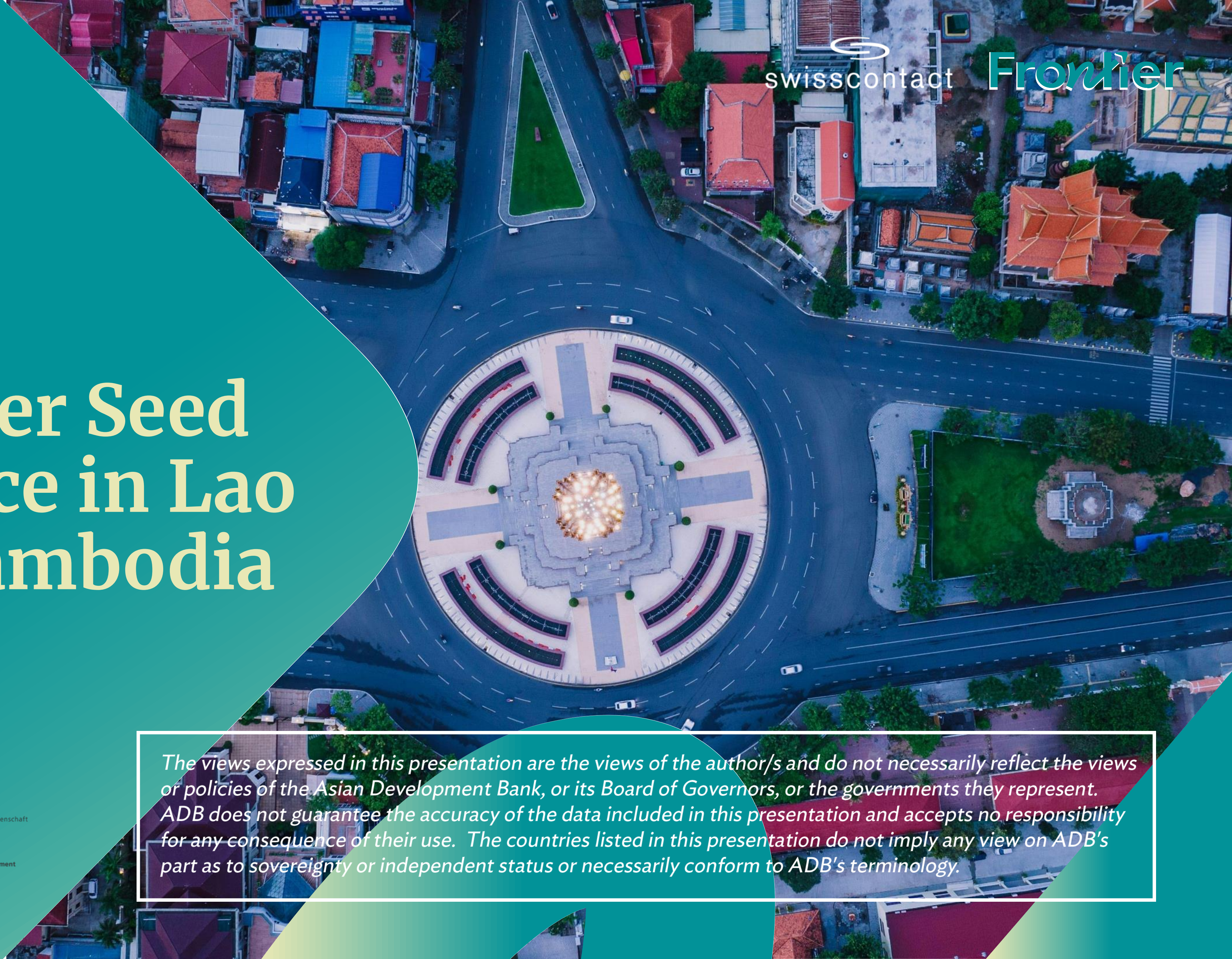


ADB Frontier Seed SME Finance in Lao PDR and Cambodia

In partnership with:

Australian Aid

EAKPF Republic of Korea

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC

ADB Frontier and Ventures – ADB's Early-Stage Financing Platform

5 active
funds

since 2020, we have launched 5 active funds providing growth capital to early-stage innovative businesses

$145 million
raised into funds

from ADB and ten funding partners with the common goal of catalyzing the enterprise innovation ecosystem in APAC

10x mobilization
of committed capital

towards businesses contributing to climate mitigation, job creation, resilience and market access

70+ portfolio
companies

we've backed and supported over 70 companies across APAC

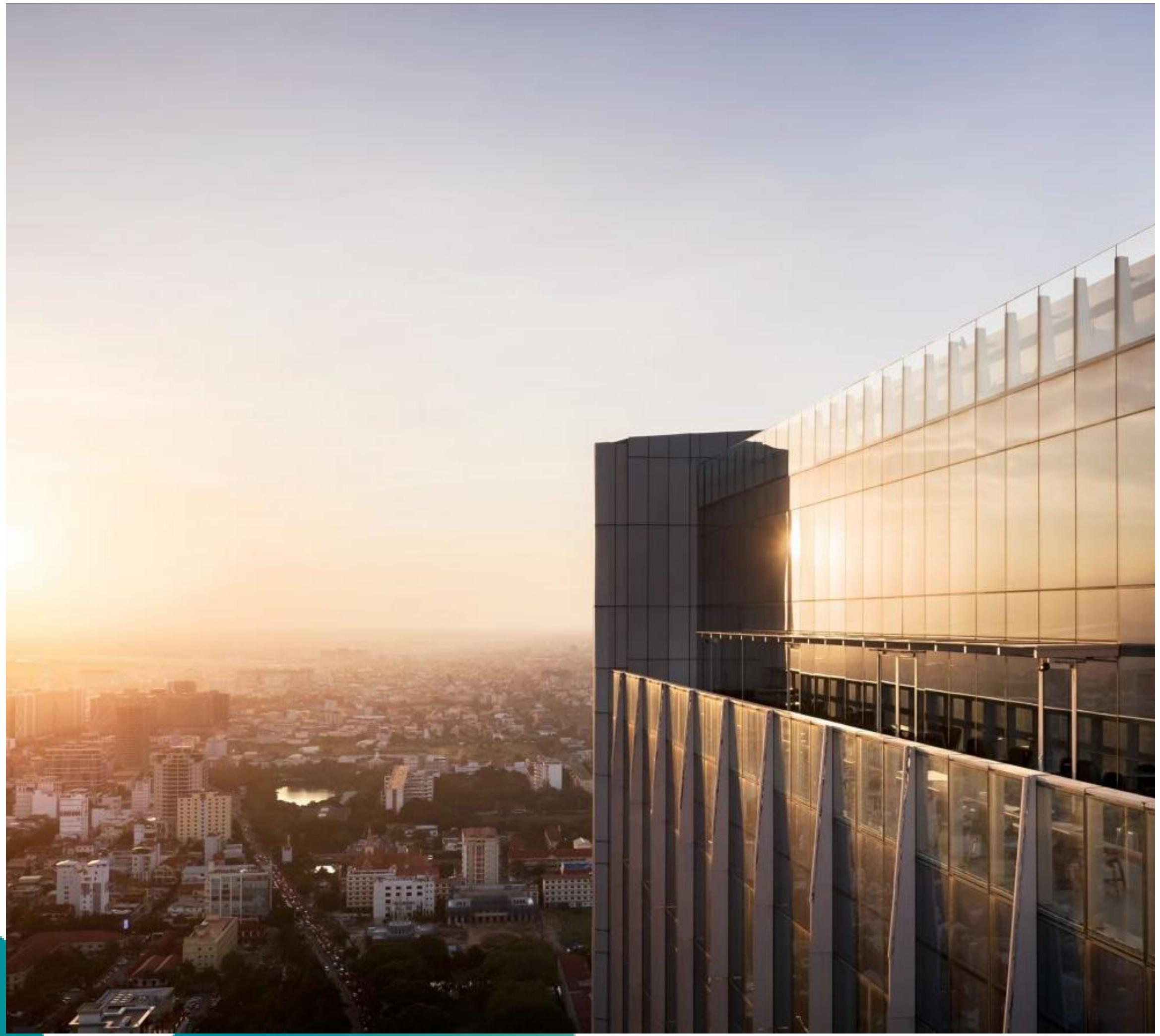
18 markets
across APAC

our portfolio companies have operational footprint across 18 markets in APAC

Local investment
operations

an experienced team of investment professionals with localized decision-making with streamlined processes

ADB Frontier Mekong: Unlocking Growth in Lao PDR and Cambodia



- Launched in October 2024
- Invest in early-stage, innovative businesses in Cambodia and Lao PDR with a job creation, gender equality and climate lens
- $10 million fund operating out of Phnom Penh and Vientiane
- Up to $400k, target to invest and support the growth of at least 30 companies by 2029
- 10 portfolio companies to-date

In partnership with:

ADB Frontier

Why Early-Stage, Innovative Businesses?

They drive economic growth, are **5%** of companies but create **50%** of jobs.

We focus on these businesses to help build the industry leaders of tomorrow.

Example of industry pioneers in the ADB Frontier portfolio:

1. First commercial dairy farm in Cambodia
2. First B2B e-commerce healthcare and pharma platform in Cambodia
3. First agroforestry coffee plantation in Lao PDR
4. First EV car sharing platform in Lao PDR
5. First commercial aquaculture farm in Fiji

ADB

Frontier

Pilot alternative financing products tailored to local businesses

Early-stage innovative businesses often face challenges in securing the right kind of investments for their businesses to grow and scale. ADB Frontier assesses the target market, design and test products (in consultation with regulators and industry) and then seek to scale and replicate via partnerships. ADB Frontier value is we can convene and take risk.

The Challenge in Lao PDR and Cambodia

1. Funding from grants and family is often insufficient for growth companies.
2. Limited access to debt due to high transaction cost and collateral requirements.
3. Equity is limited in the market and requires ownership dilution.

Solution: Revenue-based financing

Cash-flow Friendly
Payments adjust with revenue, easing pressure in slow months

Collateral Light
Minimal security, collateral, or fixed return timeline

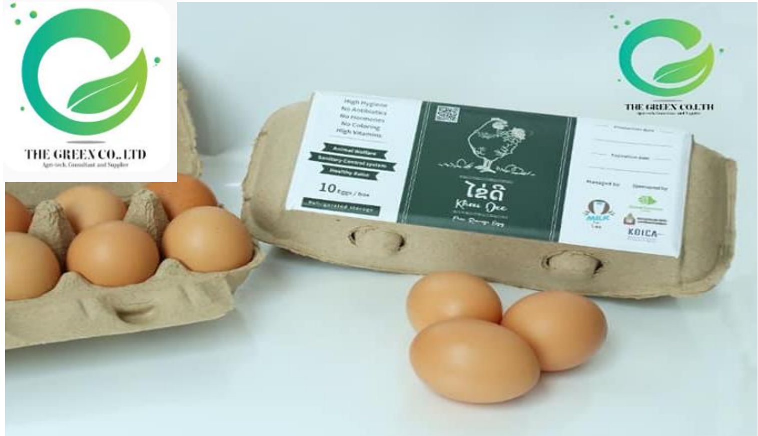
Retain ownership
You retain full ownership of the business

Growth Partner
Provide post-investment support tailored to the company

ADB

Frontier

ADB Frontier Mekong – Portfolio Case Studies



Save the Lives (Cambodia) is a circular economy business transforming the waste industry by turning waste into high-value products for homes and farms nationwide. Strong synergies with ADB's sovereign urban infrastructure program in Cambodia.

ADB Frontier's funding will be used to expand its organic fertilizer and plastic recycling business lines.

- tCO2e Mitigated| Tonnes of Waste input for organic fertilizer this month
- Jobs Created| Additional jobs created (direct or indirect)

LOCA (Lao PDR): EV-centric mobility company that pioneered ride-sharing platforms, EV charging station infrastructure, EV financing and digital payment system. ADB is also helping Loca to issue the country's first local currency denominated green bond

ADB Frontier's capital supported Green to gain and implement HACCP certification to improve food and safety operations.

- tCO2e Mitigated| km driven by EV vehicles
- Jobs Created| Additional jobs created (direct or indirect)

Green Goods (Lao PDR): poultry farm working closely with local farmers to raise native free-range chicken and eggs. Green employs sustainable farming practices benefiting farmer communities and increasing their market access.

ADB Frontier's capital supported Green to gain and implement HACCP certification to improve food and safety operations.

- Farmers reached| Number of contract farmers engaged with
- Jobs Created| Additional jobs created (direct or indirect)

Learnings and Way Forward

Learnings:

- Grant culture distorts market expectations but clear financing gap for companies vulnerable to seasonal fluctuations and with working capital needs.
- Limited company capacity to understand revenue-based financing (RBF) structures
- Weak capacity to adopt accounting/financial systems complicate DD and monitoring

Way Forward:

- Frontier Lite" tranche payments allowing time for upgrading of accounting systems
- RBF training tools and workshops materials for SMEs
- Pilot replication and scaling via partnerships in more mature ecosystems (e.g. funds, financial institutions)

THANK YOU.