

## 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 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.



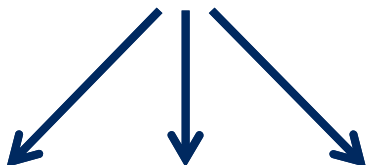
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# Mekelle Farms Business Model



200 Model Farms



**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

### Benefits of investing in Mekelle

- + Capable, transparent, responsive, and supportive regional Government
- + Ready pool of talent from Mekelle University, educated young workforce
- + Excellent transport, telecom and electricity access
- + Free from private and public corruption
- + Safe and secure, strong law enforcement
- + Growing urban population with large middle class

### Challenges to investing in Mekelle

- Transport of raw materials from Addis Ababa is expensive
- Limited base of robust suppliers
- Brain drain – abroad and Addis Ababa



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## Flow Equity's long-term vision

