



# MAMA AFRICA

FROM FARM TO CUP

## Investment Memorandum

Prepared by Jonathan Johnson

Tel: +44745 4710 909

[www.mamaafrica.co](http://www.mamaafrica.co)



# TABLE OF CONTENTS

---

Executive Summary	04
Market Opportunity	05
Investment Thesis	07
Government & Regulatory Environment	08
Acquisition Targets & Integration Plan	10
Business Model Post-Roll-Up	12
Brand & Cultural Strategy	18
Digital Infrastructure & Technology Road Map	20
Strategic Partnerships	21
Organizational Integration Road Map	24
Governance & Management	26
Management and Executive Team Bios	28
Financial Highlights, Projections and Funding Needs	31
Exit Strategy and Value Creation	36
Risks & Challenges	37
ESG & Development Impact	39
Conclusion	41
Appendix	42

## INVESTMENT THESIS DISCLAIMER

All target companies in our proposed acquisition—**Horra Trading, Mullege Coffee Export PLC and Tracon Trading**—are privately held, and their detailed financial statements are not publicly available. Accordingly, the projections and valuations presented herein are based on the best-available market data, publicly reported export volumes and conservative industry benchmarks. Until we execute binding letters of intent (LOI's) and secure full access to each company's audited accounts and management reporting, our analyses rely on preliminary assumptions, including:

- » Revenue-Based Valuation: Employed by our CFO Surya to establish an initial valuation range using estimated market shares, top-line forecasts and peer multiples.
- » Free Cash Flow Valuation: Our preferred methodology, which will be used once we have complete visibility into historical cash flows, capital expenditures and working-capital requirements.

These preliminary models are intended solely to demonstrate the magnitude of potential returns should the acquisitions and integration proceed as planned. Upon completion of due diligence and receipt of full financial disclosures, we will refine our forecasts and anchor our final bid price to a rigorous, cash-flow-based valuation.



# EXECUTIVE SUMMARY

MaMa Africa represents a landmark investment in Ethiopia's signature export industry: coffee. Leveraging Ethiopia's status as the birthplace of coffee and Africa's largest Arabica producer, the proposed strategy consolidates the country's fragmented coffee value chain through a targeted roll-up of its top three exporters – Horra, Mullege, and Tracon – combined with vertical integration into roasting, branding, and retail. This integrated model allows for full “farm-to-cup” control, unlocking efficiencies, commanding premium pricing, and establishing a globally competitive coffee brand rooted in Ethiopian heritage.

The opportunity arises amidst sweeping regulatory reforms that have opened the coffee sector to foreign investment for the first time in decades, the establishment of Ethiopia's first stock exchange, and surging global demand for traceable, ethically sourced specialty coffee. Our plan involves building a vertically integrated champion with multiple revenue streams, strong ESG credentials, and a clear path to a high-multiple IPO or strategic exit. With an IRR potential of 30% – 35%, diversified income sources, and strong alignment with Ethiopia's national development goals, MaMa Africa offers investors both robust financial upside and meaningful impact.



A well-capitalized roll-up can ride these policy tailwinds. By uniting top exporters and expanding into roasting, branding, and retail, the consolidated entity can significantly impact the market. We expect this integrated player to set higher quality standards, command premium pricing for Ethiopian coffee, and better meet rising global demand. For investors, the benefits include economies of scale, diversification across multiple revenue streams, and the potential for above-average returns by being first movers in formalizing a sector poised for rapid growth. In sum, this roll-up strategy offers a chance to invest in an end-to-end coffee supply chain in the very land where coffee originated – combining local heritage with modern business practices for impact and profit.



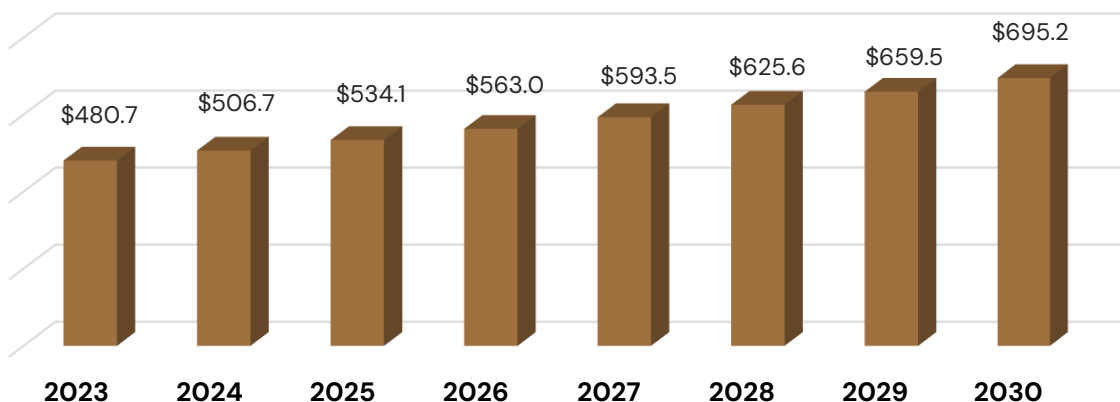
# MARKET OPPORTUNITY

Ethiopia is globally renowned as the birthplace of Arabica coffee, with a rich diversity of heirloom varieties that are prized by specialty coffee roasters. Coffee is the country's most important agricultural commodity, contributing over \$1.4 billion in annual exports (total value of green coffee beans exported from Ethiopia to global buyers) and supporting the livelihoods of 15 to 20 million Ethiopians. The domestic market is unusually strong for a producing country, with roughly 50% of total production consumed locally – thanks to deep cultural ties to coffee and the growing cafe culture in urban areas.

According to Grand View Research, the Ethiopian roasted coffee market generated approximately \$480.7 million in revenue in 2023 and is projected to reach \$695.2 million by 2030, growing at a CAGR of 5.4% from 2024 to 2030. Arabica beans were the largest revenue-generating segment in 2023, while Robusta is anticipated to be the fastest-growing segment during the forecast period.

This growth reflects a promising domestic market, driven by increasing urbanization, evolving consumer preferences, and a rising cafe culture within Ethiopia. The expansion of the roasted coffee sector complements Ethiopia's substantial coffee export industry, indicating significant opportunities for value addition and market development in the coming years.

## Ethiopian Coffee Market – Domestic B2C Retail Revenue (USD M)





Production remains fragmented: around 95% of Ethiopia's coffee is grown by smallholder farmers operating on 1 – 2 hectare plots, often using traditional methods with limited access to credit or agronomic support. While cooperatives and unions provide some aggregation, the supply chain is burdened by inconsistent quality, weak traceability, and duplicate logistics. Exporters – numbering over 100 – operate in a crowded, undifferentiated landscape with limited market power.

However, global market trends are increasingly aligned with Ethiopia's strengths. The demand for single-origin, traceable, and ethically sourced coffee is growing rapidly, especially in developed markets. Buyers are moving away from commodity exchanges and toward direct trade, favoring exporters who can guarantee quality, certifications, and transparency. Ethiopia's heirloom Arabica beans – such as Yirgacheffe, Sidamo, and Harrar – are among the most coveted in the specialty segment, winning awards and commanding premium prices.

Additionally, macroeconomic and infrastructure developments are reducing historic bottlenecks. Investments in transport (i.e., the Addis Ababa, Djibouti electrified rail line), improved port operations, and the introduction of digital traceability platforms are gradually improving export reliability. At the policy level, Ethiopia's national coffee strategy and liberalization of key sectors, including coffee exports, are setting the stage for transformation.

The time is right for consolidation and modernization. A professionally managed, well-capitalized roll-up can capture efficiencies, raise quality standards, and unlock Ethiopia's full potential as a global coffee leader.



# INVESTMENT THESIS

The MaMa Africa strategy is designed to capitalize on timing, structural gaps, and macro trends. Our goal is to build a fully integrated coffee champion that can scale rapidly while maintaining quality and ESG credibility. The investment thesis rests on the following pillars:

## Roll-Up Strategy

By acquiring three of Ethiopia's largest and most reputable exporters (Horra, Mullege, and Tracon), we create immediate scale, gain processing infrastructure, and eliminate redundant overhead. Post-acquisition, the combined entity would control up to 30% of Ethiopia's coffee exports.

## Vertical Integration

We will expand downstream into roasting, branding, packaged retail, and café operations (i.e., via Kaldi's or Tomoca Coffee) and upstream into farming (via estate acquisition and cooperative partnerships). This allows us to capture margin at each stage of the value chain.

## Brand Development

We will build the mama africa brand to resonate with premium global consumers. This includes consumer-packaged goods (CPG), café experiences, and digital content aligned with coffee's cultural and artistic heritage.

## Synergy Realization

We estimate 12% – 18% cost savings through shared logistics, joint procurement, standardized ERP, and administrative consolidation. Revenue synergies include cross-selling between channels, unified marketing, and the ability to fulfill large-volume export contracts.

## Strategic Exit Pathways

The primary exit is a 2031 – 2032 IPO on Ethiopia's new stock exchange. A trade sale to strategic buyers like Nestlé or JDE Peet's is a strong secondary option. Both exits benefit from mama africa's position as Ethiopia's de-facto national coffee champion.



## GOVERNMENT & REGULATORY ENVIRONMENT

Ethiopia's investment climate has shifted significantly under Prime Minister Abiy Ahmed's economic reform agenda. Directive No. 1001/2024 lifted longstanding restrictions on foreign ownership in coffee exporting, allowing international investors to directly own and operate businesses in this previously closed sector. Entry is subject to performance thresholds – \$12.5 million minimum investment and \$10 million annual export volume – which MaMa Africa's investor group meets comfortably.

In addition to liberalized trade policy, the government offers:

### Tax Holidays

2 – 4 year exemptions  
for roasted coffee  
production

### Duty-Free Import

For agro-processing  
machinery

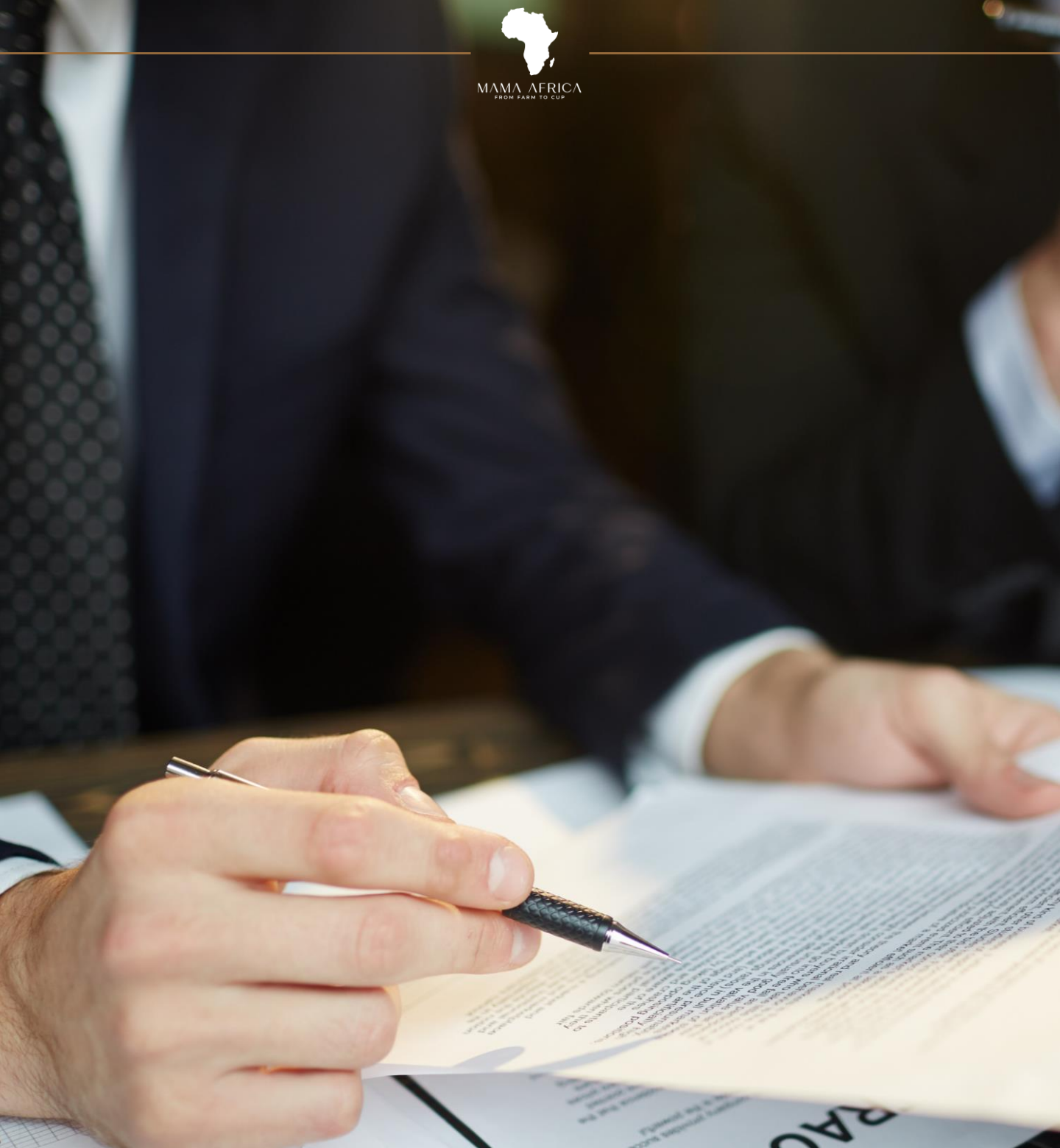
### Land Leases

Up to 50 years for  
farming and industrial  
projects

### Profit Repatriation

Guaranteed in  
convertible currency  
under law, albeit  
subject to foreign  
exchange access  
constraints





Ethiopia is a member of MIGA (Multilateral Investment Guarantee Agency) and has bilateral investment treaties with dozens of countries, offering protection against expropriation and currency in convertibility. Investors also benefit from macro reforms such as improved banking regulations and a phased transition to capital markets via the Ethiopian Securities Exchange, which launched in January 2025.

Political risks remain especially in certain northern and border regions, but the coffee belt (Oromia, Sidama, SNNPR) has remained stable throughout recent conflicts. Our strategy focuses on these regions, supported by insurance and contingency planning.



## ACQUISITION TARGETS & INTEGRATION PLAN

The following three acquisition targets, which are private entities have been preliminarily selected based on their unique capabilities and envisioned contribution to the consolidated and integrated model:

**Horra trading** – Top exporter with modern cleaning and grading plant (20 tons/hour), storage for 12,000 tons, and estate-level production from its sheka farm. Horra also owns ethio gabana, a premium traceable coffee brand. It will anchor the group’s operational backbone.

**Mullege Coffee Export** – Specializes in certified organic and fair-trade coffee with export volumes of 20,000+ tons/year. Known for deep relationships with farmers and reputation among global specialty buyers. Its strengths in sustainability and certifications will shape group wide ESG protocols.

**Tracon Trading** – Owns two estates (gera and gesha), operates 30+ washing/drying stations, and has pioneered roasted retail products (I.E., Gera and karmachi). Brings scale and innovation in domestic processing, roasting, and retail.

A key element of this strategy is the simultaneous consolidation of three top exporters— **Horra Trading, Mullege Coffee Export PLC, and Tracon Trading PLC**—alongside targeted acquisitions in roasting and retail. By unifying major private exporters under one holding entity, the roll-up can immediately command significant export market share, establish centralized quality standards, and negotiate more effectively with international buyers.

### Horra Trading

Founded in 2005, stands out as the top exporter in multiple years, credited with having one of Ethiopia’s largest coffee processing facilities (20 tons per hour) and significant storage capacity (12,000 tons). Horra also owns a 539-hectare coffee estate in Sheka Zone, producing specialty-grade coffee for export. This platform structure, including Horra’s established ERP systems and export licenses, gives the roll-up a stable operational backbone.



## Mullege Coffee Export PLC

Operating since the 1990s, focuses on premium, certified coffees from Ethiopia's most famous regions. By championing fair trade and organic practices, Mullege built a reputation among specialty buyers who pay a premium for high-quality, sustainably sourced beans. These certifications (4C, USDA Organic, etc.) enhance the consolidated group's ESG profile. Mullege's approximate capacity of over 20,000 tons of exported coffee per year corresponds to roughly 7% of the national total, making it a valuable anchor for the roll-up's specialty segment.

## Tracon Trading PLC

Brings diversification and scale, as it operates two sizable coffee estates (Gera and Gesha), in addition to around thirty washing and drying stations. This extensive infrastructure allows Tracon to aggregate large volumes of cherries directly from farmers and process them locally, ensuring traceability and operational efficiency. Tracon also sells roasted coffee under brands such as Gera and Karmachi, which can be expanded across domestic and foreign markets once integrated.

Beyond these exporters, the plan includes acquisitions of or investments in Ethiopia's leading coffee retail chains. Kaldi's Coffee, sometimes dubbed "the Starbucks of Ethiopia," has dozens of outlets in Addis Ababa and is popular with a younger demographic. Tomoca Coffee, in contrast, is a heritage brand established in 1953 with a strong reputation for Italian-style espresso and boutique-roast authenticity. Owning either or both these chains would provide the new enterprise with direct access to Ethiopian consumers, who increasingly frequent cafes, and create a strong brand presence for expansion beyond Ethiopia.

Vertical integration extends to new roasting and packaging operations. Historically, Ethiopia exports most of its coffee as green beans, missing the significant retail margin gained from in-country roasting. By building or acquiring a large roasting and packaging plant, the enterprise can supply domestic cafe networks and also export premium packaged coffees for sale abroad, capturing more of the value chain. Partnerships with cooperative unions could also be formed to secure steady raw-material flows and ensure smallholder farmers benefit through stable purchasing agreements or out-grower schemes.



The synergy potential from uniting export, retail, and roasting segments is considerable. Cost savings might reach between 12% - 18% of operating expenses through joint procurement, shared administration, and consolidated logistics. Revenue synergies arise from cross-selling, unifying brand stories, and offering a diverse product portfolio—from bulk green coffee to roasted single-origin lines. Operational efficiencies include scheduling and capacity utilization across multiple facilities, quality consistency via standardized protocols, and better leverage with shipping companies. A merged entity holding around 30% of Ethiopia's export volume can also set new benchmarks for quality and pricing in specialty grades.



# BUSINESS MODEL

## POST-ROLL-UP

MaMa Africa will generate revenue across a vertically integrated “farm-to-cup” value chain, ensuring resilience, margin capture, and multiple monetization pathways. Each stream is designed to target different customer segments, geographies, and price tiers, providing a hedge against market volatility and currency risk.

The integrated company will manage the entire coffee value chain:

- » **Upstream Production** through owned estates and cooperative partnerships, ensuring stable supply of green coffee.
- » **Processing & Export** with large-scale washing stations, state-of-the-art processing plants, and advanced logistics to move coffee from farms to port.
- » **Roasting & Packaging** with large-scale washing stations, state-of-the-art processing plants, and advanced logistics to move coffee from farms to port.
- » **Retail & Cafés** through chains like Kaldi’s or Tomoca, which capture the highest margins on coffee sales and strengthen brand identity, both in Ethiopia and potentially in select foreign markets.

Within this integrated framework, the company can differentiate itself by offering an unmatched range of Ethiopian coffees, from mainstream export grades to specialty micro-lots. Full control of the chain allows consistent quality, traceability, and speed to market. A single ERP system will coordinate procurement, inventory, and sales, thereby minimizing inefficiencies and shrinkage. The group’s brand strategy will emphasize authentic Ethiopian heritage, single-origin uniqueness, and ESG leadership, appealing to both global specialty roasters and local consumers.

To illustrate MaMa Africa’s post-acquisition strategy, the following diagram outlines the transformation from a fragmented coffee value chain into an integrated structure spanning farming, processing, export, and branded retail. This visual captures the operational synergies, market control, and brand elevation that underpin MaMa Africa’s investment thesis.

## Brand Integration



## After Integration



# REVENUE MODEL

MaMa Africa's revenue will be derived from multiple diversified streams, including: bulk green coffee exports (B2B), branded roasted coffee (CPG), retail cafes (via Kaldi's, Tomoca, or the newly envisioned MaMa Africafe chain), single-serve and ready-to-drink (RTD) formats for both domestic and export markets, as well as institutional and private-label supply partnerships. Multiple revenue channels protect the business from commodity price volatility. If green coffee prices dip, the retail segment can maintain steadier margins, while in times of high coffee prices, the upstream operations enjoy larger gains. Overall, a balanced mix of export sales, roasted product sales, and cafe turnover diversifies risk while capitalizing on Ethiopia's growing domestic coffee culture and strong international demand for Ethiopian beans.



## 1. Bulk Green Coffee Exports (B2B Core Revenue Stream)

- » **Target Customers** – Global importers, specialty roasters, and institutional buyers.
- » **Product** – Green coffee beans (Specialty, Grades 1 – 2 etc).
- » **Sales Channels** – Direct export contracts, auctions, and long-term supply agreements.
- » **Geography** – USA, EU, Japan, Saudi Arabia, China.

Post-consolidation, our combined green-bean export platform (Horra, Mullege and Tracon) will ship 59,800 metric tons in Year 1—about 26.4% of Ethiopia’s current green-bean exports—and, at a 10 percent compound annual growth rate, will reach approximately 96,300 metric tons by Year 5, or roughly 30% of the country’s total green-bean exports.

### This Segment Includes:

#### Product Portfolio & Pricing Tiers (B2B Export FOB)

- » **Specialty Micro-Lots:** small-volume, ultra-premium Arabica lots for boutique roasters, priced at \$8 – \$16 per kg FOB.
- » **Mainstream Certified Coffee:** Fair Trade, Organic and 4C-certified lots for multinational buyers, at \$4 – \$5.50 per kg FOB.
- » **Bulk Commercial Grades:** entry-level and instant-market beans, at \$2.80 – \$3.50 per kg FOB.

By centralizing our export logistics, quality control and certification processes—and leveraging blockchain traceability—MaMa Africa can guarantee the volume, consistency and provenance that secure price premiums and long-term off-take contracts.

## 2. Branded Roasted & Packaged Coffee Products (High-Margin, Scalable)

- » **Target Customers** – Retail consumers (domestic and international), premium grocers, e-commerce shopper.
- » **Product Range** – Roasted whole bean, ground, single-serve pods, drip kits and ready-to-drink beverages under “MaMa Africa” and sub-brands.
- » **Sales Channels** – Branded cafes, retail chains (e.g. Carrefour), online platforms (Amazon, Jumia), distributors.
- » **Geographies** – Urban Ethiopia, GCC, USA, EU, East Africa.

**Raw-to-Retail Margin Capture** – We source green beans at under \$4/kg (depending on grade), roast and package them, then sell to consumers at \$39/kg average for whole-bean bags and \$62/kg weighted across pods and drip kits. That delivers a 10× – 16× gross margin uplift over farm-gate cost.





## Core SKUs:

- » Single-Origin Reserves (e.g. Yirgacheffe at \$43.75/kg; Sidama at \$37.50/kg).
- » Specialty Blends for premium supermarkets (retailing \$35/kg).
- » Single-Serve Formats: pods (\$88/kg), drip bags (\$110/kg), plus cold-brew RTD bottles (\$8 – \$12 each).

Distribution Partnerships: Amazon, Jumia, Carrefour, Shoprite, plus MaMa Africafé flagship stores.

Growth Outlook: This branded-roast segment is projected to grow at 30% – 40% CAGR, driven by rising cafe culture in Ethiopia and accelerating global demand for specialty and convenience formats.

By centralizing roasting, quality control and blockchain-verified traceability, MaMa Africa locks in premium pricing, long-term retail contracts and rapid scale-up.

## 3. Retail Coffee Shops & Cafes (Recurring, Brand-Building Revenue)

- » **Target Customers** – urban consumers, young professionals, tourists.
- » **Product** – in-store brewed coffee, snacks, beans-to-go, merchandise.
- » **Sales Channels** – company owned cafes (Kaldi's, Tomoca, or MaMa Africafé).
- » **Geography** – Addis Ababa, regional Ethiopian cities, East African hubs.
- » Cafes serve as both consumer-engagement channels and a stable revenue base.
- » A typical store in our markets can generate **\$200,000 – \$400,000** in annual revenue, achieving **15 % – 20%** EBITDA margins after 18 – 24 months of operation.

**Expansion Goal :** Operate **50+ outlets** in Ethiopia and the wider region by Year 5, with franchising potential in diaspora markets (USA, GCC).

## 4. Ready-to-Drink (RTD) and On-the-Go Products

- » **Target Customers** – commuters, youth, corporate clients.
- » **Product** – cold brew, bottled lattes, flash-brew cans.
- » **Sales Channels** – retail distribution, café coolers, direct-to-consumer.
- » **Geography** – urban East Africa with international export pilots.

Capitalizing on a 12 % CAGR global RTD coffee market and rising demand for functional beverages.

Leverages co-packing partnerships and regional distributors for rapid scale without heavy CapEx.

**Projected Revenue:** \$5 – \$12 million per year in high-margin incremental sales, with 30% – 40% gross margins.

## 5. Institutional and Private-Label Supply (Volume Stability)

- » **Target Customers** – airlines, hotels, co-working spaces, retailers.
- » **Product** – branded and private-label roasted beans and drip bags.
- » **Sales Channels** – B2B contracts and tenders.
- » **Geography** – GCC, Ethiopia, and Sub-Saharan Africa.

**This Institutional and Private-Label Supply line** delivers a very different—and highly valuable—revenue profile compared with our other channels:

### Contracted, Volume-Driven B2B Revenue

- » MaMa Africa would be locking in multi-year supply agreements with airlines, hotel groups, co-working operators and retail chains.
- » Typical pricing falls between our roasted-bean export FOB rates (\$12 – 16/kg) and DTC retail prices, so we will set assumptions at \$10 – 12 per kg delivered.
- » At even a modest 2,000,000 kg annually under contract, that equates to \$20 – \$24 million of top-line revenue per year.

### High Utilization & Margin Stability

- » These contracts ensure MaMa Africa roasting lines run at full capacity, driving down per-unit costs.
- » With roasting and packaging margins of roughly 30% – 40%, we would be generating \$6 – \$9 million of gross profit on \$20 – \$24 million revenue base—and after operating expenses, likely \$3 – \$5 million of incremental EBITDA.

## Predictable, Recurring Cash Flow

- » Because these are tender or contract-based orders, MaMa Africa would get visibility for 6 – 12 months, which smooths seasonality and buffers commodity-price swings.
- » That recurring stream materially diversifies MaMa Africa's cash flow away from the lumpiness of spot export and the volatility of retail channels.

## Upside Levers

- » As MaMa Africa rolls out more branded cafes and DTC volume, we can cross-sell a portion of MaMa Africa private-label lines into these partners at even higher margins.
- » Expanding into new markets (GCC, Sub-Saharan hubs) and adding on related services (equipment leasing, training, co-branding) can push that contract volume well beyond 2,000,000 kg—potentially 2x or 3x the revenue stream over time.

In summary, this segment exposes MaMa Africa to \$20 – \$24 million of high-margin, contracted B2B revenue in Year 1, with the potential to grow to \$40 – \$60 million as we scale into new geographies and add more institutional clients—providing a stable backbone to our more dynamic export and DTC operations.





## Revenue Diversification Benefits

By blending B2B and B2C channels, MaMa Africa's integrated model delivers:

- » **Foreign-Exchange Hedge:** Local café and retail revenues, earned in Ethiopian birr and other regional currencies, mitigate exposure to fluctuations in hard-currency export receipts.
- » **Margin Expansion:** Transforming green beans (farm-gate cost  $\approx \$2.50 - 4.00/\text{kg}$ ) into roasted retail formats (gross margins of  $\$24 - \$35/\text{kg}$ ) yields an  $8\times - 15\times$  uplift in per-kilogram gross profit compared to unprocessed exports.
- » **Risk Distribution:** A balanced portfolio of contract-based supply agreements (airlines, hotels, private-label) and consumer-driven sales (cafes, e-commerce, MaMa Africa DTC) smooths revenue volatility and cushions against commodity-price shocks.
- » **Brand Equity & Exit Optionality:** The consumer-facing MaMa Africa brand accelerates enterprise valuation growth, broadens exit paths—whether via strategic sale or IPO—and commands premium valuation multiples in the marketplace.

An integrated ERP system will centralize inventory, procurement and sales across our export, roasting and retail divisions—providing real-time visibility and driving operational efficiency. Our rigorous ESG framework and blockchain-backed traceability protocols are designed to satisfy the exacting requirements of institutional buyers, development-finance institutions and global retailers. Marketing will showcase Ethiopia's storied coffee heritage, origin-specific offerings (Guji, Sidama, Nensebo, Yirgacheffe) and ethical sourcing partnerships, reinforcing MaMa Africa's authenticity and commanding premium positioning in all markets.

## BRAND & CULTURAL STRATEGY

MaMa Africa will not just be a brand – it will be a cultural platform. Our goal is to elevate Ethiopian coffee into a premium global identity rooted in authenticity, storytelling, and creative expression.

**Retail Experience** – Each cafe will showcase rotating exhibitions from the continent's most promising and established artists, blending traditional and modern African influences into a seamless narrative of culture and craftsmanship. But art in these spaces will not be static; it will be alive. Customers will be able to scan a QR code next to any displayed artwork, instantly accessing the artist's story, their inspirations, and even the opportunity to purchase the piece on the spot. This seamless integration of physical and digital art commerce will create a new ecosystem where artists can thrive, and customers can take a piece of the experience home.





**Digital Campaigns** – Beyond the walls of our coffee spaces, we are taking this vision into the digital world, where storytelling meets art in a docuseries that captures the very essence of creativity. Titled “The Art of Coffee,” this series will follow artists & creative persons across Africa & the world, documenting their journey as they create, as they express, as they dream—with coffee as their constant companion. Each episode will take us into the studio of a painter, the workshop of a sculptor, the sketchbook of a designer, the office of a business person or the soundscape of a musician, revealing the intimate moments where coffee and creativity intertwine.

**Premium Packaging & Limited Editions** – Our packaging strategy offers two distinct experiences under the MaMa Africa brand. First, our standard packaging combines sleek, contemporary design printed on matte, eco-friendly bags and equipped with a QR code that grants customers instant access to blockchain-backed traceability and detailed farmer profiles and application download. Second, our limited-edition artist collaboration series elevates the unboxing experience: each release features original artwork by a celebrated African creator, with numbered runs, NFT drops that unlock exclusive digital content and perks. Together, these packaging formats celebrate Ethiopia’s rich coffee heritage while delivering a premium, collectible experience that resonates with both traditional coffee lovers and digital-savvy collectors.

# DIGITAL INFRASTRUCTURE & TECHNOLOGY ROAD MAP

MaMa Africa's technology road map will deliver a fully integrated, data-driven platform that enhances operational control, traceability and customer engagement—while underpinning a higher exit valuation thanks to our proprietary systems:

**Enterprise Resource Planning System:** Unifies procurement, inventory management, export tracking and sales across all subsidiaries under one dashboard.

**Mobile Farmer Application:** Provides smallholder networks with remote agronomic training, digital payments and real-time support to boost quality and yields.

**Blockchain Traceability Platform:** Our own blockchain "Abyssinian Ledger" complemented by pilot integrations with AgUnity and Farmer Connect, tracks every coffee lot from plot to port, ensuring irrefutable provenance.

**Digital Human-Resources Tools:** Monitors barista training, performance reviews and labor-compliance metrics in real time to maintain service excellence.

**E-Commerce & Subscription Portal:** Hosts the MaMa Africa online store, enabling global direct-to-consumer sales, subscription services and branded merchandising.

By owning this end-to-end technology stack—rather than depending solely on third-party solutions—we secure our margins, strengthen our data assets and create a defensible digital moat that enhances enterprise value.





# STRATEGIC PARTNERSHIPS

Strategic alliances will underpin MaMa Africa's rapid scaling, global expansion and long-term defensibility. We are targeting partnerships across five domains:

## Global Distribution & Roasting

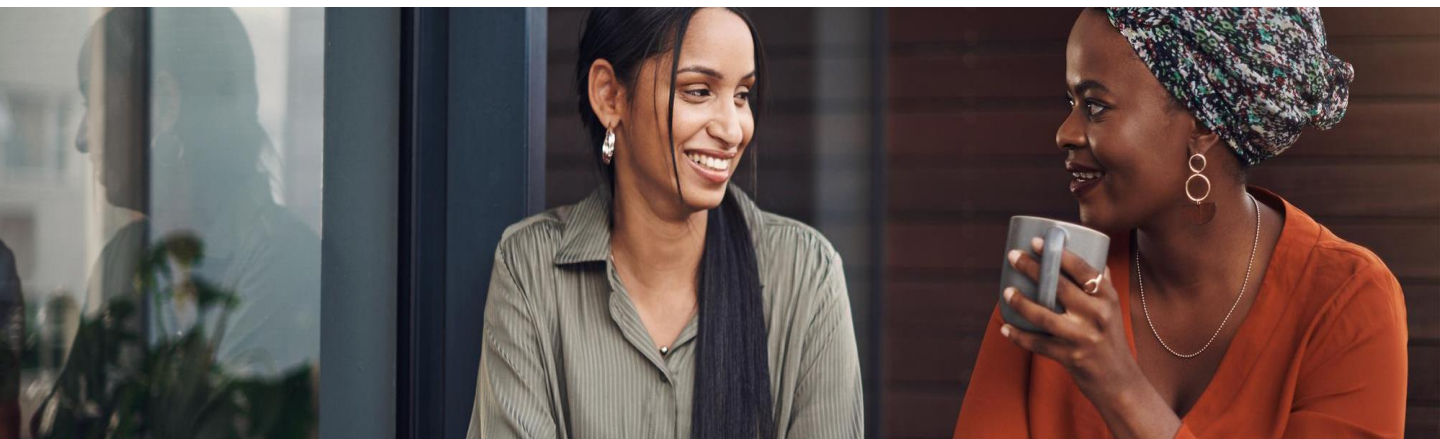
Forge supply agreements and co-brand ventures with premium importers and roasters in:

- **Europe:** Specialty distributors in Germany, the UK, France and Scandinavia (e.g. Inter-American Coffee Europe, List + Beisler or boutique roast houses focused on African origins).
- **Middle East & GCC:** Leading UAE and Saudi importers, plus exclusive distribution deals with upscale hospitality groups and retail chains.
- **North America:** White-label/private-label roaster partnerships on both coasts—targeting suppliers to Whole Foods, Sprouts and similar premium chains.
- **Asia:** Alliances with café networks and e-commerce platforms (Tmall, Rakuten) in China, Japan and Korea to build visibility and access in fast-growing markets.

## E-Commerce, Retail & Cafe Collaborations

Accelerate consumer reach through:

- **Online Marketplaces:** Branded “MaMa Africa” stores on Amazon, Jumia and Shopify Plus, with subscription and limited-edition drops.
- **Travel Retail & Hotels:** Placement in duty-free, hotel minibars and business lounges in Addis Ababa, Nairobi, Dubai and Kigali.
- **Local Cafe Chains:** Strategic investment or acquisition of Kaldi's or Tomoca to secure instant footprint and brand equity in Ethiopia, with joint-venture or franchise roll-outs planned for Nairobi, Kigali and Accra.





## Development Finance & Impact Capital

Align our impact metrics to secure concessional funding and guarantees from:

- International Finance Corporation (IFC).
- Norfund, DEG, Finnfund, Proparco.
- FMO, CDC (British International Investment),  
U.S. International Development Finance Corporation (DFC).

These partners bring patient capital, blended-finance structures and ESG-linked loans that enhance our sustainability profile.

## Technology & Traceability

Integrate best-in-class systems for operational excellence and provenance:

- **ERP & Inventory:** SAP, Oracle NetSuite or leading local vendors to unify procurement, inventory, export tracking and sales.
- **Blockchain Traceability:** Our blockchain “Abyssinian Ledger” supplemented by pilots with AgUnity, Farmer Connect or Bext360, tracks every lot from farm to port.
- **Farmer Engagement:** Mobile platforms such as our MaMa Africa Application, Digital Green, Viamo or iShamba for agronomic support, market pricing and digital payments in local languages.
- **E-Commerce Platform:** A premium global storefront built on Shopify Plus (or custom solution) with subscription management, storytelling and integrated logistics.

## Government, Cooperatives & Industry Stakeholders

Strengthen our local anchor through:



### Regional Authorities:

MoUs in Oromia, Sidama and SNNPR (Southern Nations, Nationalities and Peoples Region) for land access, infrastructure support and workforce development.



### Coffee Cooperatives:

Joint ventures with top-tier unions (e.g. Oromia Coffee Farmers Cooperative Union) to secure certified, traceable supply and shared value creation.



### Ethiopian Coffee & Tea Authority:

Collaboration on quality standards, export compliance and national branding initiatives.

By combining these strategic partnerships with our own technology and blockchain backbone, MaMa Africa will drive volume, consistency and premium pricing—while creating a defensible ecosystem that commands superior valuation multiples at exit.





# ORGANIZATIONAL INTEGRATION ROADMAP

To capture synergies and drive value, we will execute a disciplined, phased integration of Horra, Mullege and Tracon under the MaMa Africa umbrella:

## Integration Governance

- » **Integration Management Office (IMO):** Stand up day 1, with clear ownership of deliverables, risk tracking and executive escalation.
- » **Cross-Functional Leadership Councils:** Monthly forums for finance, operations, HR and IT to align priorities and share best practices.

## Day 1 – 100 “Quick Wins”

- » Harmonize critical processes (order-to-cash, quality control, export logistics) to unlock early cost and revenue synergies.
- » Launch unified employee feedback channels to capture cultural insights and resolve friction points.

## Systems & Data Convergence (0 – 12 Months)

- » Migrate all entities onto a single ERP and data-management platform.
- » Standardize reporting, traceability and KPI dashboards to ensure real-time visibility.

## Shared Services & Procurement (0 – 24 Months)

- » Consolidate finance, HR, legal and IT into a shared-services center to reduce overhead.
- » Centralize procurement contracts and optimize distribution routes to deliver **15% cost savings** as a base case, with a **stretch target of 18%** once ERP-enabled traceability and volume leverage are fully realized.

## Brand & Culture Integration

- » Re-brand all customer-facing touch points under “MaMa Africa” and roll out an integrated marketing campaign.
- » Embed common values through leadership workshops and town halls, ensuring one MaMa Africa culture.

## Ongoing Synergy Tracking

- » Deploy executive dashboards that monitor cost savings, cross-sell revenue and integration milestones.
- » Adjust the plan quarterly based on performance, with transparent governance reporting to the board.

KPI	Target	Timeline
ERP Migration Completion	100%	12 months
Cost Synergies (Logistics & Procurement)	12% – 18% savings	24 months
Revenue Synergies (Cross-selling, Café Expansion)	\$20 – \$30M	36 months
Staff Retention Post-Merger	>85% of key talent	12 months
Brand Awareness (MaMa Africa)	Top 3 in local market	36 months
ESG Compliance & Certifications	100% facilities	24 months



# GOVERNANCE & MANAGEMENT

The holding company will be governed by a dual-tier structure:

Advisory Board can supplement the formal board by including the founders of acquired firms or recognized agronomists. This forum ensures invaluable operational wisdom is retained, while strategic decisions remain under the main board's authority. Regular management meetings, cross-division committees, and digital dashboards tracking real-time performance data contribute to cohesive decision-making. By adopting best-in-class governance from day one, the roll-up lowers integration risks and enhances its credibility with DFIs, lenders, and eventually public-market investors.

## Advisory Board (Non-voting, Strategic Oversight)

### 01.

Former CEOs of Horra, Mullege, Tracon.

### 02.

International experts in ESG, legal, finance.

### 03.

Lead investor representative.

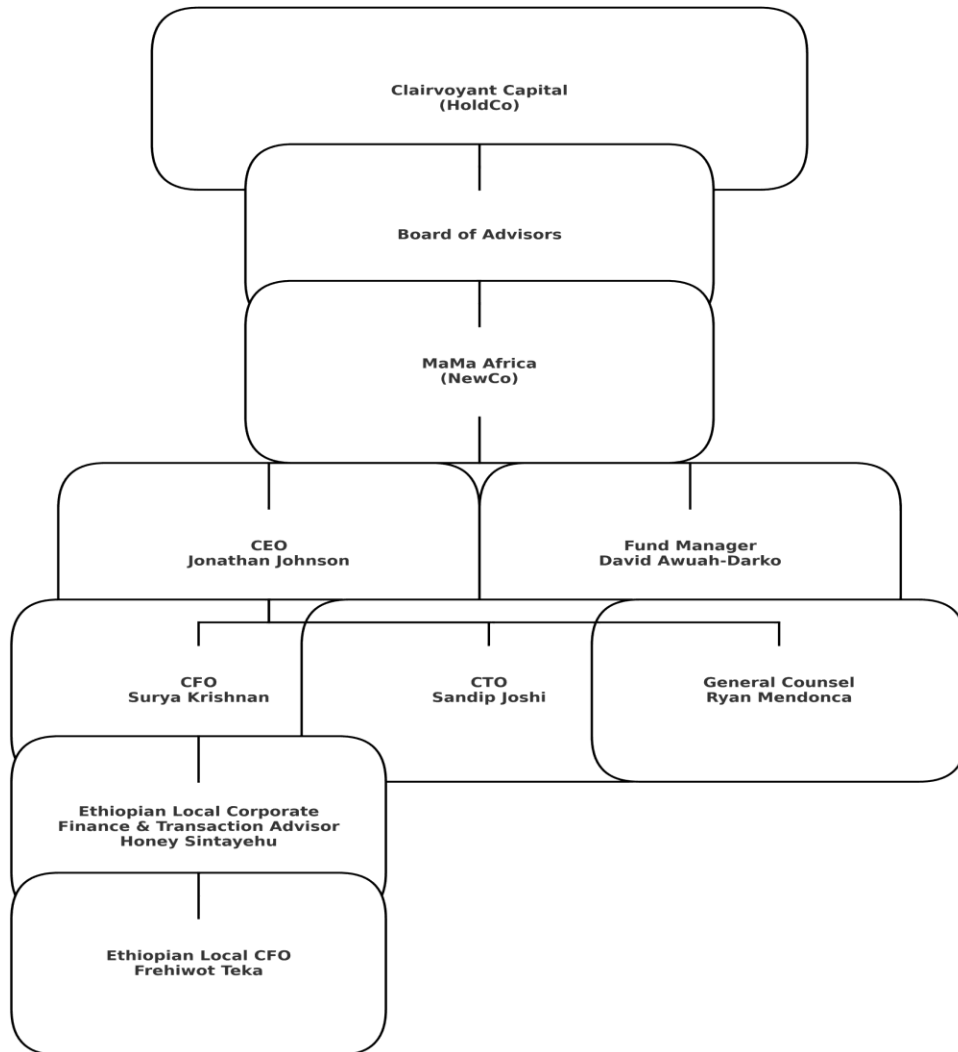
To guide day-to-day operations, the enterprise will recruit a leadership team with a blend of global coffee knowledge and Ethiopian market experience. If the CEO of Horra, Mullege or Tracon has strong leadership credentials, they might be promoted to a group-level CEO or COO role, with other key managerial talent retained at divisional levels. To align executives, phantom equity or performance-linked bonuses can be structured, distributing a share of the final enterprise value at the time of IPO or strategic exit.





## Executive Board (With Decision-making Authority)

- » CEO (appointed based on post-merger talent assessment).
- » CFO (most experienced finance lead from acquired companies).
- » COO, CMO, CHRO, ESG Officer.



The strength of our newly consolidated entity is built on a foundation of deep industry expertise, clear strategic leadership, and an unwavering commitment to our people. Our Board of Advisors will include the three former CEOs of Horra, Mullege and Tracon—each bringing decades of proficiency in export logistics, international certifications and supply-chain governance—who will contribute strategic insight on a phantom-equity basis (with no voting rights, direct control or shareholder dilution) to keep their interests tightly aligned with our long-term success. In the executive suite, we will appoint the most seasoned finance leader as Chief Financial Officer of the merged company, supported by the other two finance experts in senior leadership roles, and apply the same meritocratic approach to appoint our Chief Marketing Officer, Chief Operating Officer and other C-level positions—ensuring that the very best talent leads each functional domain. As the sole owner, my mandate is to provide the vision and capital stewardship—overseeing debt service, mission alignment and milestone delivery—while empowering our CEO to run day-to-day operations with clear accountability and efficiency. Above all, we guarantee zero job losses: every existing role will be optimized, every employee's skill set will be fully leveraged, and every team member will have a clear path for professional growth, fostering stability, loyalty and collective ownership of our shared vision.

# MANAGEMENT AND EXECUTIVE TEAM BIOS

## Jonathan Johnson, Chief Executive Officer

Jonathan Johnson is a self-taught entrepreneur and advisor with hands-on experience in IP defense, technology ventures, and natural resource development. Diagnosed autistic, he leverages focused problem-solving skills and determination to tackle complex challenges.

He successfully defended his patented designs against Rolex (2014–2016), co-founded and scaled a mobile app venture (ONE – 9 9) that secured a Series A term sheet, and currently oversees gold mining and export operations in Guinea-Conakry.

Jonathan has contributed to deal advisory, including due diligence on IP and supporting post-transaction integration. His core strengths include foundational financial analysis, regulatory awareness (IP and cross-border exports), and collaborative communication.

Driven by a passion for mentorship, Jonathan advocates for inclusive education and neurodiverse professionals. He aims to transition into a formal M&A advisory role, combining his entrepreneurial mindset with structured deal execution.

Outside of work, Jonathan enjoys Chess, Brazilian Jiu-Jitsu, and studying M&A case studies.

## David Awuah Darko – Fund Manager

David Awuah-Darko is a Co-Founder, Executive Vice Chairman, and Member of Investment Committee at IC Africa Private Equity Limited. He has several years of experience in investment banking, trading, and asset management across several geographic markets including Europe, Asia, Latin America, and Africa. He worked for several years as a European Equities trader at Lehman Brothers International (Europe) in London, U.K. At Lehman, he was primarily responsible for Italian equities trading, covering the MIB30, MIBTEL, Nuovo Mercato, third line, and OTC markets. He is a SFA (Securities and Futures Association, U.K.) registered representative and holds NASD (National Association of Securities Dealers, USA) Series 7 licenses. Awuah-Darko holds an honorary Masters, M.A. (Oxon.), degree and a B.A with honors in Mathematics and Computation both from Oxford University.

## Surya Krishnan – Chief Financial Officer

Surya Krishnan is a seasoned finance and strategy executive with over two decades of experience in corporate development, valuation, strategic planning, and financial analysis. He has been instrumental in driving over \$25 billion in transactions and advisory engagements, managing more than \$150 million in revenue across various industries (consumer products, financial services, media and entertainment, healthcare, technology).

Surya's career includes leadership roles such as Director of Corporate Development and Ventures at Advocate Aurora Enterprises, where he executed over \$500 million in M&A and venture capital transactions. He also managed a \$60 million corporate venture portfolio, aligning strategic investments with business objectives. His tenure at Zee Entertainment Enterprises as FP&A and Strategy Director involved leading financial reporting, budgeting, and forecasting for the Americas' digital and innovation business units.

His professional journey also encompasses significant positions at Ingram Micro, MGA Entertainment, and PwC, where he developed valuation models, structured transactions, and advised on high-profile deals.

## Honey Sintayehu

### Ethiopian Local Corporate Finance and Transaction Advisor

Honey Sintayehu is a seasoned corporate finance professional with over ten years of experience in financial modeling, analytics, due diligence, valuation, and transaction advisory. Holding a Bachelor's in Economics and currently pursuing an MSc in Corporate Finance (Investment Management), Honey has built a reputation for delivering innovative, data-driven solutions that drive growth and de-risk complex deals. Throughout her career, Honey has led or supported more than 20 full due-diligence engagements across East Africa's agri-tech, fintech, logistics, renewable energy, and SaaS sectors. She has performed valuations on 5 + pipeline companies, developed comprehensive financial models under multiple scenarios, and managed portfolio reporting for 12 + active investees. In her transaction advisory role, Honey structured and executed deals including a US \$6 million FMCG sell-side transaction and facilitated ETB 500 million in project financing for a regional solar PV venture. As a Corporate Finance & Transaction Advisor, Honey combines deep local market insight with international best practices, ensuring that every acquisition thesis is underpinned by rigorous analysis and robust deal structures. Her work on World Bank-sponsored feasibility studies and US-AID-supported capacity-building programs further underscores her ability to shepherd high-value, cross-border transactions from inception through closing.

## Frehiwot Teka

### Ethiopian Local Chief Financial Officer

Frehiwot Teka serves as the Group Chief Financial Officer (CFO) at 54 FMCG, a prominent fast-moving consumer goods company operating in Ethiopia. She holds a Master's degree in Business Administration and a Bachelor's degree in Accounting and Economics. Additionally, she possesses certifications in Accpac and SAP software, indicating proficiency in financial and enterprise resource planning systems.

In her role as Group CFO, Frehiwot Teka is responsible for overseeing the financial operations of 54 FMCG, contributing to strategic decision-making, and ensuring the company's financial health and compliance. Her educational background and certifications suggest a strong foundation in financial management and information systems, which are essential for navigating the complexities of the FMCG sector.

Her leadership in the financial domain plays a crucial role in driving the company's growth and operational efficiency.



## Sandip Joshi

### Chief Technology Officer

Sandip Joshi is a visionary technology leader with expertise spanning Web3, blockchain solutions, and quantum computing. As CEO of EtherAuthority.io, he leads a dedicated team delivering secure and scalable smart contract development, blockchain auditing, and customized decentralized solutions. Through Web3Quantum, he pioneers accessible quantum computing applications in machine learning and simulation, bridging cutting-edge technologies with practical industry needs.

With a robust background in DevOps, software configuration, and cloud infrastructure, Sandip has held roles from AWS Developer to DevOps Consultant, managing build automation, security, and team leadership. His entrepreneurial journey also includes founding multiple startups in agro-services, digital marketing, and web solutions. Sandip holds a Master of Science in Artificial Intelligence from Liverpool John Moores University and the International Institute of Information Technology Bangalore, along with a Bachelor's in Bioinformatics. Fluent in multiple languages including English, Hindi, Gujarati, and more, he brings a collaborative and global perspective to his work.

## Ryan Mendonca

### General Counsel

Ryan was born and raised in Dubai and is originally from Goa, India. He is a Corporate IP Lawyer and has experience in various sectors such as FMCG & Emerging Technology, Trademarks & Copyrights, Food & Beverage, Tobacco & Alcohol, Health & Fitness. He has worked with startups, law firms as well as corporates that have a global presence. Most recently he was the Sole Legal Counsel with Cult.fit, an Indian-based VC-backed tech Startup that expanded to UAE.

# FINANCIAL HIGHLIGHTS, PROJECTIONS AND FUNDING NEEDS

Estimates are based on industry benchmarks, publicly available data, and conservative assumptions.

MaMa Africa's financial strategy is designed to deliver strong investor returns while maintaining flexibility and operational resilience during the roll-up and scale-up phases.

**Because Horra, Mullege and Tracon are all privately held and do not disclose audited financial statements, our current projections are based on publicly available data and industry benchmarks. These estimates are strictly preliminary and will be immediately refined once we secure full access to each company's detailed financial records. Our preliminary projections draw from;**

- » Historical export volumes publicly reported by the Ethiopian Coffee and Tea Authority.
- » Average revenue and EBITDA multiples from comparable African agribusiness transactions.
- » Importer-side pricing benchmarks for Ethiopian coffee in key global markets.
- » Observed performance of integrated coffee businesses globally and across emerging markets.

## Preliminary Financial Model & Target Company P&L Assumptions

**These estimates are based on sector data, market benchmarks, and reasonable assumptions due to limited access to audited financials.**

- » Revenue estimates are based on estimated export volume share and domestic activity (i.e. roasting, retail).
- » EBITDA margins reflect efficiencies, infrastructure ownership, and degree of vertical integration.
- » Revenue multiples are benchmarked from comparable African coffee and agribusiness M&A deals (1.0x - 1.2x typically).
- » **These are pre-diligence, pre-LOI estimates and subject to refinement after accessing detailed financials.**

### Ethiopian Coffee Export Market – 2024



Total Export Market:  
\$1.5 – \$1.6 billion USD



Total Export Volume:  
~280,000 metric tons  
(4.7 million 60-kg  
bags)



Average FOB/Export  
Price: ~\$5.00/kg



Top exporters hold  
less than <10% market  
share individually

## Target Company Revenue Build and Commentary

Company	Est. % of Total Exports	Est. 2024 Export Value	Comments
<b>Horra Trading</b>	8% - 9%	\$120M - \$144M + Domestic Revenue from Horra's estate production (Sheka) + Branded Revenue (Ethio Gabana) = \$135M - \$145M	One of the largest exporters; strong estate and processing capacity
<b>Mullege Coffee</b>	6% - 7%	\$90M - \$112M + Boutique/Specialty Packaged Revenue of \$2M - \$4M = \$92M - \$116M	Strong specialty & certified lot focus; volume stable but higher unit price
<b>Tracon Trading</b>	5% - 6%	\$75M - \$96M + Retail + Roasting Add-On of \$5M - \$8M = \$80M - \$104M	Large infrastructure footprint; diversified with roasting and retail

However, only a portion of each company's revenue is purely export so we adjusted for domestic roasting, branded revenue and retail operations for Horra, Tracon and Mullege.

### Horra Trading

- » Estimated market share of 8% - 9%.
- » Implies a revenue range of \$135M - \$145M.
- » EBITDA margin of 10% - 12% (\$13.5M - \$17.4M) given company is an efficient large-scale exporter, but not retail-heavy so does not possess the higher retail cost structure.
- » Revenue multiple of 1.0x - 1.2x.
- » Implied enterprise valuation of \$135M - \$174M.

### Mullege Coffee

- » Estimated market share of 7%.
- » Implies a revenue range of \$107M - \$119M.
- » EBITDA margin of 11% - 13% (\$11.8M - \$15.5M) given company operates in a premium segment, specializes in certified exports (fair trade, organic) to premium buyers, and has higher price points.
- » Revenue multiple of 1.0x - 1.2x.
- » Implied enterprise valuation of \$107M - \$143M.



## Tracon Trading

- » Estimated market share of 6%.
- » Implies a revenue range of \$95M – \$108M.
- » Slightly lower EBITDA margin of 9% – 11% (\$8.6M – \$11.9M) given company is more diversified (coffee + real estate + manufacturing), with significant retail activity, but has a higher cost structure and complexity.
- » Revenue multiple of 0.9x – 1.1x.
- » Implied enterprise valuation of \$85M – \$119M.

## Capital Structure & Funding Plan

The estimated total capital requirement for acquisition, integration, and expansion is \$220M – \$275M, allocated as follows:

Category	Estimated Amount (USD)	Purpose
<b>Acquisitions</b>	\$130M – \$160M	Acquisition of Horra, Mullege, Tracon (based on 1.0x – 1.2x revenue multiples and minority discount potential)
<b>Café Chain or Roaster Stake</b>	\$10M – \$15M	Facility upgrades, ERP, traceability systems, certifications, café buildouts
<b>CapEx &amp; Facility Upgrades</b>	\$50M – \$60M	Inventory float (green beans), payment cycles, operating cash cushion
<b>Working Capital</b>	\$20M – \$25M	Inventory float (green beans), payment cycles, operating cash cushion
<b>Brand, Tech &amp; ESG Systems</b>	\$10M – \$15M	Global brand development, packaging, Digital storefronts, mobile tools for farmers, certifications

## Funding Sources

The capital stack will be structured using a blend of:

- » **Equity (Lead + Strategic)** – from lead investors, impact funds, and potentially DFIs (40% of total capital or \$90M – \$110M).
- » **DFI Debt (Blended)** – from DFIs and development banks offering concessional or ESG-linked financing (30% – 35% of total capital or \$70M – \$90M).
- » **Seller Notes** – deferred consideration from target company owners (earn-out or structured payout) – (10% – 15% of total capital or \$25M – \$35M).
- » **Concessional/Blended Grants** – potential technical assistance, climate-smart agriculture programs (2% – 4% of total capital or \$5M – \$10M).
- » **Reinvested Cash/Bridge** – reinvested cash flows and bridge capital during ramp-up (5% of total capital or \$10M – \$15M).
- » **Phantom Equity** – used as long-term incentives for key management, reducing cash compensation pressure.

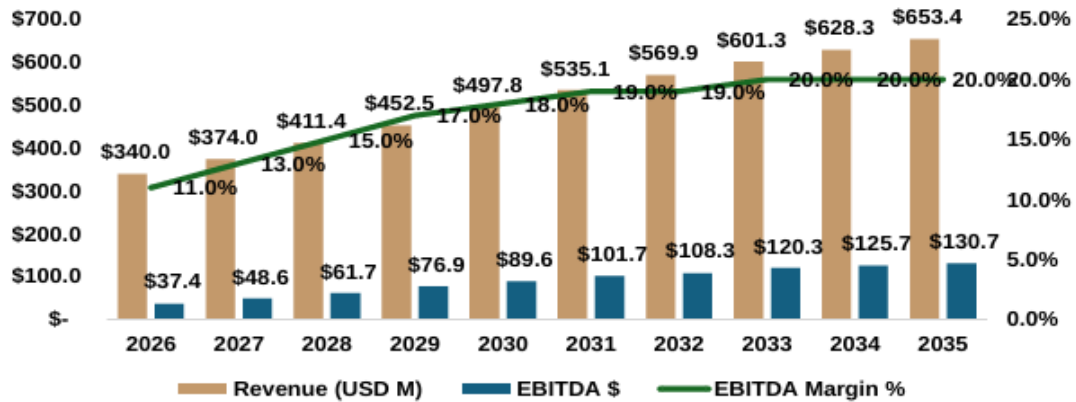
## Projected Financial Performance (Assumption-Based)

Metric	Year 1 (Post-Roll-Up)	Year 3	Year 5 (Target)	Comments
Revenue	\$340M - \$370M	\$420M - \$450M	\$500M - \$550M	Based on CAGR of 8- 10% includes retail and export expansion
EBITDA Margin	10% - 12%	14% - 16%	18% - 20%	Driven by cost synergies, roasting cafe margin lift
EBITDA(USD)	\$34M - \$45M	\$60M - \$72M	\$90M - \$110M	Conservative efficiency and scale assumptions
Net Profit Margin	3% - 5%	6% - 8%	10% - 12%	Reflects reinvestment phase and margin expansion
IRR (Equity Investors)			25%+ (5 Year) 30% - 35% (10 Year)	Based on EBITDA exit/ Gordon Growth Rate calculations in Year 5 and Year 10
WACC	16% - 20%			Frontier market-adjusted using blended capital sources
Revenue Composition	80% export 20% domestic	70% export 30% domestic	60% export 40% domestic	Shows shift to higher-margin retail and CPG business

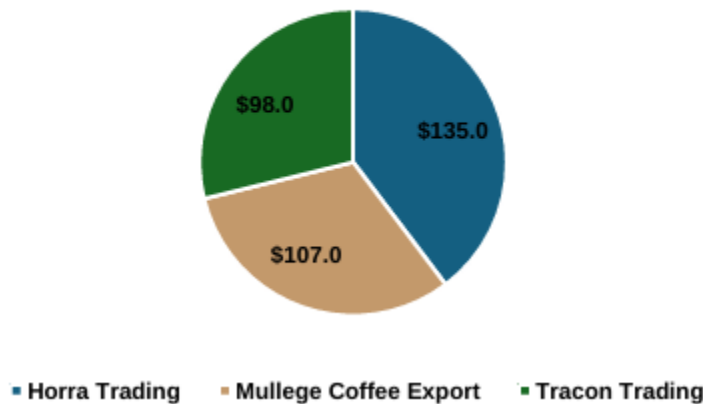
These figures assume no contribution from unrealized operational synergies, and exclude any upside from strategic partnerships or franchising. This allows room for positive re-rating during the diligence and scaling period.

The charts below illustrate MaMa Africa’s projected financial performance from 2026 – 2035 on a consolidated basis and revenue composition, based on our preliminary estimates of the 3 acquisition targets and financial modeling. These projections are subject to refinement and may change materially as further due diligence is conducted on the target companies actual financial performance, market dynamics, and synergy and integration potential.

### Consolidated Revenue, EBITDA and EBITDA Margins (2026 - 2035)



### 2026 Consolidated Revenue Composition



## Investor Assurance Approach

To strengthen credibility given current data limitations, we propose:

- » A phased deployment structure – release capital in tranches aligned with milestones (acquisition closing, retail rollout, CapEx deployment).
- » Use of conservative base-case projections and downside stress tests.
- » Rapid transition to audited, consolidated financials post-acquisition to support follow-on capital raising or listing.



# EXIT STRATEGY & VALUE CREATION

## Exit Strategy & Value Creation

Our integrated, farm-to-cup platform offers multiple high-value exit pathways:

### 1. Initial Public Offering (IPO)

- » **Timing** : 2030 – 2031.
- » **Target Multiple** : 12× – 14× EV/EBITDA, buoyed by sustained double-digit growth, best-in-class ESG credentials and our first-mover position in an under supplied origin market.

### Strategic Trade Sale

- » **Potential Buyers** : Global coffee leaders (Nestlé, JDE Peet's, Olam), seeking vertical integration, traceable origin access and a premium specialty-coffee brand.

### Equity Multiple Uplift

- » **Return Profile** : 6× – 11× gross equity multiple from initial investment to exit, driven by margin expansion (8× – 15× uplift), direct-to-consumer scale-up and premium brand equity.



# RISKS & CHALLENGES

Category	Specific Risk	Impact	Mitigation Strategy
Roll-Up Strategy Risk	Cultural and operational misalignment across acquired companies	Medium-High	Phased integration; Integration Management Office (IMO); phantom equity for retention; change management
	Failure to realize synergy targets (cost and revenue)	High	Realistic synergy modeling; operational redundancy audits; synergy execution tracked by KPIs
	Overpaying for assets due to lack of audited financials	High	Use revenue multiples from comparable deals; seller earn-outs; valuation clawbacks in deal terms
	Talent loss post-acquisition	Medium	Phantom equity plans; defined career paths; stakeholder communication from Day 1
M&A Execution Risk	Delays or failure in closing all three deals	Medium	Parallel negotiation tracks; staggered closings with backup acquisition targets
	Integration complexity across finance, HR, and IT systems	Medium	Unified ERP rollout; centralized shared services; integration consultants
Emerging Market Risk	Political instability and regulatory unpredictability	High	Focus sourcing in stable coffee regions (Oromia, Sidama); political risk insurance (i.e., MIGA)

Category	Specific Risk	Impact	Mitigation Strategy
<b>Emerging Market Risk</b>	Currency devaluation and repatriation barriers	High	Export-driven USD earnings; use of offshore SPV; local reinvestment programs
	Underdeveloped legal infrastructure for enforcing contracts	Medium	Use international arbitration clauses; local legal advisors; strong deal structuring
<b>Supply Chain Risk</b>	Climate events affecting yields (drought, disease)	Medium	Geographic diversification of sourcing; support for climate-resilient farming methods
	Price volatility in global coffee markets	Medium	Revenue diversification (retail, roasting); forward contracts; inventory hedging
	Logistical bottlenecks (i.e., port congestion, poor road access)	Medium	Storage buffers; rail-to-port optimization (Addis-Djibouti); strategic warehouse locations
<b>Operational Risk</b>	Inconsistent quality across supplier base	Medium	Traceability systems; training programs; automated grading/cupping systems
	HR fragmentation and labor disputes	Low-Medium	Segment-specific HR departments; strong internal communication; grievance systems
<b>Market/Commercial Risk</b>	Failure to build a recognizable, trusted brand in international markets	Medium	Premium brand architecture; partnerships with influencers, artists, and global distributors
	Slower-than-expected retail or café expansion	Medium	Pilot-first approach; franchising and JV options; domestic-first roll-out
<b>Reputation &amp; ESG Risk</b>	Perception of “extractive” foreign investment	Medium	Local hiring; farmer equity-sharing models; strong communication on inclusive impact



Category	Specific Risk	Impact	Mitigation Strategy
	ESG compliance failure (labor, environment, governance)	High	Annual audits; certifications (4C, Organic, Fair Trade); ESG officer with board oversight
Exit Risk	IPO window delay due to macro conditions or market underdevelopment	Medium	IPO window delay due to macro conditions or market underdevelopment
	Valuation compression at exit	Medium	Strong governance, earnings visibility, ESG premium positioning to support higher multiples

## ESG & DEVELOPMENT IMPACT

MaMa Africa is designed from the ground up to be a benchmark for responsible and inclusive agribusiness in Africa. ESG principles are not an add-on – they are embedded into every layer of the strategy, from farmer partnerships and land stewardship to gender inclusion and global compliance. Our integrated model offers measurable, defensible impact alongside strong financial returns.

### Environmental Stewardship

Ethiopia's unique territory produces some of the world's finest Arabica coffees – but this ecosystem is under increasing pressure from climate change, deforestation, and unsustainable farming practices. MaMa Africa's environmental approach is rooted in regenerative agriculture and low-impact processing:

- » **Shade-Grown & Organic Farming** – we prioritize estate and cooperative partners that use organic or low-input farming systems, preserving biodiversity and soil health.
- » **Climate-Smart Agriculture** – roll-out of farmer training on mulching, water conservation, and drought-resilient varieties across our grower network.
- » **Carbon Footprint Reduction** – local roasting reduces emissions from green bean shipping. Processing facilities will run on electric and solar-assisted power where feasible.
- » **Waste & Water Management** – investment in Eco-pulping technology and responsible effluent management systems at washing stations.

## Social Inclusion & Farmer Uplift

Our model brings smallholder farmers into a stable, transparent, and higher-value supply chain. Beyond pricing, we focus on predictability, dignity, and skills development.

- » **Income Stability** – long-term sourcing agreements with smallholders and cooperatives, with pre harvest financing and premium pricing for certified traceable lots.
- » **Gender Inclusion** – commitment to 40%+ female representation in processing, retail, and management; targeted training programs for women baristas and agronomists.
- » **Local Job Creation** – hundreds of full-time roles in roasting, retail, logistics, and administration, **especially in secondary cities.**
- » **Youth Training & Employment** – establishment of MaMa Africa Barista Academy and agribusiness internships in partnership with local universities.

## Governance & Certification

MaMa Africa will operate to the highest international standards of compliance, transparency, and traceability. This makes us a credible partner for DFIs, institutional capital, and premium buyers.

- » **Certifications** – group-wide adherence to 4C, Fair Trade, Rain Forest Alliance, and USDA Organic standards, with internal audit teams ensuring consistent renewal and compliance.
- » **Traceability** – QR-based farm-to-cup visibility system for buyers and consumers; ability to link coffee lots to specific farms, methods, and certifications.
- » **Governance Framework** – ESG committee within the board, chaired by an independent advisor; annual third-party ESG impact audits and public disclosures.
- » **Anti-Corruption & Labor Standards** – strict code of conduct aligned with IFC Performance Standards and ILO labor norms.

## Alignment With Global Impact Frameworks

- » **UN SDGs** – direct contributions to SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work), SDG 12 (Responsible Consumption), SDG 13 (Climate Action), and SDG 15 (Life on Land).
- » **IRIS+ Metrics** – impact reporting using accepted standards including PI4060 (jobs supported), FP8296 (smallholder procurement volume), and OI5479 (female employees).
- » **Blended Finance Enablement** – structure and metrics designed to unlock ESG-linked debt and concessional capital from DFIs and sustainability-linked lenders.

# THESIS

## CONCLUSION

The MaMa Africa Roll-Up Strategy merges local coffee heritage with modern enterprise methods to forge a vertically integrated champion. By consolidating leading exporters, investing in roasting and packaging capacity, and acquiring retail coffee chains, the new entity will control the journey “from farm to cup.” Ethiopia’s liberalized coffee regulations and the advent of a local stock exchange facilitate foreign capital infusion and provide a clear path toward an IPO. A successful roll-up can accelerate Ethiopia’s coffee exports, reinforce sustainable practices, and deliver robust returns to investors.

Implementation involves methodical due diligence, upfront financing for acquisitions, and a disciplined approach to integrating corporate cultures and operations. A strong governance framework, combined with significant investments in ESG initiatives, ensures compliance with DFI requirements, appeals to ethical consumers, and secures goodwill from local stakeholders. The result should be profitable growth, with margins rising through the capture of Bulk Green-Bean Exports, Roasted-Bean Exports & Wholesale, Direct-to-Consumer (“MaMa Africa”), Institutional & Private-Label Supply, Ready-to-Drink & On-the-Go, Retail Cafes & Brand Extensions, Cost Synergies & Shared Services, Blockchain Traceability & Licensing, Strategic Partnerships and Brand & Marketing. Ultimately, by 2030–2031, the company aspires to a public listing on the Ethiopian Securities Exchange, unlocking value for its investors while cementing Ethiopia’s global reputation as the birthplace of premium Arabica coffee. With a clear exit strategy, diversified revenue streams, and institutional-grade governance, it presents an unprecedented opportunity for investors seeking superior returns in an iconic, culturally resonant industry poised for exponential growth.





# APPENDIX

**Below is a consolidated reference list that has been leveraged in developing this investment memorandum**

1. Sources: USDA Foreign Agricultural Service, Ethiopian Coffee and Tea Authority,
2. Grandview Research Ethiopian Coffee Market
3. Ethiopian Coffee & Tea Authority (ECTA) – <https://www.ecta.gov.et>
4. USDA Foreign Agricultural Service (FAS) – Coffee Annual Report (ET2022-0018)
5. OEC (Observatory of Economic Complexity) – <https://oec.world/en/profile/bilateral-product/coffee/reporter/eth>
6. TraidE Ethiopia / CropConex Industry Overview – <https://cropconex.com/a-guide-to-the-ethiopian-coffee-market/>
7. Comunicaffe & Reuters Trade News – <https://www.comunicaffe.com/ethiopias-coffee-export-revenue-hits-record-1-5-billion-usd/>
8. AFCA Coffee (Horra Trading details, exporter rankings): <http://afca.coffee>
9. Ahmed et al. (2022). Case of Kaldi's Coffee – SAGE Business Cases (summaries at cliffsnotes.com)
10. Apps.fas.usda.gov: USDA Foreign Agricultural Service GAIN reports on Ethiopian coffee production and exports
11. BBC News (James Jeffrey, 16 October 2014): "Boom times for Ethiopia's coffee shops"
12. Blog.rexcer.com: Historical data on Ethiopian coffee export growth, yield improvements, and commentary on government strategy
13. Cliffsnotes.com: Summaries on Ethiopian coffee consumption vs. exports, Kaldi's Coffee profit figures
14. DailyCoffeeNews.com: Coverage of Nestlé's Blue Bottle acquisition, Olam's African coffee expansions, and other relevant transactions
15. En.Wikipedia.org: Company profiles for Tomoca Coffee, Ethiopian coffee domestic consumption data
16. English.news.cn: Articles on China's growing importation of Ethiopian coffee
17. Ethiomarket.com: Business listings, including Mullege Coffee's leadership and volumes
18. Fas.usda.gov: Additional USDA GAIN reports and market briefs on Ethiopia
19. Fairtradeamerica.org: Information on cooperative unions, particularly Oromia Coffee Farmers Cooperative Union
20. IFC.org: Guidance on ESG mandates, Ethiopian Securities Exchange background
21. Investopedia.com: Definition and explanation of phantom equity/stock
22. Itpo-tokyo.unido.org: Summaries of Ethiopian investment laws, bilateral treaties, and political risk context
23. Mullege.com: Overview of Mullege Coffee's specialty certifications and export capacity
24. Nespresso.com: Example of global coffee companies' climate commitments
25. Olamgroup.com: Precedent transactions for estate acquisitions in Africa
26. PwC.com: Blog on Ethiopian Birr devaluation risk in 2024
27. Redroostercoffee.com: Insights on Tracon's washing stations and specialty microlot sourcing

# APPENDIX

28. Reuters.com: News on Ethiopia's economic liberalization, Tigray conflict resolution, and stock exchange launch
29. Stir-tea-coffee.com: Articles about lifting foreign investment restrictions in Ethiopia's coffee sector
30. Supplychaindive.com: Starbucks' forward-purchasing and hedging strategies
31. Technoserve.org: Summaries of Ethiopia's coffee development strategy, extension programs, potential quadrupling of exports
32. Tracontrading.com: Company information, farm ownership (Gera, Gesha), roasted coffee lines
33. UNCTAD.org: Investment incentives, tariff structures for agro-processing in Ethiopia
34. Worldcoffeeresearch.org: Data on Ethiopian coffee varieties, yields, domestic consumption patterns
35. Wikimedia Commons: Public-domain images illustrating Ethiopian coffee ceremonies and farmlands

