

# Trigon MozAgri Investment Opportunity in Mozambique, Africa



**Trigon Capital is raising up to USD 3.0 million (EUR 2.2 million) of equity capital to invest in an integrated agribusiness in Mozambique. This is a rare opportunity to access an African agri-investment at private deal valuations.**

## THE INVESTMENT OPPORTUNITY

- A profitable agribusiness growing cotton, soybeans and food crops, located in Mocuba, Northern Mozambique.
- The capital raised will be used to:
  - 1) expand the commercial farm by developing 2,100 ha of irrigated farmland and 7,900 ha of rain-fed farmland.
  - 2) Expand contract farming network to include over 10,000 ha of land.
  - 3) upgrade storage, industrial processing and trading & logistics capacity to meet the growing local demand.
- Targeted investor IRR over holding period is 36%.

## HIGH ECONOMIC POTENTIAL OF SUB-SAHARAN AFRICAN AGRIBUSINESSES

- Sub-Saharan Africa (SSA) today has a population of 800 million and is importing USD 42 billion of food annually, up +290% since 2000. (UNCTAD)
- By 2050, the population is expected to grow to 1,900 million and experts are forecasting that the region will only supply 49% of its own food, despite higher production. Food prices are therefore expected to stay high vs. other parts of the world. (UN, Global Harvest Init.)
- SSA has 61% of all global uncultivated arable land. (FAO)

## MOZAMBIQUE: TOP GLOBAL ECONOMIC PERFORMER

- Mozambique is forecasted to have the fastest growing economy globally (10% p.a.) over the next 10 years. (BMI)
- Population-, urbanization- and income growth have resulted in high food prices. Cereals and oilseeds are priced 25-80% more expensive vs. globally.
- Urban population is expected to grow from 8 million today to 30-35 million by 2050. With the cities growing 4-5 times, current high food prices are likely to stay high.
- Mozambique imports 1 million tonnes of food p.a. despite having 49 million ha of arable land for farming.
- Mozambique is a top foreign direct investment destination in SSA with investors from e.g. UK, US, Scandinavia, Germany, Brazil, Portugal, Italy, China, Japan, India.

## Map of Mozambique



Superior geographical location with good main infrastructure network (road, power and ports), between landlocked Africa and EMEA region.

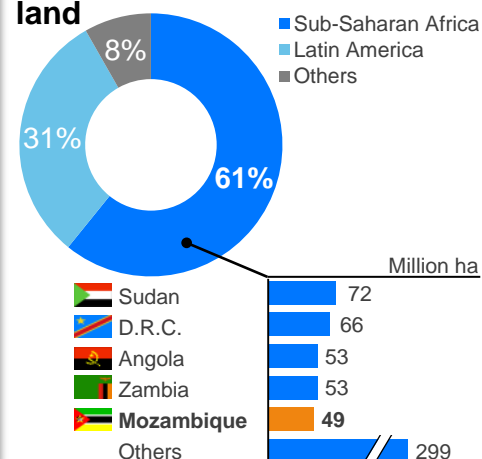
## FUNDRAISING TERMS

<b>Fundraise size<sup>1</sup></b>	<b>Up to USD MM 3.0</b>
<b>Cumulative shareholding</b>	Up to 51% of Trigon MozAgri (together with strategic investors and Trigon Capital)
<b>Shares offered to investors herein<sup>1</sup></b>	<b>Up to 11.4% of Trigon MozAgri</b>
<b>Fees<sup>2</sup></b>	No on-going fees taken charged from Investors
<b>Investment period</b>	Target 6-7 years
<b>Return strategy</b>	Dividends and business sale

<sup>1</sup> Trigon is fundraising up to USD MM 10.75 of equity capital to acquire 40.8% shares of Trigon MozAgri. Up to 11.4% of the Trigon MozAgri (USD MM 3.0) is for private clients in the offering herein.

<sup>2</sup> Arrangement fee of USD 210,000 applies and is distributed pro rata to USD MM 3.0 investment. Arrangement fee applies for all investors equally and is included in the USD MM 3.0 offer price herein.

## World's uncultivated arable land



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## PRIME LAND AND PRODUCTION ASSETS

- 18,800 ha of prime arable land, part of a former state-owned farm with 100+ years of operational history. The operational assets of the company include:
  - 1) Commercial farm (1,000 ha cropped currently) and an operating cotton processing plant.
  - 2) Established out-grower farming system with 1,500 ha.
  - 3) Farm infrastructure with 4 warehouses and a head office.
  - 4) Trading and logistics division with 24 long-haul trucks.
- Abundant water resources at the site from two perennial rivers make the farmland suitable for year-round irrigation.

## TOP MANAGEMENT TEAM WITH AFRICA EXPERIENCE

- Trigon Capital's team has experience in managing in excess of 150,000 ha of farming businesses in the emerging markets, including Russia and Ukraine. Trigon's agri-experts have extensive farming experience from Europe and Africa.
- Trigon's partners are the business founders (South African family) who retain a 49% minority stake in Trigon MozAgri. The partners have 40 years of agribusiness experience in the region. Their track-record includes founding and developing the largest Mozambican cotton production company (50 MM USD of revenue p.a.).

## INVESTMENT STRUCTURE

- Trigon is fundraising USD MM 10.75 of equity capital to acquire 40.8% shares of Trigon MozAgri. Up to 11.4% of Trigon MozAgri (USD MM 3.0) is for private clients herein.
- Private investors herein, strategic investors and Trigon Capital together will obtain the 51% controlling majority shareholding stake in Trigon MozAgri.
- Trigon Capital, jointly with the existing owners will be responsible for day-to-day management of the business.
- There are no on-going fees charged from investors. Trigon Capital will obtain 20% of Investor SPV as a management compensation for the operation of the business. In addition to the compensation Trigon is committed to cash equity stake in Trigon MozAgri.

## INVESTOR CONTACTS

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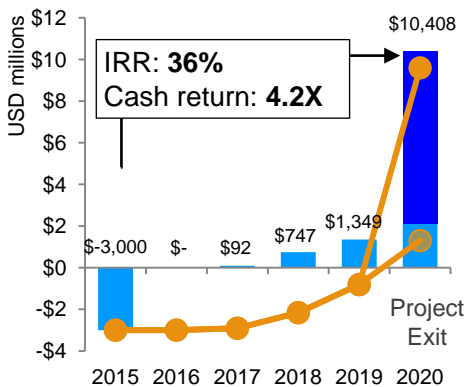
ESTIMATED KEY FINANCIALS (Company level)	2013 Audited (\$'000)	2020 Estimate (\$'000)
Revenue	6,500	75,800
Farming revenue	1,400	47,300
Trucking & trading revenue	5,100	28,500
EBITDA	1,600	26,200
EBITDA, %	17%	35%
Net profit <sup>3</sup>	1,100	17,800

Targeted IRR<sup>3</sup> **36%**  
 Cash return multiplier<sup>3</sup> **4.2x**

<sup>3</sup> All estimated figures are net of taxes at Mozambican level.

## Attractive Investor return estimates \$'000

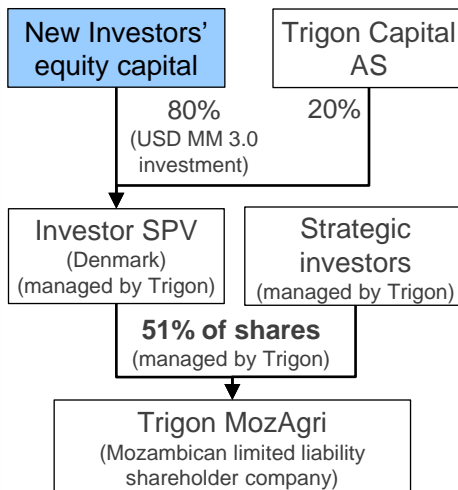
(assuming USD 3.0 million invested)



Est. dividends to Investors, million USD

- Assumed annual investors' cash-flow
- Assumed exit (3.0x EV/EBITDA multiple)
- Cumulative cash-flow of the investors

## Investment Structure Proposal



*The information is not an offer, recommendation or any kind of advice to conclude any transactions. Any investment entails risks. The value of the investment may increase and decrease over time, therefore there is no guarantee that the investors get back the amount invested. The investors increase and cash yields are not guaranteed. The information herein reflects the best understanding of the company at the time of composition. Certain statements in this presentation are forward-looking that are subject to certain risks and uncertainties. Should one or more of such risks or uncertainties materialise, or underlying assumptions prove incorrect, actual results may vary materially from those described herein without any notification. The Company and its management assume no liability as to any decisions by the investors made based on information contained in this presentation and as to any damages resulting from reliance on the information herein. Undue reliance should not be placed by the investors on the information contained herein.*