

# WHAT IS OUR VALUE PROPOSITION?

"Adding value to small-hold farmers in Africa by enhancing the cassava value chain, whilst providing sustainable financial returns to our investors"



# WHY CASSAVA?

**AFRICA'S LARGEST CROP** 

UNLOCKING VALUE THROUGH
PROCESSING

STRONG BUY-IN FROM GOVERNMENT,
NGOs AND FOUNDATIONS

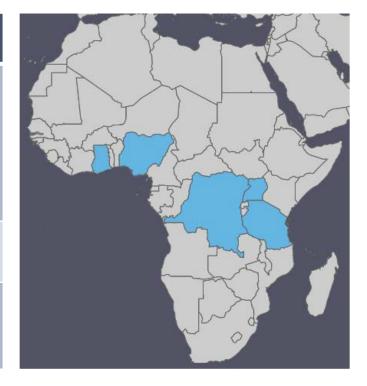
OPPORTUNITY
FOR FINANCIAL
AND SOCIAL
IMPACT

# HOW DO WE ADD VALUE TO CASSAVA?

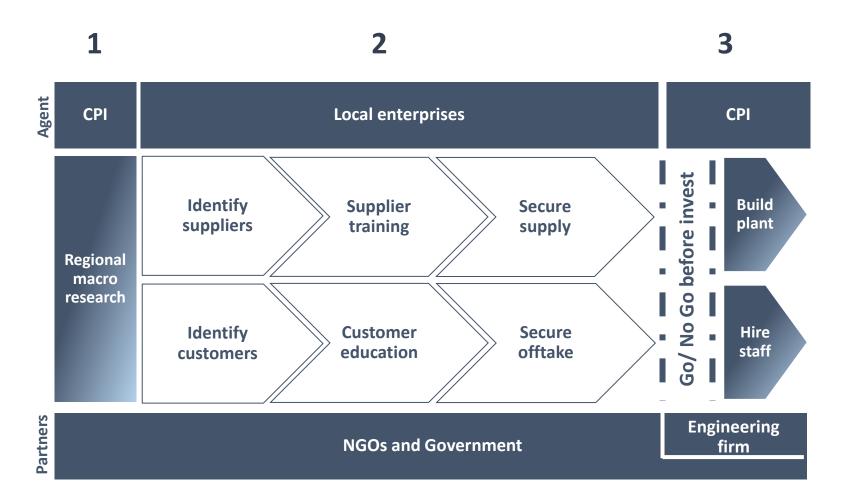
Farming Trading Assembly Processing Assembly Wholesale and Roots (50%) **Predominantly** traders and retailers of small-scale middlemen of fresh roots farmers fresh cassava **Processed** (50%): roots Input suppliers Wholesale and - Coarse flour and services: - Industrial retailers of - Fertilizer processed uses Direct selling - Machinery - HQCF cassava - Credit

# WHERE WILL WE EXPAND, AND WITH WHOM?

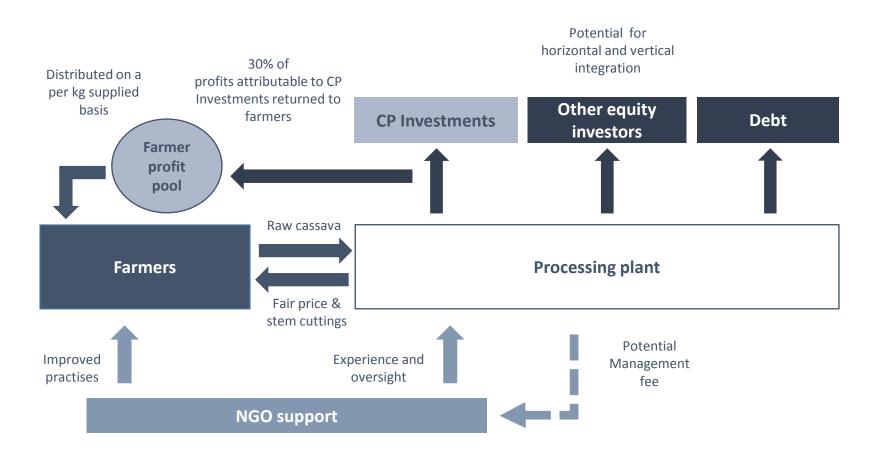
	Country	Policy support	Partner
1	Ghana	Broad based (MOFA, IFAD, World Bank, USAID, WAAP)	C:AVA DADTCO
2	Nigeria	Government- driven	C:AVA
3	Other African countries	Following governmental support	Other NGOs



# HOW DO WE SET UP A PLANT?



### HOW DO WE STRUCTURE THE INVESTMENT?

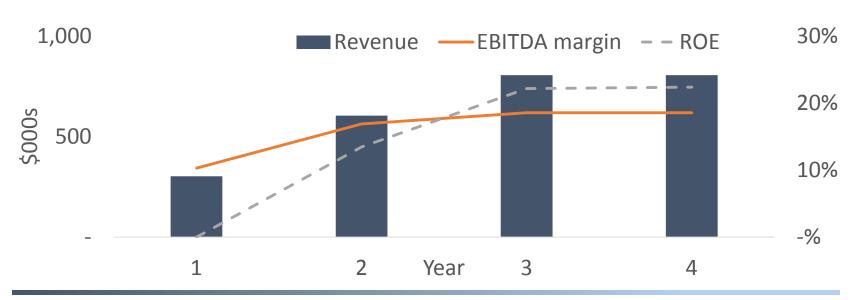


### WHAT IS A PLANT'S FINANCIAL RETURN?

### *Illustrative example:*

- \$300,000 upfront investment for 1,700 tonne capacity processing plant
- Equates to ~450 hectares of production
- Financed 80% equity, 20% local debt (if available)

#### **Financial metrics**



### WHAT ARE THE FUND RETURNS?

### Indicative financial returns:

- \$10 million fund deployed over 4 years
- 25% of investments assumed to provide no financial return
- Dividends returned from Year 5, exit in Year 8 at 3.0x EBITDA

### **Sensitivity of IRR**

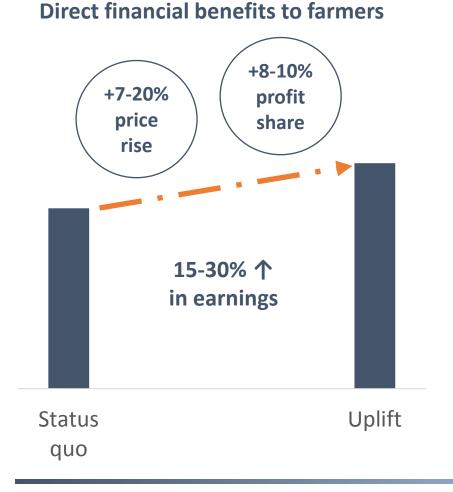
#### Exit EV/EBITDA in Year 8

% of no return investments

	2.0x	3.0x	4.0x	5.0x	6.0x
5%	17.3%	23.0%	27.6%	31.4%	34.8%
15%	14.1%	19.7%	24.3%	28.1%	31.4%
25%	10.5%	16.1%	20.7%	24.4%	27.7%
35%	6.7%	12.2%	16.7%	20.5%	23.7%
45%	2.4%	7.9%	12.3%	16.0%	19.2%

### WHAT IS THE SOCIAL IMPACT?

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#### Wider community benefits

**Increased yield** 

**Job creation** 

**Empowering local enterprise** 

Women empowerment

Improved nutrition



# **APPENDIX: FUND CONSIDERATIONS**

- \$10m initially sought
  - 2% penetration of Ghana cassava production
  - Potential to increase fund size over time
- Fund raising strategy to place majority of fund with 2-3 limited partners
- Target investors include
  - Impact allocation of institutional funds
  - Philanthropic investors (approached in conjunction with NGO partners)
  - Impact investors