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Business Overview (executive summary)

Balmed Holdings Ltd, with the listed activities below, has unfortunately during this 3rd quarter had to suspend and or slow down most of the operations:

1. Block farming
2. Cocoa & coffee Trading
3. SAP agricultural software development in the cocoa sector
4. Cashless buying system
5. Implementation of cocoa pod buying
6. PSI project for cocoa planting phase 2
7. A4D project in nursing , rehabilitating and out planting cocoa
8. Implementation of the AECF

This short term suspension/slow down has been due to the out break of The Ebola Virus across West Africa and more directly within Sierra leone. Though the management as a whole has decided to remain in Sierra leone and use the down time to provide whatever assistance with the local Government and NGO partners (WHH, FAO,WFP)

General progress

Balmed's expansion plans within Sierra Leone and West Africa, has been on a steady course, and has now come to a virtual standstill as previously mentioned due to the outbreak of the Ebola virus, putting Sierra Leone in a state of emergency, ultimately affecting the entire economy over the last 3 months. This disruption to the company's progress has highlighted to management the need to ensure the company's expansion into the other countries is imperative for the overall survival of the company, in such unfortunate and unforeseen situations.

Key Milestones and deviation:

The company has key milestones as clear guidelines to targets, and this year the establishing and outplanting of 1000 acres of cocoa was one of the milestones. The company has successfully nursed 1000 acres of cocoa (approx. 500,000 seedlings). Though we have had to suspend/slow down the field operations in Sierra Leone, the company has managed to outplant the majority of the seedlings nursed under the A4D program, but was not able to outplant the seedlings under the PSI program. The other key milestone, was to design and implement the cashless buying system, which the design has been successful throughout the last quarter. Once again, implementation within this quarter was suspended until the Ebola situation has been put under control.

Course correction

Balmed will need to consider more focus on the operations in the other countries where the company has already been established: Cameroon, Nigeria, Jamaica, and also Germany.

Risks

The Ebola virus outbreak in Sierra Leone has simply made management realize that the operations within the other countries are vital to get up and running soonest in order to mitigate any future country risks, alongside the other general risks that the company has been mitigating.

Scaleability

Balmed's overall plan to upscale the trading business, will now face a new challenge over the next 12 months. However with the company looking forward to its first plantations harvest in 2015, the scaling up may still prove to be on course, however the entire operation has a good platform for scaling up over the next 2-3 years quite considerably.

Sustainability

Sustainability is one of the key components within the Balmed model and the management will continue to support this component, and during this suspension/slow down, more attention has been placed on reviewing the certification structure of the company and generally prepare for the next certification, under the UTZ program. The management has decided not to renew our Fairtrade certification and spend more time focusing on UTZ and RA certifications.

Plans for next reporting period

During this period of the Ebola outbreak, some of our staff has been engaged along with the Head of IT has been working alongside Welthungerhilfe (WHH) FAO and the Government of Sierra Leone MAFFS, conducting a 'Rapid Impact Assessment' survey of the Ebola on the agricultural sector within Sierra Leone.

Lessons learnt

This quarter has proven to be extremely challenging, with this Ebola virus which confirms to us as a company, the need to fast-track our operations in the other countries that we have already established.

General business:

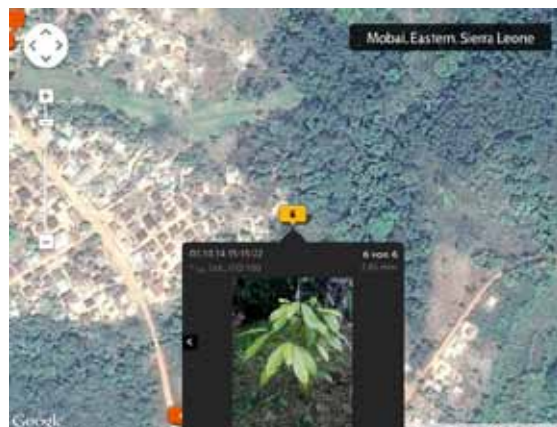
Trading:

All trading activities has been suspended in some areas, whilst limited cocoa buying, is taking place in the less affected areas.

Block farming:

1. A4D

Under the A4D cocoa out planting has been carried out in less affected Ebola areas



2. PSI

No cocoa seedlings under the PSI project has not been out planted, as these areas were Ebola affected areas.

SAP

The implementation of the SAP in the field was suspended this quarter

Adult literacy:

All adult literacy was suspended

AECF: The visit from AECF was suspended due to Ebola

Any other business:

Accounts /Investment:

The end of year accounts for 2014 are been prepared by KPMG, along with a company valuation as the management is considering selling of 60% of the company to an investment group based in Hong Kong , the negotiations are on going , and it is expected to reach an agreement within the 4th quarter 2014.

Cameroon:

Balmed in Cameroon is getting prepared for setting up its first nursery.

Data management and mobile solutions:

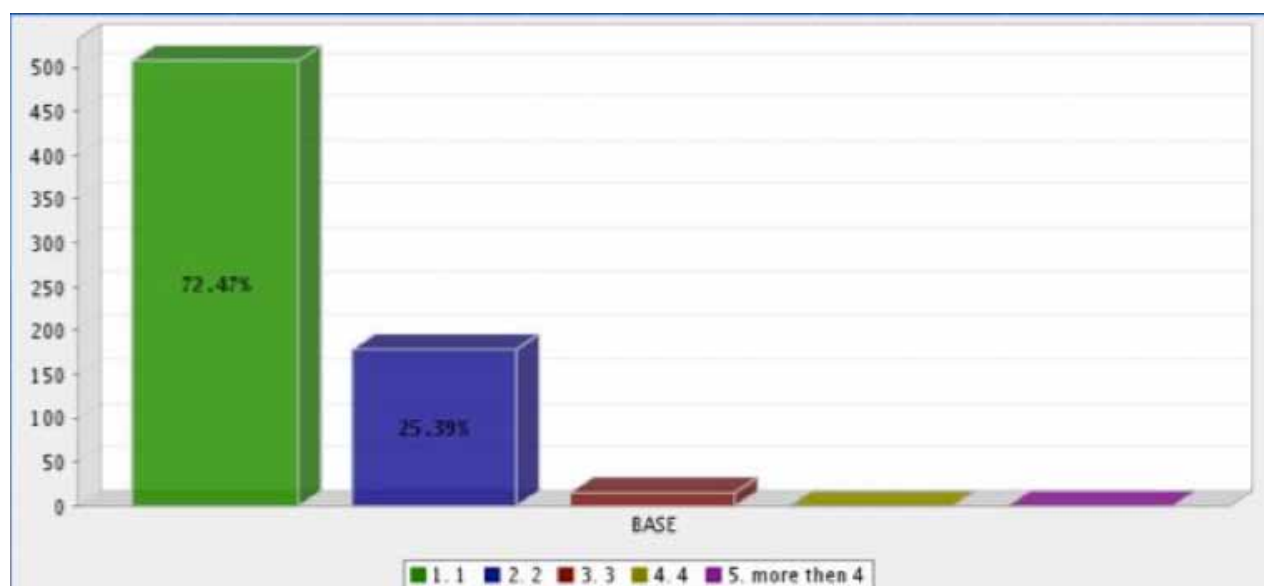
Balmed has conducted a statistical survey on behalf of the Sierra Leone Government, FAO and Welthungerhilfe, to capture field data and capturing data using mobile applications and research software. Statistics have been used for Ebola conferences of FAO in Rome, as well as from the World bank in Washington and New York. Balmed will conduct long term statistical data capturing and analysis on behalf of the project. During the next weeks, Balmed will continue to capture field data on the impact of Ebola on farmers in rural areas using mobile applications. Balmed's IT systems are capable of tracking and tracing Ebola patients and deliver immediate responses by using mobile apps.



Balmed with FAO and Welthungerhilfe staff demonstrating system



Survey tool on tablet



Statistical survey analysis: How many times per day do you eat staple food?