

A woman wearing a colorful headscarf and a pink and purple patterned top is working in a field. She is holding a long wooden pole or tool, possibly for planting or tilling. The background shows a field of green crops under a blue sky with white clouds. A teal geometric graphic is overlaid on the left side of the image.

BUILD MALAWI

BUILD Malawi Fund

Investor Deck
November 2021



BAMBOO
CAPITAL PARTNERS



Unlocking Public and Private
Finance for the Poor



JOINT
SDG
FUND

The Bamboo & UNCDF Partnership

A partnership to set up new innovative blended finance vehicles



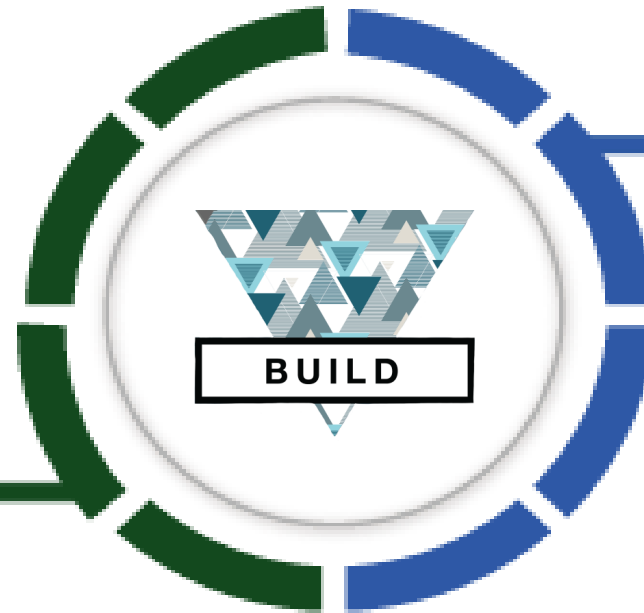
14+ years in impact investing,
Strategically backed by Palladium
Group

7 active funds, **+\$500 m AUM**
(Assets under Management)

Invested in **30+**
emerging markets



Unlocking Public and Private
Finance for the Poor



Exclusive **Investment
Advisor** to BUILD Fund

55+ years of working in LDCs +
local presence in 31 LDCs

Pre- and Post- Investment **TA provider**
through **BUILDER** sidecar facility

BUILD Fund S.A, SICAV-RAIF

BCP

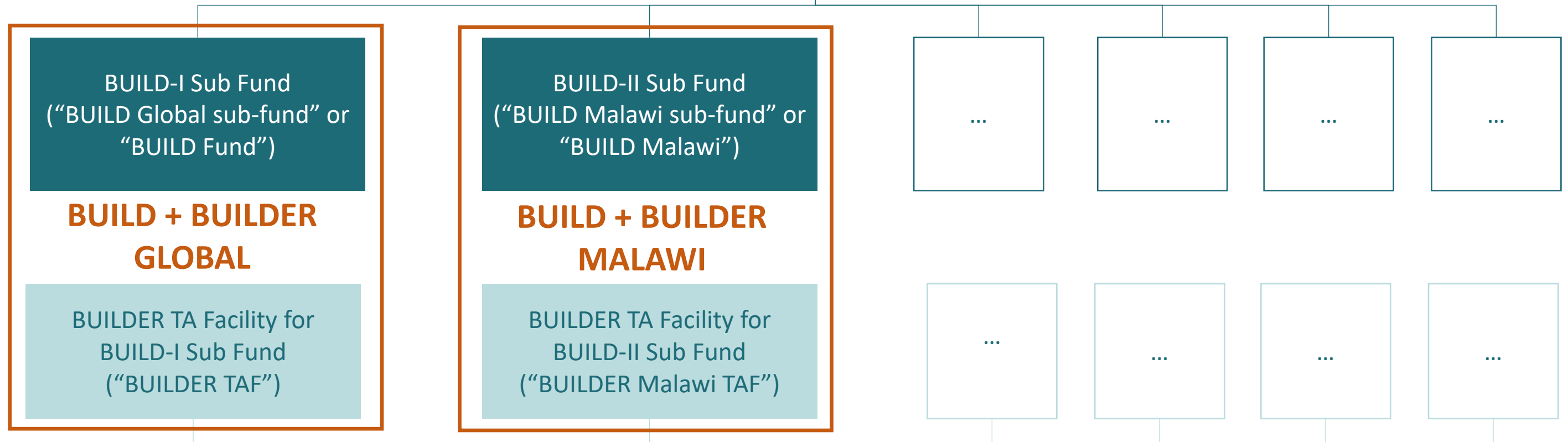
BAMBOO
CAPITAL PARTNERS

The BUILD + BUILDER architecture

An umbrella architecture to host multiple sub-funds and TA facilities



BUILD Fund S.A. SICAV-RAIF (BUILD sub-funds architecture)



BUILDER TAF (BUILDER TA Facilities architecture)



Fund Overview and Structuring



BUILD

MALAWI

A sub-fund of BUILD Fund S.A., SICAV-RAIF

A High-Impact Blended Finance Fund

Supporting SDG-positive opportunities

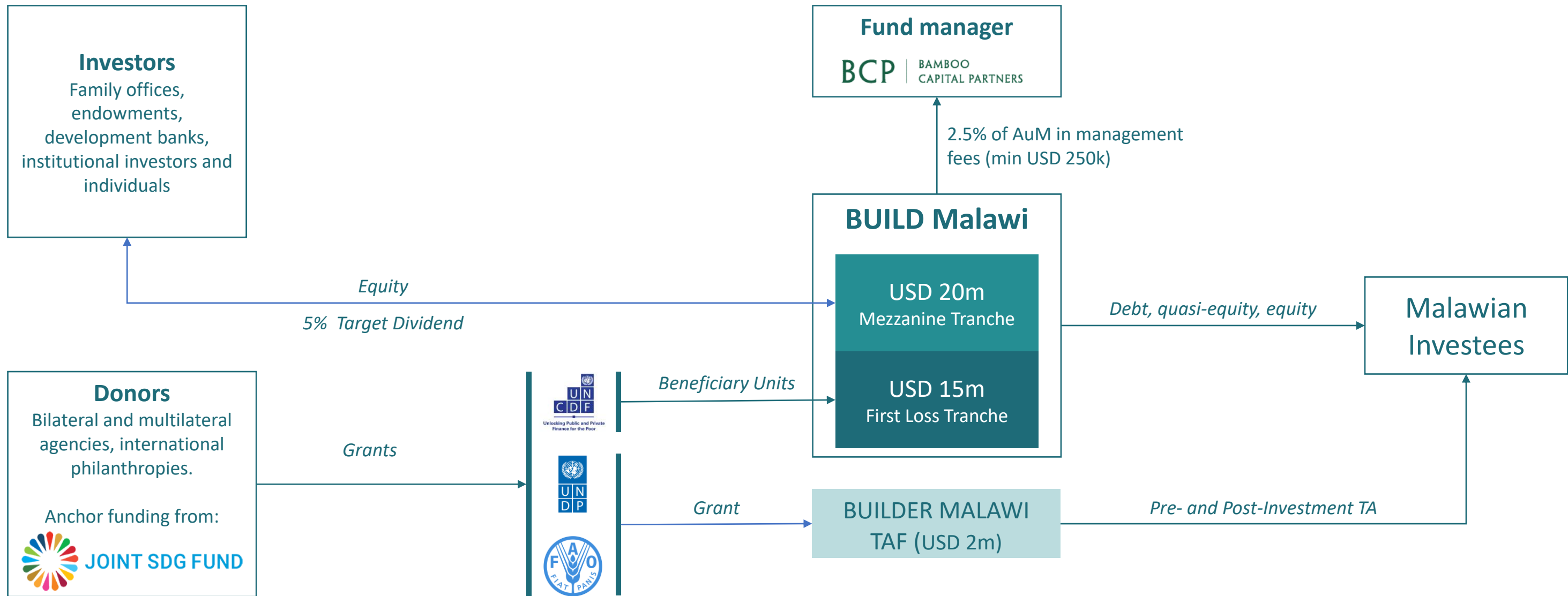
Through Debt, quasi-Equity and Equity

only for Malawian enterprises

Financing Mechanism



BUILD-II (Malawi), a sub-fund of BUILD Fund S.A, SICAV-RAIF focused on Malawi



BUILD + BUILDER Malawi architecture

An open-ended investment vehicle & a TA Facility for business advisory support



The **BUILD Malawi sub-fund** will offer 2 classes of shares and is targeting USD 35 million



Focus Areas

Sector agnostic with cross-cutting focus on women empowerment and youth



BUILD Malawi will invest across sectors with likely higher concentration on



While exploring further opportunities especially in





Operationalization and Governance



Roles & Responsibilities

A multi-stakeholders public-private partnership for Malawi



Joint SDG Fund

The JSDGF is the anchor investor in the BUILD Malawi sub-fund providing almost 50% of the target first loss tranche and additional funds to capitalize the BUILDER TA Facility.



UNDP

UNDP Malawi's Private Sector Development team has been running challenge funds and projects with Malawi's SMEs for several years and will act as pipeline provider as well as manager of the BUILDER Malawi TA Facility.



FAO

FAO will contribute its extensive technical knowledge in the agriculture and agribusiness sectors, which are expected to comprise a significant share of portfolio, both for risk assessment and provision of TA.



UNCDF

Through its partnership with Bamboo Capital Partners, UNCDF will be an investor of record in the BUILD Malawi sub-Fund and will undertake pipeline development and assessment of prospects.



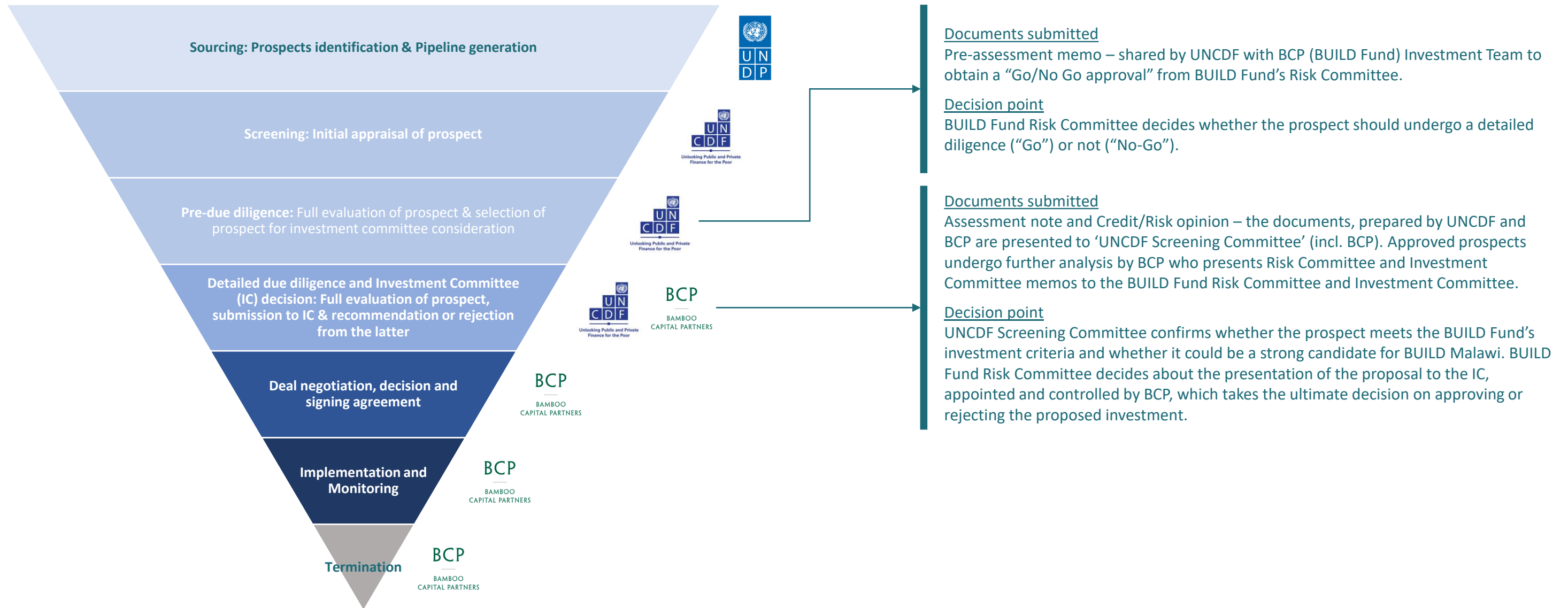
BCP

Bamboo Capital Partners is the designated Fund Manager for BUILD Malawi and will undertake the deal structuring, investment decisions, portfolio management and execution duties on behalf of the investors in the fund. BCP appoints the risk and investment committees of the BUILD Fund that approves the investment decisions.

The Investment Process



The different parties all play key and defined roles in the investment process



Fund Governance



BUILD Malawi is under the governance structure of BUILD S.A., SICAV RAIF

Board of Directors



- Composition: 5 members, all appointed by Bamboo but with 2 recommended by UNCDF
- Responsible for overall supervision and management of the Fund
- Unanimous approval needed: new sub-fund, new investment advisor, redemptions, annual budget.

Advisory Committee



- Composition: “significant” committed investors in the Fun and anchor investors
- Responsible for reviewing / consulting on investment policy, conflicts of interest, valuation principles, co-investments
- Simple Majority for adopting advice from members to the Board of Directors. Meets at least twice a year (upon request).

Investment Committee



- Composition: 5 members + 2 UNCDF-nominated observers
- Responsible for all investment decisions; investments connected to Fund liquidity; monitoring investment pipeline; monitoring financial structure and performance of the investment portfolio
- Simple majority for approvals. Monthly meetings (otherwise *ad hoc*)



Fund Manager

- Responsible for Fund portfolio management services and to invest/divest/reinvest Fund assets on discretionary basis
- Appoints the Investment Committee

Origination Partner

- Responsible for screening, and preparation of investment recommendations for Fund Manager to deliver to Investment Committee for independent decision



Unlocking Public and Private
Finance for the Poor

Team



An experienced team of professionals for BCP and UNCDF oversee fund operations



Jean-Philippe de Schrevel
Founder & Managing Partner
Bamboo



Florian Kemmerich
Managing Partner
Bamboo



Christian Ruehmer
Chief Investment Officer
Bamboo



Arun Asok
Fund Manager
Bamboo



Kenrick Kambo
Investment Manager
Bamboo



Anders Berlin
Director - LDC Investment Platform
UNCDF



Charulata Singal
Investment Specialist
UNCDF



Fabrizio Cometto
Investment Specialist
UNCDF



Wiem Abdeljaouad Bernet
Investment Officer
UNCDF



Alessandro Balliana
Investment Fellow
UNCDF



Cinzia Tecce
Private Sector Development Specialist
UNDP Malawi



Titus Kavalo
Programme Analyst - Private Sector Development
UNDP Malawi



Luis Fernando Amaya-Ortiz
Programme Officer and Head of Coordination Section
FAO Malawi



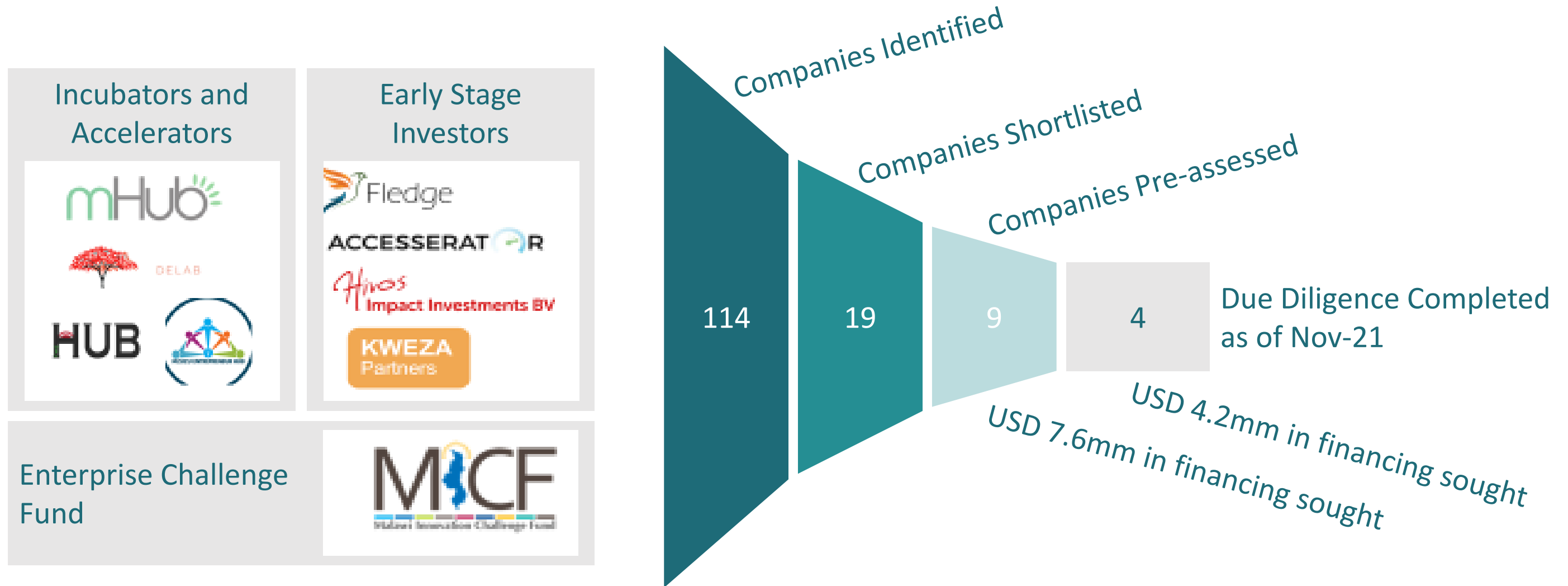
Pipeline management



The Deal Sourcing Process



Various entrepreneurship support programs provide a long list of local SMEs



Pipeline Teasers

PROSPECT A | GREEN ECONOMY



INVESTMENT OPPORTUNITY

Prospect A process sugarcane molasses into ethanol and is seeking investment for:

- USD 220k to match the remaining part of a grant from MICF and purchase solar panels for water distribution.
- USD 1.2m towards the set-up of a syrup mill able to increase molasses input for ethanol production.

COMPANY OVERVIEW

Prospect A is an ethanol-producing company sourcing its raw material (sugarcane molasses) from two sugar mills in the area while also working with MICF to organize and increase the production capacity of smallholder farmers. The ethanol plant remains however under-utilized, and the company is looking at strengthening its supply chain.

MANAGEMENT & GOVERNANCE OVERVIEW

The company is largely owned by Press Corporation Plc, the largest holding company in Malawi which is also the leading voice in the firm's eight-member Board of Directors. The management team is competent with the CEO having been in the company since 2004 and climbing her way up the ranks. She has progressively created a comprehensive team around her to manage the various aspects of the company's operations.

CONTEMPLATED INVESTMENT

Up to USD 1,420,000
Tenor: 36 months
Expected close: Q1'2022

Prospect A has seen strong growth in turnover in the past four years more than doubling to approx. USD 13.2mm between 2017 and 2020. The planned interventions are expected to increase the company's ability to generate revenue with turnover forecasted to reach USD 24.3mm by 2023.

SOCIAL IMPACT – Empowering smallholder farmers and



Pipeline Teasers

PROSPECT B | AGRICULTURE



INVESTMENT OPPORTUNITY

Prospect B, an animal health and nutrition products distributor is seeking funding for two initiatives:

- USD 350k to grow the current operations with new outlet and inventory management.
- USD 550k to make the new feed production facility operational by acquiring raw material and establishing the necessary logistics and distribution to the outlets.

COMPANY OVERVIEW

Prospect B is a distributor of animal nutrition and health products holding exclusive distributor rights for four international brands through a network of outlets as well as contract farmers for last mile distribution. The firm is looking at expanding its distribution network as well as establishing a feed production facility to limit import dependency.

MANAGEMENT & GOVERNANCE OVERVIEW

While Prospect B is still owned for approx. 50% by the two local entrepreneurs that founded it, it has received equity investments from a US-based incubator network and a EU-based impact investor.

The management team is composed of the two founders (CEO and COO) complemented by a finance consultant and three regional managers for each region of the country.

CONTEMPLATED INVESTMENT

Up to USD 550,000
Tenor: 36 months
Expected close: Q1'2022

Prospect B has been profitable since 2018 (two years after inception) and its annual turnover was approx. USD 626K in FY2020. The firm has ambitious growth plans with revenues projected to increase at a 31% CAGR over the next four years.

SOCIAL IMPACT – *Improving livestock health and productivity*





Fund terms
Investment Criteria
Technical
Assistance

BUILD Malawi - Fund Terms

An Open-ended, Permanent Capital Vehicle registered in Luxembourg

Category	Terms
Fund Size	USD 35m, with commitments of USD 6.3m in first loss tranche
Investor Profile	Donors, family offices, foundations, endowments, development banks, select institutional investors and individuals
Investment vehicle & Type	BUILD-II (Malawi) Sub-Fund, a sub-fund of BUILD Fund S.A., SICAV-RAIF
Investment Instruments	Debt: Senior loans (secured & unsecured), Subordinated loans, Mezzanine Equity: (max 75% of first loss tranche)
Deal Size	\$250,000 to \$2,500,000
Geographic Focus	Malawi
Currency	MWK and USD
Sector Focus	Sector agnostic, with focus on Food security & nutrition, Financial inclusion & innovation, Green economy & renewable energy, Local infrastructure. <i>Additional focus on Women's Economic Empowerment and Youth is integrated across these themes</i>
Management Fee	2.5%, depending on the size of the Fund, with a min of \$0.25m p.a
Target LP return	Target 5% dividend to Mezzanine



BUILD Malawi - Investment Criteria



Catering the Malawian market needs

Category	Terms
Financial instruments	Debt (Senior, subordinated or mezzanine debt; secured or unsecured), Mezzanine debt, Equity
Deal size	\$250,000 to \$2,500,000
Tenor of Debt & Grace period	Max 8 years for debt (target average of 3 years); No grace period on interest
Use of proceeds	Working capital, Capex investments / Project finance, Refinancing
Geographic Focus	Malawi
Currency	MWK and USD
Basic eligibility criteria	<ul style="list-style-type: none">- Prospect can be a for-profit or non-profit organization, or a public private partnership entity. No individuals, no public sector entities- Must have a financially sustainable business model, with demonstrable social impact- Is a formally registered legal entity, but no minimum years of existence (start-ups/greenfield projects are also eligible)- Must have a revenue generating activity and must be creditworthy- Must have sound financial management practices and ideally at least 1 year of audited financial statements- Must have achieved break-even on core operations or showed positive path to break-even in the next 12 months- Financial and social Ratings, or a commitment to get rated (at least social rating) over the investment tenor- Can be in early, growth or expansion stage; and must not be a distressed investment

BUILD Malawi - Investment Criteria



Catering the Malawian market needs

Category	Terms
Eligibility Criteria by Sector:	<p><u>Food security & nutrition:</u> Revenues > \$350K with positive or stable EBITDA trends + DSCR >1.2x</p> <p><u>Green economy & Renewable energy:</u> Revenues > \$200K with positive or stable EBITDA trends + DSCR >1.2x</p> <p><u>Financial Inclusion:</u> MFIs & credit providing institutions: loan assets of over \$3,000,000 Others: Revenues > \$200K with positive or stable EBITDA trends + DSCR >1.2x</p> <p><u>Local infrastructure:</u> No specific sectoral criteria</p>
Eligibility Criteria by Stage of Enterprise	<p><u>Early stage enterprises:</u></p> <ul style="list-style-type: none">- Clear revenue model with recurring revenue streams- Total equity > \$100,000 & 20% equity commitment from promoter- Formal three statements' financial projections- Necessary licenses/permits obtained- Should have audited financials or be in process of obtaining audited financials <p><u>Growth & Expansion stage enterprises:</u></p> <ul style="list-style-type: none">- Stable or improving profitability trends- Positive net equity- Equity/Total Assets >15%- At least 1 year of audited financials

BUILDER Malawi TA Facility

The TA Facility offers a new approach to technical assistance with 3 business lines of intervention



BUILDER Management



TAF Manager



Specialized TA providers

BUILDER Services



THANK YOU!



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The information contained herein is provided for informational purposes only, is not complete, and does not contain certain material information about Bamboo, UNCDF and/or the BUILD FUND, including important disclosures and risk factors associated with an investment in the Fund, and is subject to change without notice.

BUILD Fund is a high-risk investment vehicle which will be available only to certain eligible investors. The Fund will refuse to issue shares to physical persons and to companies that cannot be qualified as eligible investors within the meaning of the Luxembourg law of 23 July 2016 on reserved alternative investment funds – RAIF («RAIF law»).

Shares issued by BUILD Fund are reserved for professional investors within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFiD 2"). A professional investor is an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and meets the criteria laid down in Annex II of MiFiD 2, (e.g. credit institutions; investment firms; other authorised or regulated financial institutions; insurance companies; collective investment schemes and management companies of such schemes; pension funds and management companies of such funds; commodity and commodity derivatives dealers; locals or other institutional investors). If you do not qualify as professional investor within the meaning of MiFiD 2, an investment into this product is prohibited.

There can be no guarantee that the BUILD Fund's investment objectives or results – comparable or not to past performance – will be achieved. Please see the issue document for a list of risk factors, which includes risk of loss of investment and illiquidity of investment.

The Fund characterizes as an externally managed alternative investment fund within the meaning of the Law of 2013 and has appointed ONE fund management S.A. as its external alternative investment fund manager (AIFM) and distributor in accordance with the provisions of the Law of 2013 and the Law of 2016 and pursuant to the AIF Management Agreement and Bamboo acting as Investment Manager.

The Shares, Beneficiary Units and Notes have not been and will not be registered under the United States Securities Act of 1933 for offer or sale as part of their distribution and the Fund has not been and will not be registered under the United States Investment Company Act of 1940. However, in compliance with the National Securities Markets Improvement Act of 1996, the Fund may privately place its Shares, Beneficiary Units and Notes in the United States with an unlimited number of US qualified purchasers, provided that such offer or sale is exempt from registration under the United States Securities Act of 1933 and provided that the Fund qualifies for an exemption from the requirement to register under the United States Investment Company Act of 1940.