

 Early Warning System

EBRD-55228

Farmont Logistics Centre & Pharmacies Expansion



Quick Facts

Countries	Montenegro
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Canceled
Bank Risk Rating	B
Voting Date	2024-08-13
Borrower	Farmont M.P.
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 3.30 million
Project Cost (USD)	\$ 3.63 million



Project Description

According to the Bank's website, the project consists of an EBRD financing of EUR3 million in two tranches of EUR2 million and EUR1 million for the expansion of Farmont's logistics centre and opening and/or acquisition of a small pharmacy retail chain.

EBRD financing will enable the Company to expand its existing logistics centre with additional 2,000 sqm, in addition to current one 800 sqm. New logistics centre will fulfil all the energy efficiency standards achieve at least one energy efficiency class better on the energy certificate (EPC) than the national baseline. The expansion of the logistics centre will enable Farmont to increase its capacities and expand its wholesale business. In addition, through tranche 2, the the Company will open several new pharmacies and/or purchase a small chain of pharmacies, that will enable vertical integration, and higher profitability.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

Loan amount: up to EUR 3.0 million

Tenor: 7 years, including up to 2 years grace period

Two tranches of EUR 2.0 million and EUR 1.0 million respectively. Tranche 2 will be uncommitted.

SOURCES TOTAL EUR 3.3 m:

EBRD Tranche 1: EUR 2.0 m

EBRD Tranche 2: EUR 1.0 m

Client Financing: EUR 0.3 m



Private Actors Description

Farmon M.P. is a limited liability family company founded by Momcilo Popovic. The Company deals with wholesale of medicines, medical and sanitary materials, medical devices and equipment.

The Popovic family also owns "HELP" Ltd, which runs a retail chain of pharmacies operating in Montenegro. HELP currently has 10 pharmacies, up from one in 2019, out of which seven in Podgorica.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Farmont M.P.	Client	-



Contact Information

COMPANY CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>