

PRESS ANNOUNCEMENT

THE AAF SME FUND ENTERS NIGERIA VIA INVESTMENT IN BAKERY

13 December 2013

The AAF SME Fund, a private equity fund focused on African food security and impact, managed by Databank Agrifund Manager Limited (DAFML), has successfully closed its investment in Topcrust Bakery, a fast-growing consumer bakery and distributor of bread across Lagos, Nigeria.

Topcrust produces high-quality bread for the Lagos market. The Company is focused on increasing its output to serve one of the largest cities in Africa and also plans to open distribution centers in nearby cities to enable a homogenous, fast delivery to customers across Nigeria.

The AAF SME Fund is providing a mix of equity and mezzanine funding, with a further option of supplying additional investment to assist Topcrust to grow its production capacity and market.

In conjunction with this investment, the AAF's Technical Assistance Facility (TAF) is exploring projects that will provide technical assistance to Topcrust to enhance its growth strategy, marketing and distribution. It is expected that these projects will not only build the capacity of the local Topcrust management team, but also create local employment opportunities by extending Topcrust's distribution channels.

"We conducted a detailed review of both the opportunity and players in the food consumption market. Topcrust's growth model, brand recognition and management team represented an attractive proposition for our investment mandate. Nigeria's robust consumer market offers a tremendous platform for niche players such as Topcrust to further define their consumer base," DAFML Managing Partner, Brian Frimpong, said in a statement.

"At Topcrust Bakery Limited, we are most delighted with this partnership; we believe that the investment provides us with leverage to optimise our capacity, accelerate growth, and positively contribute to the development of the Nigerian economic landscape. Working with the DAFML team in the past few months has been a most fulfilling experience for us as a business and we are excited at the future prospects" added Tosan Jemide, the CEO of Topcrust, who is also known for his famous Cakes by Tosan.

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The AAF SME Fund is a sub-fund of the Africa Agriculture Fund (AAF), managed by Phatisa.

The AAF TAF is primarily funded by the EU, managed by the International Fund for Agricultural Development (IFAD) and implemented by TechnoServe. The project received additional donations from the Alliance for a Green Revolution in Africa (AGRA), Italian Development Cooperation and the United Nations Industrial Development Organisation (UNIDO).

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