Flow Equity background

**Who we are**

- We are a group of American entrepreneurs who invest capital in and manage agricultural investments in Ethiopia.

**What we believe**

Great businesses in Ethiopia should:
- Transform industries
- Achieve significant scale
- Create and improve opportunities for smallholders
- Transfer knowledge and train local workforce
- Introduce new technologies
- Align with the Government’s development priorities

**What we have accomplished**

- Entered into joint venture with State of Tigray in 2010 to turn-around a poultry farm (Mekelle Farms)
- Mekelle Farms PLC, the joint venture, has increased production by almost 30x
- Hosted 8 international investment funds to Mekelle that had not previously considered investing in Ethiopia
Who We Are

David Ellis, Co-Founder, Co-CEO
David founded Flow Equity based on the belief that the long-term prosperity of the Ethiopian people hinges on the existence of commercial scale, well-managed and ethical businesses that employ, train, and invest in their workforce. His vision is to build dozens of such businesses in Ethiopia during his lifetime.

Before founding Flow Equity, David was the Director of AssetMap, a technology startup in Uganda that enables organizations and individuals to better categorize and share their hard and soft assets. David graduated Magna Cum Laude and Phi Beta Kappa from Northwestern University where he studied Political Science.

Joseph Shields, CEO
Joseph joined Flow Equity in July 2011 to develop sustainable, long-term agri-businesses that leverage Ethiopia’s greatest assets. He has deep experience in private equity, economic development, and agribusiness. Joseph worked as a Private Equity Specialist at McKinsey & Company in Washington DC.

Prior to joining McKinsey, Joseph managed a large randomized evaluation for the Jameel-Poverty Action Lab in India. He graduated with honors from Northwestern University with majors in industrial engineering, economics, and political science.
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Mekelle Farms Business Model

Mekelle Farms maintains grandparent stock, parent stock, and supplies Model Farms with:
- Day-old Chicks
- Feed
- Medicine
- Vaccines
- Training
- Equipment
- Transport

Model Farms
- Established in 28 weredas
- Rear day-old chicks until 30 days
- Distribute chicks to farmers in partnership with local weredas and TBoARD

Rural Farmers
- Raise males for local and urban meat market
- Keep females for backyard egg production
Mekelle Farms’ scale and impact

The impact we have achieved

- Distributed over a half million chicks to nearly 40,000 rural households, thereby:
  - Improving food security and protein availability in key Weredas
  - Empowering women through income generation
- Created 200 new poultry farms in Tigray alone, who employ 135 women w/ HIV
- Employ 75 full-time urban employees who are paid above market wages
- Trained over 250 entrepreneurs in modern poultry management

Our plans to scale

- We are investing 55 million ETB in:
  - New incubators of 115,000 egg capacity from Belgium
  - New Rhode Island Red grandparent stock from Europe
  - New animal feed factory and agriculture enterprise for soybean and sorghum production
- Will produce 2.5 million chicks per year by end of 2014
- Mekelle Farms has reached 28 Weredas in Tigray
- Opening offices in Oromia and Amhara in 2014
State of the Art Incubation Technology
Smallholder farmers prefer RIR chickens, which we imported.
Rural Farmers Near Hawzien
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# Mekelle investment environment

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<td>+ Capable, transparent, responsive, and supportive regional Government</td>
<td>- Transport of raw materials from Addis Ababa is expensive</td>
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<td>+ Ready pool of talent from Mekelle University, educated young workforce</td>
<td>- Limited base of robust suppliers</td>
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<td>+ Excellent transport, telecom and electricity access</td>
<td>- Brain drain – abroad and Addis Ababa</td>
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<td>+ Free from private and public corruption</td>
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Flow Equity’s long-term vision

Goals

Ongoing

- Establish at least one new enterprise each year in the agricultural sector
- Catalyze more international investment in Ethiopia
- Improve Ethiopia’s global image as an investment destination

Medium-term goals

- Create world-class managers through rigorous training of local workforce
- Invest 1,000,000,000 (one billion) ETB in Ethiopia over the next five years

Long-term goals

- Provide high-paying jobs for at least 1,000 people within the next ten years
- Improve the lives of 1 million farming families in Tigray and more than 10 million in Ethiopia