

Public Information Summary

Host Country

Argentina

Name of Counterparty / Issuer

Metalfor S.A.

Project Description

The Borrower is seeking a \$50 million, eight-year secured corporate loan (the “Project”) to increase accessibility and affordability of used specialized farm equipment and precision agriculture technology (sourced from U.S. producers).

DFC Product Type

Debt Financing

DFC Investment / Insured / Equity Amount

\$50 million

Total Project Costs

\$80 million

U.S. Involvement (If not applicable, put N/A)

StoneX Group Inc. (financial advisor)

Policy Review

Developmental Objectives

- The Project will reduce the barrier Argentine SME farmers face accessing advanced farm machinery and adopting precision agriculture technology by enabling Metalfor to sell used machines on affordable 5-year installment plans instead of 3-year plans. This reduces the size of the annual payment and increases accessibility for smaller SME farms that struggle to manage debt payments amid high crop price and yield volatility. Furthermore, as part of the DFC-supported Project, Metalfor will offer training to all customers purchasing used machinery.
- The Project will enable the Borrower to introduce a technology package add-on for used equipment that includes AI-powered digital tools that increase precision application. This

technology will lower the amount and cost of inputs (fertilizers, pesticides, fungicides, etc.) while improving yields.

Environment and Social Assessment

Screening: The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. Projects involving the manufacture and refurbishment of agricultural machinery are screened as Category B because adverse Project-related E&S impacts are expected to be site-specific and readily mitigated using adequate E&S management systems.

APPLICABLE STANDARDS: Under DFC's ESPP, the Project is required to comply with applicable national laws and regulations. DFC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:

- PS 1: Social and Environmental Assessment and Management Systems.
- PS 2: Labor and Working Conditions.
- PS 3: Pollution Prevention and Abatement.
- PS 4: Community Health, Safety and Security.

The Project has existing facilities located in developed, urban or peri-urban settings and represents that none of these facilities are located in or near protected areas, sensitive environments, or that new land acquisition will be required. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

Applicable World Bank EHS Guidelines include the General Environmental, Health, and Safety Guidelines (2007).

Environmental and Social Risks and Mitigation:

Environmental and social issues of concern for the Project include the need for a robust Environmental and Social Management System ("ESMS") and sufficient organizational capacity to implement the ESMS, occupational health and safety, community health and safety impacts (including ambient air quality, dust, noise and emergency situations), hazardous and non-hazardous waste management, grievance management, and labor management.

The Project will be required to develop and implement an ESMS consistent with the IFC PS in each facility. The Project will also be required to maintain human resources policies and contracts consistent with national law and the IFC PS, including the need to develop and implement a grievance process consistent with PS 2.