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Sahel Capital and CCA Announce Investment in Crest Agro Products

Sahel Capital, fund managers for the Fund for Agricultural Finance in Nigeria (“FAFIN”) and CardinalStone Capital Advisers (“CCA”), a Nigerian Private Equity Fund Manager, are pleased to announce that definitive agreements have been executed for an investment in Crest Agro Products Limited (“Crest Agro”), an integrated cassava processor based in Kogi State.

Founded in 2013, Crest Agro was set up to harness opportunities in the cassava starch sub-sector. The Company’s vision is to become the leading producer of food grade cassava starch for industrial users in Nigeria and the broader West Africa sub-region. The business is led by an experienced management team with deep sector expertise and a passion for the transformative power of agriculture in Nigeria.

With 13,000 hectares of land for farming and an outgrower scheme that has reached over 400 smallholder farmers, Crest Agro has developed a robust farming operation which is well positioned to meet the raw material needs for its starch processing facility.

With this transaction, Sahel Capital will be partnering with CCA, the promoters of Crest Agro, who have also decided to participate in this round of funding. Commenting on the investment, Mr. Mezuo Nwuneli, Managing Partner at Sahel Capital, said, “The investment in the cassava sector speaks directly to two pillars of FAFIN’s investment strategy: import substitution and smallholder farmer impact, and after a thorough analysis of the opportunities in the sector, we decided to invest in Crest Agro. Crest Agro has consciously set out to address the structural challenges limiting players in the sector, and we were particularly happy with the quality of the team and the level of execution ability that they bring to the table. We are also excited to be partnering with CCA, who are top notch investors, and look forward to the transformative impact that we will achieve with the investment in Crest Agro”. Also commenting on the investment, Mr. Yomi Jemibewon, Managing Director at CCA said, “We believe that Crest Agro is on its way to successfully capturing the industrialization opportunity presented by Nigeria’s cassava value chain, and will play an important import substitution role for the economy. This is in line with a pivotal aspect of our strategy at CCA, of making transformational investments in Nigerian SMEs. At every step throughout our journey with Crest Agro, we have made concerted efforts to seek out and attract partners who will help ensure that the Company delivers on its vision of pioneering the industrialization of cassava in Nigeria. To this end, we are extremely excited to be joined on this journey by Sahel Capital — an investor with deep local roots and a strong understanding of the sector, who will also be bringing considerable operational expertise to the business.”

There is strong demand for starch in the FMCG, brewing and pharmaceutical sectors, and as the Nigerian middle class grows and more companies look to enhance their ability to source raw materials locally, this demand-supply gap is expected to grow substantially. Crest Agro is located in the number one cassava growing region in Nigeria (North Central) and with its starch processing plant coming on stream by the end of the year, the company is uniquely positioned to grow significantly and become a market leader within the next few years. FAFIN and CCA’s investment in Crest Agro will be geared towards facilitating the setup of the company’s starch processing facility, as well as helping to expand farming activities.



Speaking on the investment, Mr. Dele Ogunlade, CEO of Crest Agro Products said, “I am truly excited by the challenge of building Crest Agro into Nigeria’s leading producer of cassava starch. My team has been laying the groundwork over the last few years, and the funding and strategic partnership from Sahel Capital and CCA will provide the support we need to achieve this vision.”

With this round of investment in Crest Agro Products, the Company's Board of Directors will be reconstituted to include one independent director, who will be the Chairman of the Board, bringing years of corporate experience and industry expertise to the company. Mr. Mezuo Nwuneli and Mr. Olaniyi Oladejo from Sahel Capital as well as Mr. Femi Ogunjimi and Mr. Yomi Jemibewon from CCA will also be joining the Board of Crest Agro Products.

About FAFIN and Sahel Capital

FAFIN is an agribusiness-focused private equity fund that aims to transform the agriculture sector in Nigeria. FAFIN's fund sponsors include the Nigerian government via the Federal Ministry of Agriculture and Rural Development, the German government via KfW Development Bank, and the Nigerian Sovereign Investment Authority. FAFIN is managed by Sahel Capital, an agribusiness focused private equity firm.

About CardinalStone Capital Advisers

CardinalStone Capital Advisers (CCA) is a Nigeria based private equity investment manager, with a focus on control or significant minority growth capital investments. CCA leverages a combination of deep local expertise and broad global networks in positioning each of its portfolio companies to deliver superior returns. CCA takes a hands-on approach to its investments, which has been shaped by the local business environment; and the team has a track record of working with high potential entrepreneurs to scale their businesses.

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