.5 % of net revenue due to increased marketing and administrative costs. In the previous year, this margin was still 6.1 %. The Walls Against Walls donations for the factory project in Burkina Faso, along with currency gains, allowed us to post exceptionally high earnings in 2021 in this context. Unfortunately, the opposite occurred in 2022 with currency losses as well as higher financing costs and higher taxes in the wake of rising interest rates. This resulted in a combined loss of €1.5 million, while the profit in the previous year had been €1.9 million.

Total assets rose by 25.4 % to €38.7 million. This increase is due to a sharp rise in cash flow of €3.1 million from the 2023 gebana bonds, an increase in fixed assets (land for the factory, production resources, IT) of €3 million and increased inventory values of €2.3 million. Net liabilities rose by 47.1 % to €22 million. At the end of the year, our equity amounted to €3.4 million, which is 36 % less than in the previous year. Today, equity and subordinated loans account for one third of the balance sheet total, coming to €12.5 million.

Consolidated in accordance with Swiss GAAP FER

gebana AG provides consolidated reports in accordance with the accounting standards of the Swiss GAAP FER. This means that we combine the results of all subsidiaries and present them as a whole. The chosen currency for the consolidation is the euro, because most gebana companies use the euro, or the West African franc, which is pegged to the euro.

GEBANA GROUP CONSOLIDATED INCOME STATEMENT SWISS GAAP FER IN €	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Gross revenue	73'727'226	63'183'578
Sales discounts	-2'236'495	-2'267'861
Net revenue	71'490'731	60'915'717
Product costs	-47'011'290	-40'415'755
Other costs of goods sold	-9'204'832	-5'877'675
Gross margin	15'274'609	14'622'287
	21.37 %	24.00 %
Income from services	499'892	445'105
Cost of services	-257'758	-56'866
Foreign currency effects	779'396	-264'866
Gross income	16'296'139	14'745'660
Sales and marketing costs	-2'857'964	-1'702'624
Personnel costs	-8'881'663	-7'352'919
Administrative costs	-2'767'602	-1'976'517
EBITDA	1'788'911	3'713'600
Depreciation of property, plant and equipment and IT	-585'217	-485'109
EBIT	1'203'694	3'228'491
Financial income	112'335	119'407
Financing costs	-1'277'248	-973'963
Net operating income	38'781	2'373'935
Foreign currency effects	-134'938	273'170
Non-operating income/expenses	74'326	375'256
Net income before taxes	-21'831	3'022'361
Tax expenses	-1'517'657	-1'121'631
Net result	-1'539'488	1'900'730
	-2.15 %	3.10 %

GEBANA SOUTH INCOME STATEMENT IN €	2022 BURKINA FASO	2022 TOGO	2022 BRAZIL
Net revenue	11'912'435	10'875'369	21'691'602
Total product costs	-8'868'793	-9'328'308	-19'547'818
Gross margin	3'043'642	1'547'061	2'143'784
	25.55 %	14.23 %	9.88 %
Income/expenses from services & foreign currencies	-74'508	4'226	470'018
Gross income	2'969'134	1'551'287	2'613'802
Sales and marketing costs	0	0	-18'230
Personnel costs	-1'378'628	-356'141	-907'387
Administrative costs	-623'916	-314'967	-498'966
Depreciation	-119'748	-36'297	-120'407
EBIT	846'842	843'882	1'068'812
	7.11 %	7.76 %	4.93 %
Financial income, expenses, foreign currencies & taxes	-630'548	-501'932	-1'648'877
Net result	216'294	341'949	-580'065
	1.82 %	3.14 %	-2.67 %

GEBANA GROUP CONSOLIDATED BALANCE SHEET SWISS GAAP FER IN €	DECEMBER 2022	DECEMBER 2021
ASSETS		
Current assets	32'984'597	28'092'852
Cash	26'791	15'874
Credit balances	5'217'331	2'081'837
Receivables from goods and services	8'417'594	7'790'160
Other receivables	503'151	961'897
Transitory assets	109'970	443'052
Loans granted	2'232'535	2'644'660
Inventories	16'477'225	14'155'371
Non-current assets	5'723'485	2'785'789
Third-party financial assets	34'040	32'425
Property, plant and equipment	4'119'092	1'801'268
Intangible assets	1'570'353	952'096
Total assets	38'708'082	30'878'641

GEBANA GROUP CONSOLIDATED BALANCE SHEET SWISS GAAP FER IN €	DECEMBER 2022	DECEMBER 2021
LIABILITIES		
Current liabilities	23'465'616	18'073'539
Accounts payable for goods and services	5'300'497	5'577'345
Other short-term liabilities	1'735'043	2'265'021
Transitory liabilities	1'061'838	669'548
Short-term loans received	15'368'238	9'561'624
Non-current liabilities	11'826'301	7'465'070
Long-term loans received	2'725'199	2'842'461
Subordinate loans received	9'101'102	4'622'610
Shareholders' equity	3'416'166	5'340'032
Share capital, incl. participation certificates	490'000	3'636'364
Provisions and retained earnings	4'167'790	-445'312
Foreign currency effects	-384'378	21'213
Minority interest	682'242	227'037
Net result	-1'539'488	1'900'730
Total liabilities	38'708'082	30'878'641

A DETAILED EXPLANATION OF THE 2022 RESULTS CAN BE FOUND ON THE FOLLOWING PAGES.

Business model put to the test

Shortly after the 10th anniversary and the first profitable year in the company's history, we are hit by a crisis that lasts until 2011. Wholesale demand collapses due to the economic crisis. At the same time, the entire organic soy harvest in Brazil is contaminated with the pesticide endosulfan. Traces of the toxin enter the environment through wind and rain from the surrounding conventionally farmed fields and accumulate in the organic beans. The crops can no longer be sold as organic soy, and gebana Brazil is facing financial ruin. Together with the soy farmers in Brazil, we launch the Chega! - We've had enough! campaign in protest, and it's a great success. Thanks to our dedication, endosulfan is taken off the market!

Painstaking restructuring in Burkina Faso and Brazil allow our subsidiaries survive. Following heated discussions, our business model, including our commitment in the South, is approved and even developed further.



Strong growth despite the crisis

As outlined earlier in the report, the Group increased its revenue in 2022 by a solid 17.4 %, or €10.5 million. Looking at the figures of the organic market, it is clear that this development is not a foregone conclusion. Sales across Europe declined sharply in 2022.

Good harvests and high market prices in the South

As in the previous year, the Group's growth was driven mainly by the companies in the South. Togo broke the 2021 record with 68 % growth and a turnover of €10.8 million. It is once again the biggest growth we have ever recorded at one of our companies. A good harvest and high market prices contributed to this positive development. Brazil posted similarly strong growth, with a 37 % increase in turnover despite a difficult harvest due to the La Niña weather phenomenon.

In Burkina Faso, a very good mango harvest helped increase turnover by 32 %. Unfortunately, the business of our trading subsidiary gebana BV with goods from Burkina Faso was negatively affected by sharply falling market prices and low demand in Europe. Stocks, especially of dried mangos, were constantly piling up. As a result, the total inventory was worth €7.2 million by the end of the year – €3.3 million more than in the previous year. As a result, gebana BV was the only company in the group that did not meet the previous year's turnover and lost €3.4 million (-19 %).

Given the difficult global political situation with rising inflation in the first year after the coronavirus crisis, online business was hardly expected to grow. However, gebana AG's direct shipping business remained unscathed, with sales increasing by 11 % to €21.5 million. Interestingly, growth in the EU region was higher than in Switzerland for the first time. It is also worth noting that growth is increasingly driven by fresh fruit, while the dried fruit and nut categories declined.

READ ABOUT HOW
CRISES AFFECTED OUR
GROWTH ON PAGE 17.



Profit margins under pressure again

Despite our growth, the margin trend indicates that 2022 wasn't all plain sailing. The gross margin dropped again, from 24 to 21.4 %. In the previous year, the negative margin trend was due to the mix

Burkina Faso gets its own factory

The people in Tunisia and Burkina Faso go through revolutions. Nevertheless, we are making good progress. We're diversifying in Burkina Faso and investing in our own cashew factory. Around 400 jobs will be created in Bobo-Dioulasso.

During the crisis, thousands of small investors and direct shipping customers came to our rescue, while "professional" customers and investors let us down. This has had a profound influence on the way we see ourselves as a network. This is echoed by our new catchphrase, Global Farmer's Market.

2012



READ ABOUT WHY WE REDUCED PRICES ON PAGE 15.



of stronger growth rates in the low-margin wholesale companies and weaker growth in high-margin direct shipping. The situation was similar in 2022. Nevertheless, we recorded weaker gross margins overall in all companies except Burkina Faso.

It is interesting to note that the lower margins were not due to product costs, but rather costs driven by energy price trends, such as for freight and warehousing. For example, we were able to keep direct shipping purchase prices stable, but the costs for packaging and logistics increased significantly.

However, we made a deliberate decision not to increase our sales prices. On the contrary, our sharing approach meant that, as usual, we passed on one third of last year's profit to our customers in 2022 as permanent price reductions on certain direct shipping products. We believe that this is not only an investment in the future, but also delivers on gebana's brand promise.

More money for marketing and advertising

We have always been aware that growth comes at a cost. Growth is important to us in order to make more of a difference in the countries of origin, which is why we are consciously focusing on a forward strategy. In line with this strategy, we increased our marketing investments in 2022 by €1.1 million to €2.8 million.

33'000 new customers purchased from gebana in 2022

This sum was used to support our online business and internationalisation – specifically, for the acquisition of new customers. For our first national advertising campaign last autumn, we placed posters all over Switzerland, which boosted our visibility more than ever. In addition, we tested several new ways to increase our brand awareness. Insights from these various marketing activities will allow us to advertise in a much more targeted and efficient way over the next few years and to achieve more with lower expenditures.

The lorries full of oranges that stopped in several cities throughout Switzerland and Europe starting last January were more than just a test. The idea behind these distribution campaigns was the confiden-



Jia su Portokáli (hello orange)

For the first time, we're shipping fresh organic oranges from Greece. And after 10 years of organic farming, the family farmers are getting organic prices for their products for the first time! Oranges are becoming our most important product.



PHILIPPE SCHENKEL
Head of Marketing, Zürich

"We conducted some exciting marketing tests last autumn. The challenge was to redesign gebana's communication. We had to trim down our message so that it would work on a poster. In terms of visibility, the advertising campaign took gebana to a whole new level. It suddenly put us on the same playing field as major companies. A lot of people mentioned our campaign and told us, "I saw your

poster!" We were disappointed that it didn't bring us that many new customers. It was no surprise, but I was secretly hoping for more. The slogan "3 times more for the farmers" was quite catchy! We've done a great job on our marketing. Even so, we haven't found the "magic formula" yet. We plan to keep working on it to make it even better. But we won't need to spend as much on future tests."

Investment in human resources and administration

In 2022, our personnel costs increased by 20.8 %, growing at a higher rate than our turnover. These costs amounted to €8.9 million by the end of the year. This was due to the catching up that occurred following massive growth during the coronavirus pandemic, and also to our business plan, which anticipates high double-digit growth for the coming years.

Personnel and administrative costs are an investment in the future

To enable this growth in the first place, we need skilled employees. This is the only way we can maintain quality and ensure that the companies are run professionally. For this reason, we have increased our staff, especially those working on the gebana model, the construction of our factory, in customer service and in marketing. Last year, we also expanded the management team in Burkina Faso in order to cope with the challenges of our Belle usine project.

BOBO-DIOULASSO, WE HAVE A PROBLEM.

The boom of previous years comes to an abrupt halt. Massively rising purchase prices, poor mango harvests and necessary investments in processes and management lead to the collapse of gebana Afrique. Does it make sense to go on at all? We launch the Burkina Faso relaunch campaign and sell five-year advance orders of dried mangos and cashew nuts. Thanks to the support of investors, retail partners and 2'841 private individuals, gebana Afrique relaunches under the name gebana Burkina Faso.

2017

LIKE TESLA.* BUT A BIT DIFFERENT.

*order now for delivery in five years

**BUILDING A FACTORY
IN BURKINA IS UNIQUELY
CHALLENGING – READ
ABOUT THIS ON PAGE 23.**



Personnel costs are an investment in the future. Our organisational structure is now complete and will bear fruit if we are able continue to achieve strong growth. Admittedly, we have some concerns about this development, as high inflation rates are expected to drive wage increases more than we expected. But here, too, we want to take a long-term view, with a firm belief in the future.

Administrative costs went up by 40 % – much more than our turnover. This disproportionate increase in costs is due to two effects, which are also intended to accelerate our future growth. Firstly, increased investments in IT infrastructure at gebana AG were made for the benefit of the entire group. Secondly, costs in Burkina Faso have risen as a result of the factory project.

Our depreciation for 2022 was within the normal range and increased in line with sales growth. However, inventory depreciation at gebana BV increased to €170'000 due to low prices and weak demand in the market.

Money was more expensive in 2022 than in the previous year

The cost of credit has risen sharply. Unfortunately, there is no way around it. We need money to pre-finance the seeds and harvests for the family farmers. We have had to pay significantly more for this money since mid-2022. This is due to the overall climate of the financial markets, hikes in the key interest rates of the national banks and higher premiums for investments in high-risk countries.

To reduce our dependence on external partners and prevent risk to future growth, we launched the 2023 gebana bonds. This gave us an injection of €3.6 million at the end of December. We will receive an additional €1.4 million by mid-2023, which is a huge relief for us.

**FIND OUT HOW
OUR CUSTOMERS
SUPPORT US IN THESE
CHALLENGING TIMES
ON PAGE 25.**



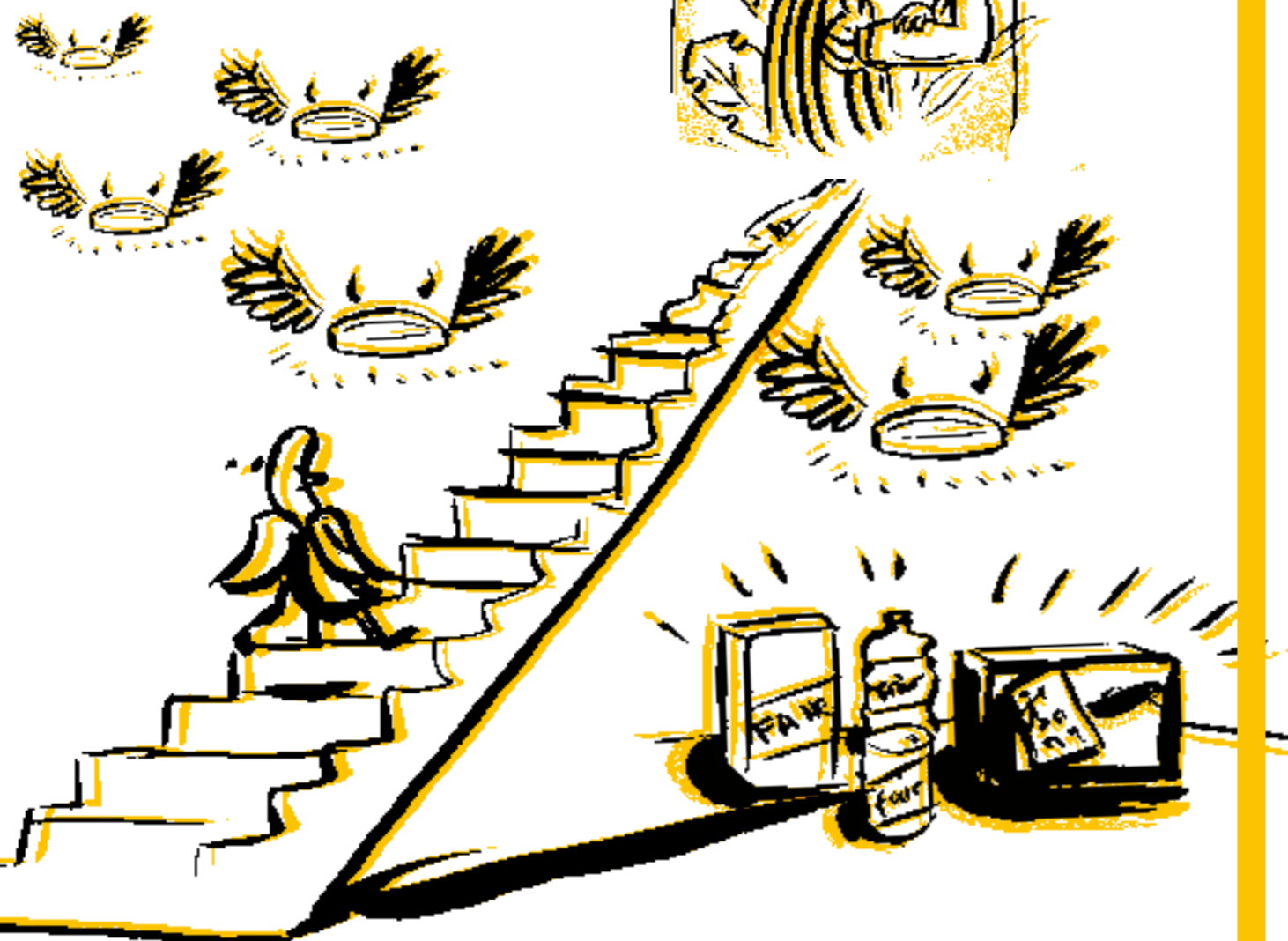
Our liquidity crisis, which was exacerbated by overstocked warehouses in the wholesale business at the end of 2022, has been largely defused thanks to the courageous support of the many private gebana investors.

FAIR

"Fair" no more!

On the occasion of gebana's 20th anniversary as a trading company, we decide to stop using the term "fair" going forward. This is because there are no fair products. To quote Ursula Brunner, the original banana woman, "Fair trade is a process."

By taking this step, we're distancing ourselves from companies that drive down prices, lack transparency and push the limits of fair trade standards. Instead, we implement our gebana model the following year. Under this model, 10 % of our sales price goes back to the family farmers – on top of the organic and fair purchase price.



Investments in infrastructure and current assets

We invested a lot in the South again in 2022. At the end of 2022, 54 % of our total assets were in Burkina Faso, Togo and Brazil. Financial investments in current assets accounted for the largest share. These include €3.1 million in cash and cash equivalents, €2.3 million in inventory value, €0.6 million in accounts receivable and €3 million in property, plant and equipment investments.

The property, plant and equipment investments include land, the machinery and vehicles in Burkina Faso and Brazil, and the entire IT infrastructure. We financed these investments with an increase in short-term bank loans and the first tranche of the gebana bonds.

Provisions can be used to significantly influence an annual result. We believe in showing results without any embellishment. As such, we did not create or release any additional provisions in 2022. However, we deliberately prioritised and increased the provision for the South within the reserves, which are now at €640'000. In the coming years, we will gradually increase these reserves in order to ensure our stability should a crisis occur again in the South at some point.

A loss after two strong years

We would have liked to have achieved a profit after the last two very successful years, or better still, a higher profit. However, the combination of increased investments and weaker sales growth during a time of crisis in the market resulted in a loss of €1.5 million, which we consider to be high. This corresponds to -2.2 % of revenue.

Thwarted by currency losses and higher taxes

While the operating business posted a positive result of €38'000 overall, currency losses of -€100'000 and higher tax expenditures of -€1.5 million (especially in the South) had an impact on us. Tax expenditures were €400'000 more than in the previous year.

It's not a dramatic loss, given our long-term thinking. Still, it's a wake-up call for us to use the available resources very carefully and stay focused on our growth.

The sale of gebana Brazil as of 30 January 2023 and the successful issuing of the 2023 gebana bonds have given us the financial stability to emerge from the market crisis with renewed strength. We will not stray from our path.

Ready for the future

Despite our loss in 2022, the gebana Group's balance sheet is stable. Our shareholder's equity currently stands at €3.4 million. On top of that, there are €9.1 million in subordinated loans from the many friends of gebana, who bear almost the same risk as shareholders due to the subordination.

Equity and subordinated loans accounted for exactly one third of the balance sheet total

Together with equity, the loans account for €12.5 million. This corresponds to 33 % of the balance sheet total and represents an increase of €2.5 million compared to the previous year.

At the Annual General Meeting in June 2022, a resolution on share harmonisation was passed. This resulted in a total payout of €700'000 to the shareholders concerned. The share harmonisation brought about the standardisation of the different nominal values of the shares.

However, the share buyback offered in connection with harmonisation was not completed until January 2023. As a result, it is not yet effective for this annual report for 2022.



Farmers Seeking Customers

Switzerland is in lockdown. Swiss family farmers are among those left struggling. Restaurants are forced to close and markets are shut down. Some turn to gebana for help. The Farmers Seeking Customers campaign is launched virtually overnight. With it, we help a number of family farmers get through a rough patch during the coronavirus crisis and pave the way for a new Swiss range in the gebana online shop.

A LOOK AHEAD

BOLSTERED BY OUR EVENTFUL HISTORY, WE MOVE FORWARD WITH COURAGE.

2023 will be a very special year for us. We look back at our roots, to our founding mothers, the Banana Women. From 1973 onwards, they became the pioneers of fair trade. Part of their history can be found on the left-hand side of this annual report.

We are both proud and grateful to witness gebana AG's 25th anniversary, with all its truly turbulent and eventful history. Various activities are planned to celebrate these anniversaries. We cordially invite you to join us at gebana's anniversary market this autumn at Mühle Tiefenbrunnen and share a toast with us. We'll keep you posted and provide you with more details as soon as possible. gebana needs another boost in development now

gebana needs another boost in development now

But we don't want to spend too much time looking back, as we have a long road ahead of us. We took the past year to try out a wide range of new ideas and generate another boost in development. This year, we need to get the most out of these experiences. More specifically, we plan to optimise our marketing activities based on these insights. We have already established the organisational structures for the next round of development, and now they will also need to deliver the desired results.

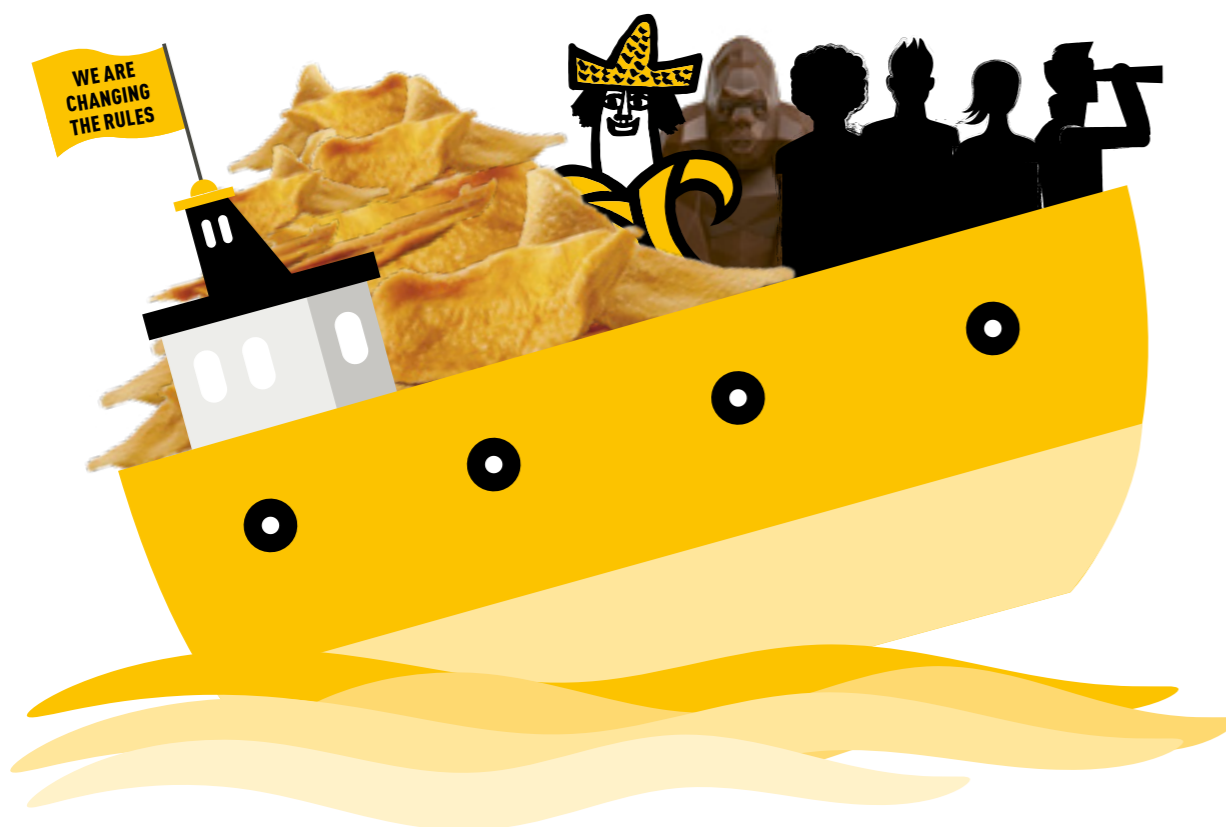
In addition, we need to ensure that the sale of gebana Brazil is completed in good order. The high inventory levels of gebana BV's wholesale



Art for a new factory
The unique Walls Against Walls crowdfunding project brings together private supporters and international artists with the goal of collecting nearly € 1 million to build a new factory in Burkina Faso. The new factory will create 1000 additional jobs. The plan is for local artists to decorate the walls around the factory.

The years of prosperity are over

After two prosperous years, it's over. The entire organic market suddenly collapses after decades of growth and an additional boost during the coronavirus crisis. Sales fall by up to 20 % across all sectors. Our wholesale trade is hit especially hard. Warehouses are full and losses climb into the millions.



business will keep us busy for some time. But here, too, we're taking a long-term view and have no plans to reduce our harvest purchases at the expense of the family farmers.

Despite the crisis, we want to keep investing. We will transition to the implementation phase for our factory project La belle usine in Burkina Faso, despite all the challenges faced. It is the biggest investment that gebana has ever made!

Within all of this, we also want to return to profitability. What we need, in addition to an upturn in the market, is to budget carefully with the available resources. In doing so, one key measure will be a completely new online shop that will give our customers a stable and informative purchasing experience at gebana and improve the efficiency of our processes.

We will remain politically active and acquire new allies

We are also continuing to pursue the political struggle for fairness this year. For example, major abuses in the chocolate trade have been widely exposed but are mostly ignored. So in March 2023, we launched our Angry Gorilla. It is our way of putting pressure on decision-makers to introduce strict laws on corporate social responsibility, which are long overdue.

In order to increase our impact in the countries of origin, we will add additional partners to the gebana model in 2023, thereby selling more products and paying out 10 % of our sales proceeds to the family farmers as a premium.

Dear investors, dear customers, dear employees, I would like to thank you personally for your trust in me during my first year as CEO of gebana. I would also like to thank you on behalf of the 11'800 family farmers and the 790 employees in the South for your wonderful support!

Christophe Schmidt

CEO



Global Farmers Market

**YOU ARE
CHANGING
THE RULES**

www.gebana.com