

PRESS RELEASE

Flow Equity Raises \$14m from AgDevCo, AHL Venture Partners, Acumen Resilient Agriculture Fund (ARAF), and Others to Expand High-growth Poultry Business in Sub-Saharan Africa

Nairobi, Kenya, 12 September 2022 - Flow Equity, a rapidly growing, high-impact, and profitable poultry business targeting underserved rural households, has raised a combined USD 14 million funding round with participation from AgDevCo, AHL Venture Partners, Acumen Resilient Agriculture Fund (ARAF) and the Bill & Melinda Gates Foundation. The company mainly operates in Ethiopia via its investment in EthioChicken, and Rwanda and Uganda via its subsidiary Uzima Chicken. Replicating its successful business model, the company is set to enter new markets in Africa with the goal to materially uplift the lives of between 5 to 10 million smallholder farmers each year by improving nutrition and creating income opportunities.

According to the World Bank, Sub-Saharan Africa has the highest rate (33%) in the world of children under the age of five who face stunting due to food insecurity and protein shortage. Eggs and poultry meat are among the most complete and affordable sources of high-quality animal protein for rural households.

Co-founder David Ellis, who has more than a decade of experience in emerging markets, explained “we started the company with the mission to make farmers healthier and wealthier, and this investment will enable us to reach many more farmers across sub-Saharan Africa.”

The Company’s primary product is high-yielding day-old chicks (DOC). The DOC is sold in a package including feed and vaccines to its network of trained agents who grow the chicks for a month to produce healthy, vaccinated pullets and cockerels that are then sold to smallholder farmers. The world-renowned breeds produce 3–4 times more eggs in comparison to local chickens and reach over 2kg in three months in the village environment, representing at least a 3x gain in productivity for smallholder farmers. Its inclusive distribution model and proven breeds enable Flow Equity to meet the fast-growing demand for protein among the mass market at the bottom of the pyramid.

Co-founder Joseph Shields said, “we are very proud to supply dual-purpose poultry that is perfect for the smallholder farmer in our markets in Africa. The chicken is resistant to disease and highly productive for both meat and egg production compared to the local chicken. Our model requires less feed per kg of meat or egg produced, which is critical in this period of high grain prices and reduces the environmental impact from animal farming.”

Founded in 2010, EthioChicken has become the industry leader in Ethiopia selling over 25 million chickens per year. EthioChicken has received funding from international impact investors, including the IFC, and FinnFund, as well as global recognition including the 2018 Boldness in Business Award from the Financial Times and is one of the only poultry companies in Africa to achieve Global GAP accreditation.

Building from the success of EthioChicken, the Company launched Uzima Chicken in 2017 entering Rwanda and Uganda respectively. With over 100% dual-purpose poultry market growth in both countries, it is witnessing strong market penetration supported by its 1,000+ Agent and 500k+ farmers' network.

David Ellis said, "We have shown the scalability, impact, and profitability of our model in Ethiopia, and believe we need to make our products available to access the enormous market opportunity serving farmers throughout Africa. We are honored to work with these investors that support this long-term vision. "

The funding will primarily be used to expand its operation to other African markets.

"There are few better examples in African agriculture of investments delivering both impact at scale and healthy financial returns than Flow Equity" said Chris Isaac, Chief Investment Officer at AgDevCo. "We're delighted to have backed the company to set up operations in Rwanda and Uganda and we're excited to support the expansion into new countries".

"We believe that the company accesses a huge addressable market supported by the growing population, rising disposable income, and increasing demand for nutritious food. Flow Equity's outstanding traction has demonstrated a solid commercial case for us, its mission-driven business further aligns with our impact DNA. We can't wait to support the team in executing its growth plan, hereby improving the income and food security for many more households in Africa," said Rosanne Whalley, CEO of AHL Venture Partners.

Flow Equity's unique business model has a significant impact on the climate resilience of smallholder farmers. Adopting dual-purpose poultry helps farmers increase, and diversify their sources of, income and reduce their income volatility which helps farmers adapt to climate change. We are very excited to support a world-class team such as FE's and look forward to being part of their quest to impact more than 5 million African farmers" said Tamer El-Raghy, MD of ARAF.

By 2026, the company plans to indirectly create over 30,000 jobs including agents and village ambassadors, reach millions of smallholder farmer households and increase their income by \$200 million per year.

About AgDevCo

Established in 2009, AgDevCo is a social impact investor and project developer operating exclusively in the agriculture sector in Africa. Its mission is to build successful African agribusiness through long-term investment and support to deliver positive impact at scale. AgDevCo invests debt and equity in African agribusinesses to create jobs, improve food security, and boost prosperity. It has made over 65 investments to date, and committed over \$150 million. Its investments offer a way of leveraging private capital into socially-responsible farming and agri-processing businesses in Africa, with major benefits for smallholder farmers and local communities. For more information, visit: <https://www.agdevco.com>.

About AHL Venture Partners

AHL Venture Partners is one of the pioneer impact-focused venture capital firms in Africa. It enjoys long-term support from a mission-aligned family to invest responsibly in high-growth and high-impact

businesses in Africa. Since 2008, AHL has supported more than 35 impact-focused businesses and funds that operate across 27 different African countries. To date, its investments have produced strong financial returns while employing over 11,000 people and providing access to improved goods and services to more than 10,000,000 people at or near the bottom of the economic pyramid. AHL has invested \$100 million to date. For more information, visit <http://www.ahlventurepartners.com/>

About Acumen Resilient Agriculture Fund (ARAF)

The Acumen Resilient Agriculture Fund (ARAF) is an impact VC fund and the world's first equity fund designed to build the climate resilience of smallholder farmers in Africa. ARAF invests in Agri startups in East and West Africa with business models that help smallholder farmers adapt to climate change. Since its first investment in 2020, ARAF has invested in seven companies and impacted more than 500,000 farmers. For more info, visit <https://arafund.com/>.

Image:

