



Pitch Deck

FedhaGap is committed to solving the liquidity problems that African MSMEs face. This forms the biggest obstacle to scaling.

www.fedhagap.com



Our Team



Ayo-Bankole Akintujoye

Co-Founder/CEO



Founder



Founder



Ex pcl.



Ex KPMG



The picture



Idara Michael

Co-Founder/CTO



Ex



Ex



Ex



Ex

Dimension Data



Ex



The picture

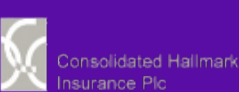


Moji Akande

VP Product



Ex



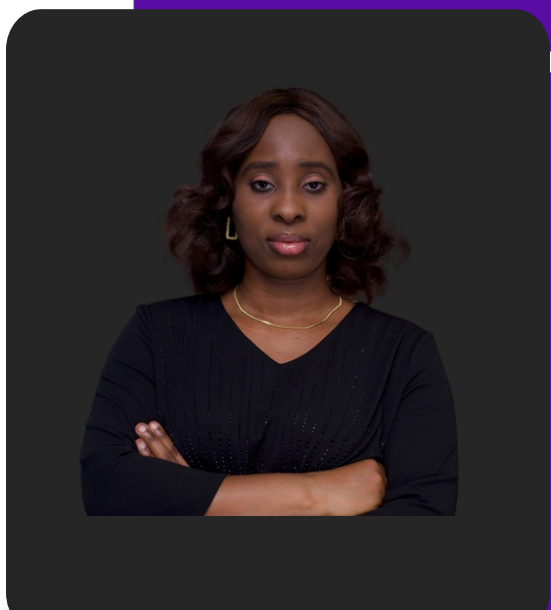
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VP, People & Legal



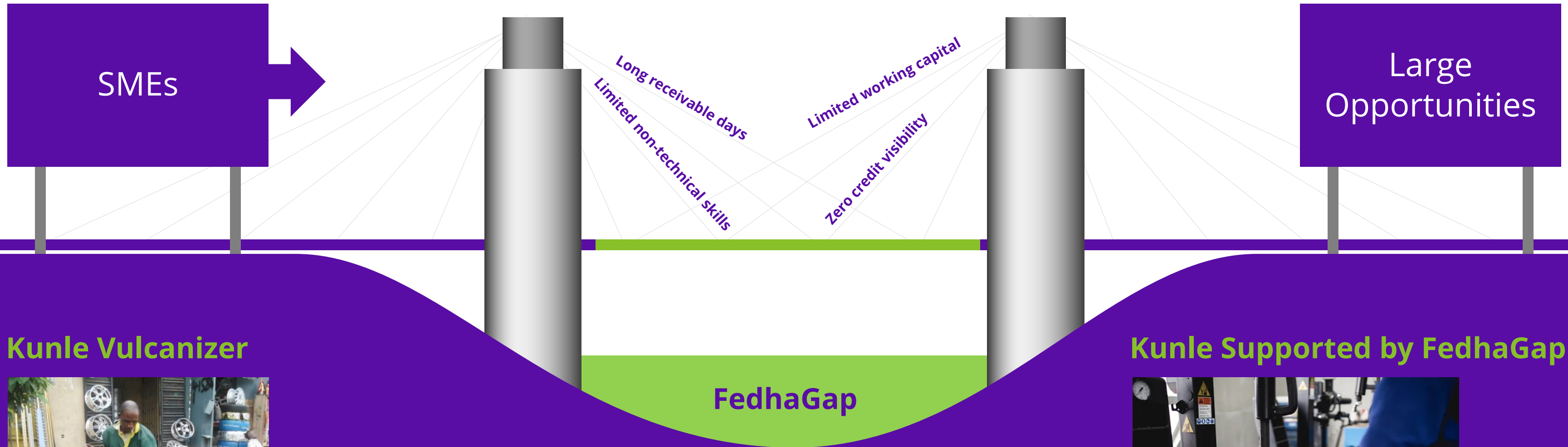
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Oluwatobi Abobarin



The Problem



Kunle Vulcanizer



Kunle's Challenges

- Never able to compete for opportunities in the formal environment
- Works extended years with limited outcome & can never retire
- Manual and limited support from community of equals
- Zero credit visibility so Kunle is unable to get the funding to scale
- Because it's a low-trust-environment, the few financing available come at high cost
- Too few solutions

FedhaGap Provides Kunle with a community financing and cooperative solution that bridges the gap between his business and the potential clients in the formal environment.

Kunle Supported by FedhaGap



Kunle Leveraging Our Invoice Discounting

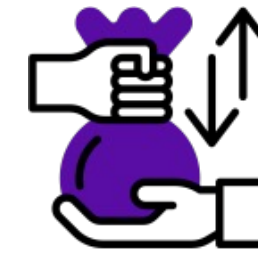
- Kunle can now compete for opportunities across multiple organisations and deliver without fail due to FedhaGap invoice discounting services
- Can afford to take time off or retire leaving a solid business foundation
- Enjoys a community supportive of peer-to-peer learning
- Is able to build credit through community supported visibility
- Breaks the trust barrier & can now access convenient financing
- Multiple available solutions

Our Solution



Introducing the FedhaGap Solution

FedhaGap aims to leverage technology to replicate the existing traditional business communities and cooperative ecosystems at scale. With digitization, we will provide SMEs with the necessary competence to compete for businesses in the formal segment, offering them the chance to scale while solving their cash trap problems with our agile solution.



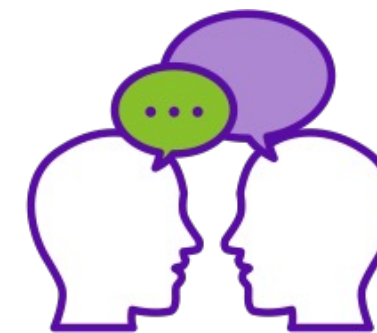
Invoice Discounting

NMSMEs can request for an advance on their invoices by uploading them to our platform.



Cooperatives

Offer small businesses across Nigeria a reliable platform to maximize group resources for growth



Community Learning

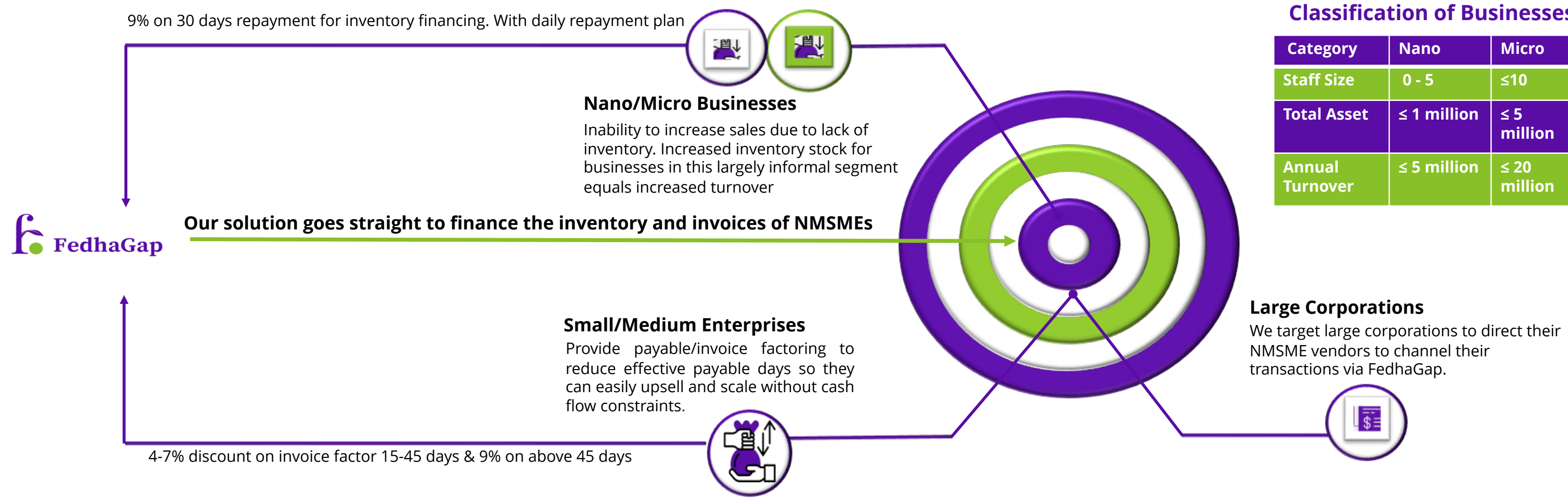
NMSMEs have the opportunity to leverage on the community tab to grow their businesses and seek solutions to issues they might encounter.



Credit Scoring

NMSMEs can check credit worthiness of the customers they have invoiced on our platform

Our Business Model



Classification of Businesses by Annual Turnover*

Category	Nano	Micro	Small	Medium
Staff Size	0 - 5	≤10	>11 ≤ 50	> 51 ≤ 200
Total Asset	≤ 1 million	≤ 5 million	> 5 ≤ 100 million	> 100 ≤ 500 million
Annual Turnover	≤ 5 million	≤ 20 million	≤ 100 million	≤ 500 million

Market Strategy



Partner with similar SME clusters and unions to onboard members

Physical engagement across different market clusters nationwide

Partner with established organisations to onboard their vendors

Hungry market of 5000 SMEs through our SME Community to take advantage of our offering to grow their businesses

Traction

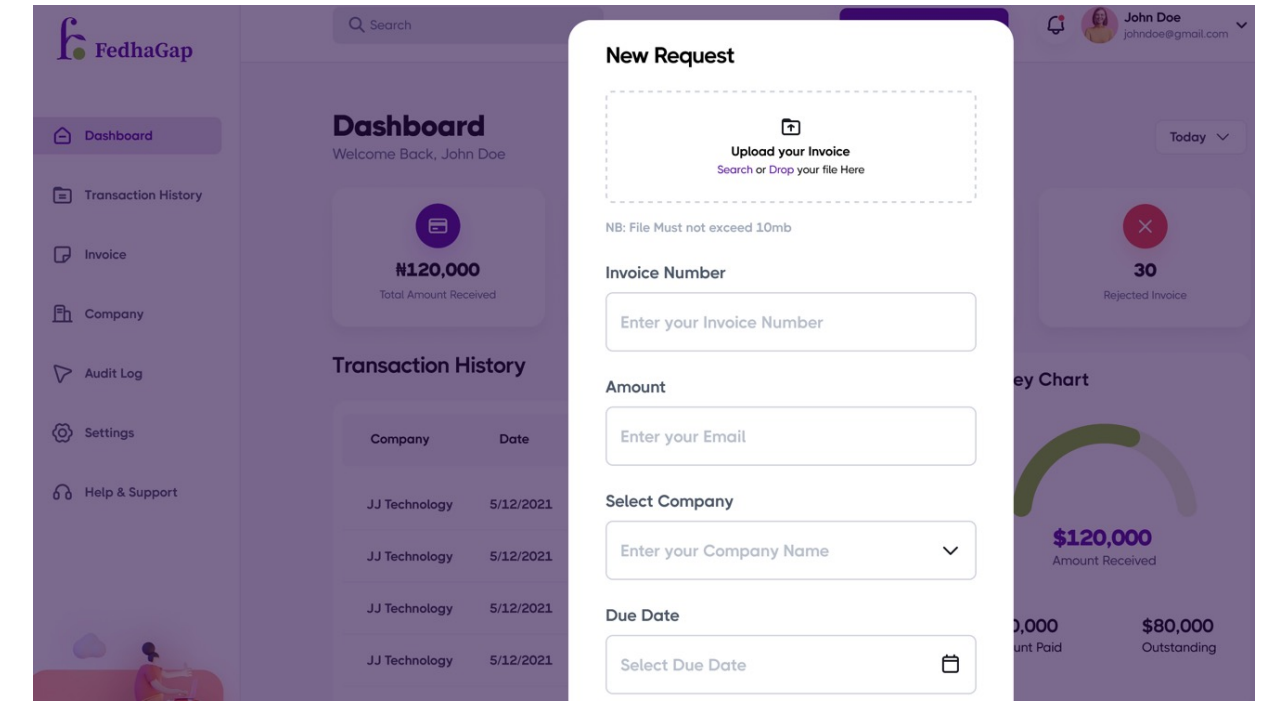
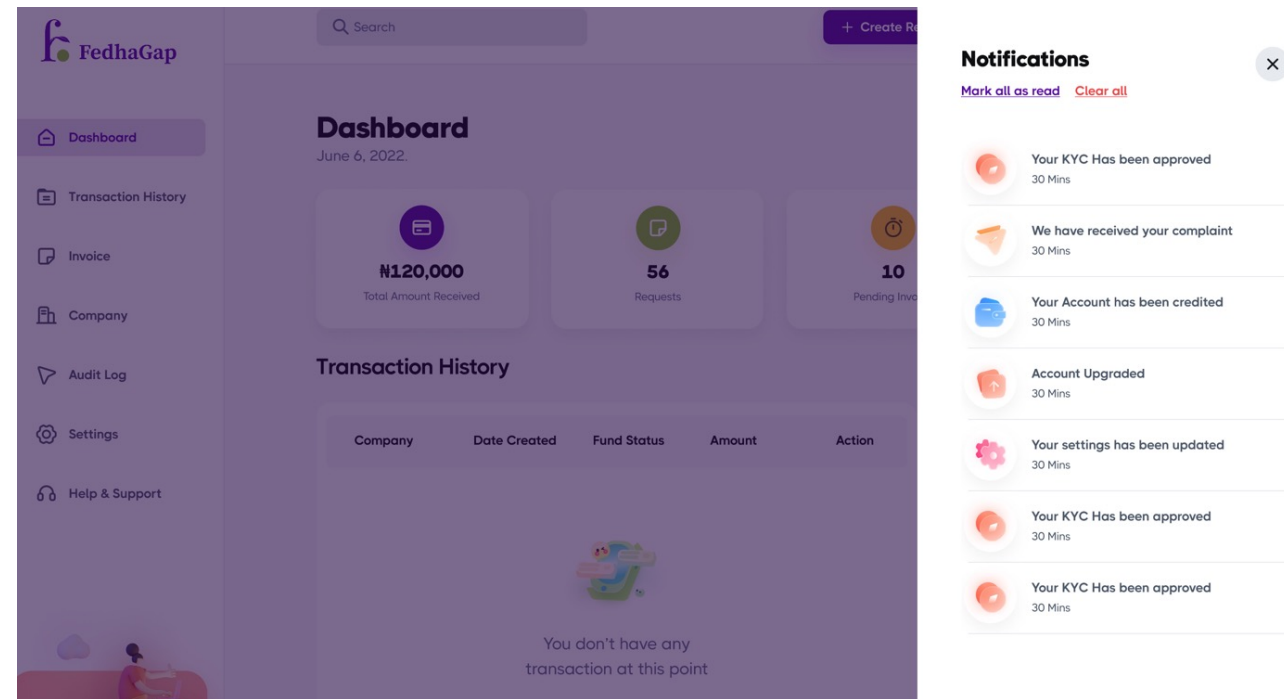
2,300

NMSMEs on our Waiting List

5 LEs

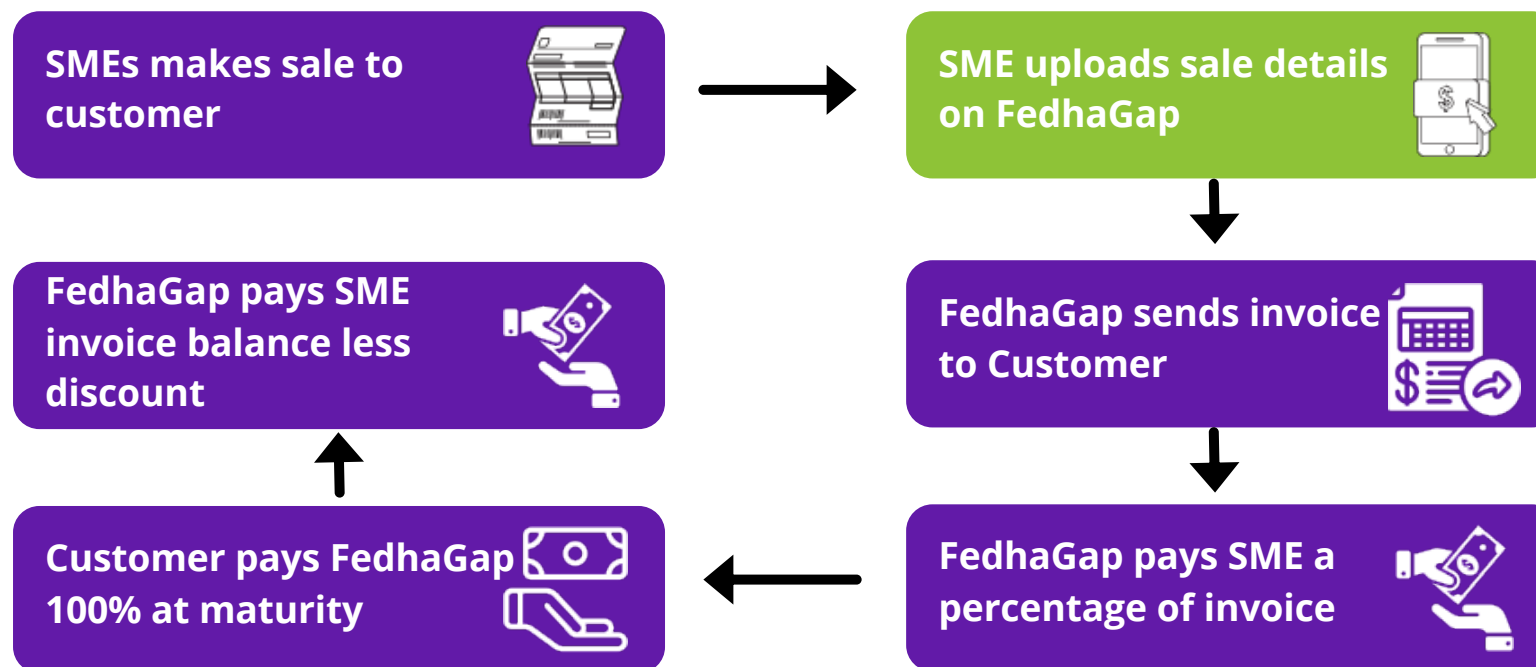
Committed

Our Invoice Factoring Process



Access the **financing** you need to **restock** your inventory or for your next **big transaction**.

Tired of waiting for your client's long payment days? Receive instant payment for your invoices or working capital to restock your inventory. Fedhagap employs the use of technology to shorten the receivable days for MSMEs through invoice and inventory financing.



Our Revenue Model

We will generate revenue from these three (3) main sources



Interest income

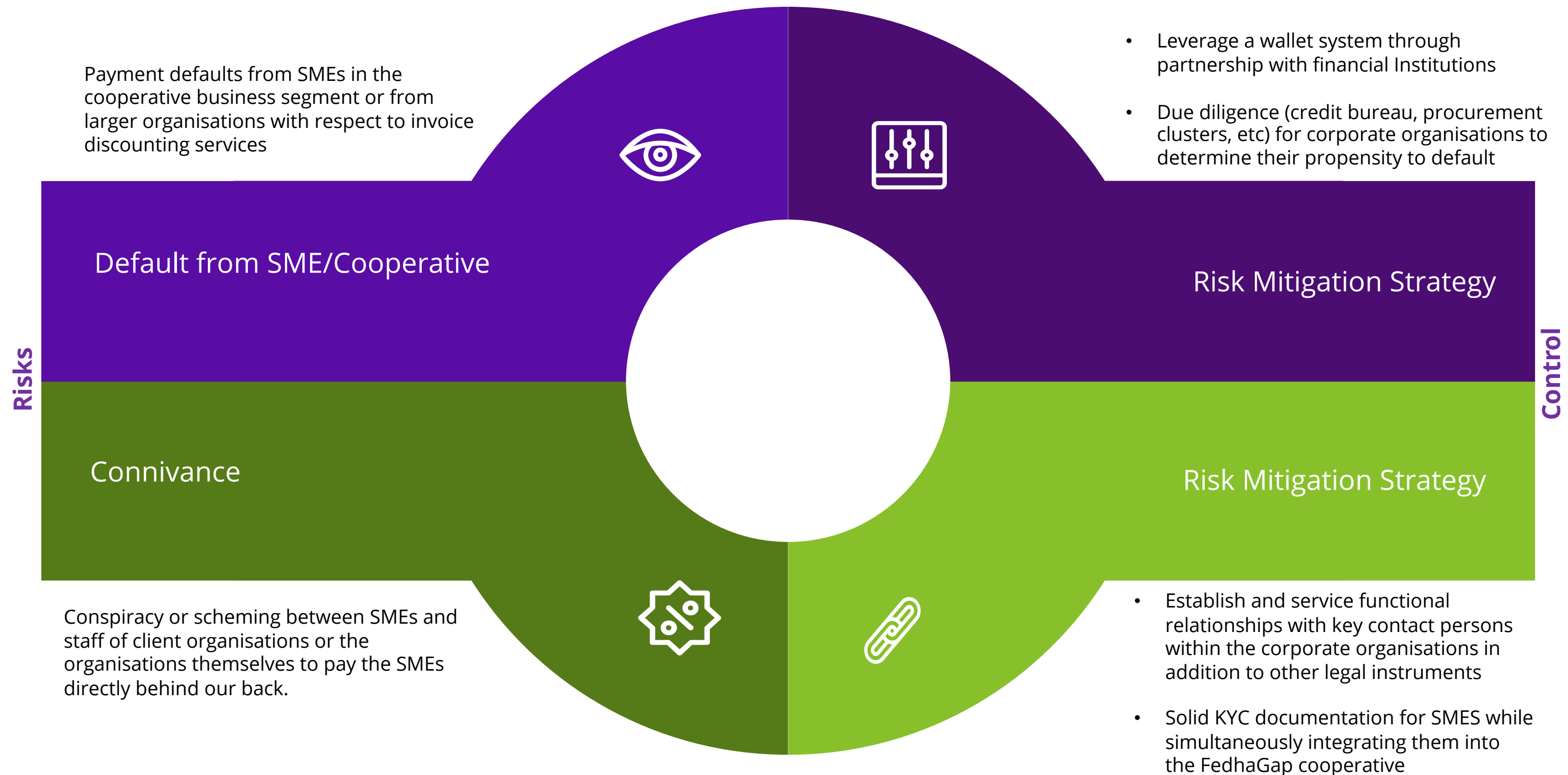


**Consulting as a Service
(CaaS)**



**Investment Income
on Cooperatives**

Risk Assessment



The Market is Green

Global NMSME Finance Market

Nano, Micro, Small and Medium Enterprises (NMSMEs) are one of the strongest drivers of economic development, innovation and employment. Access to finance is identified by NMSME owners as a critical barrier to growth for them. Therefore, creating finance opportunities for them is a key way to advance economic development and reduce poverty, especially in emerging markets. Taking into account the finance gap per region, we have identified a serviceable obtainable market of \$7.9 billion.

☒ Total Available Market (TAM)

\$5.2 Trillion

The global NMSME credit or finance market has a funding gap of \$5.2 Trillion. Overall demand for credit amongst MSMEs globally is estimated at \$8.9 trillion.

☒ Serviceable Available Market (SAM)

\$158.1 Billion

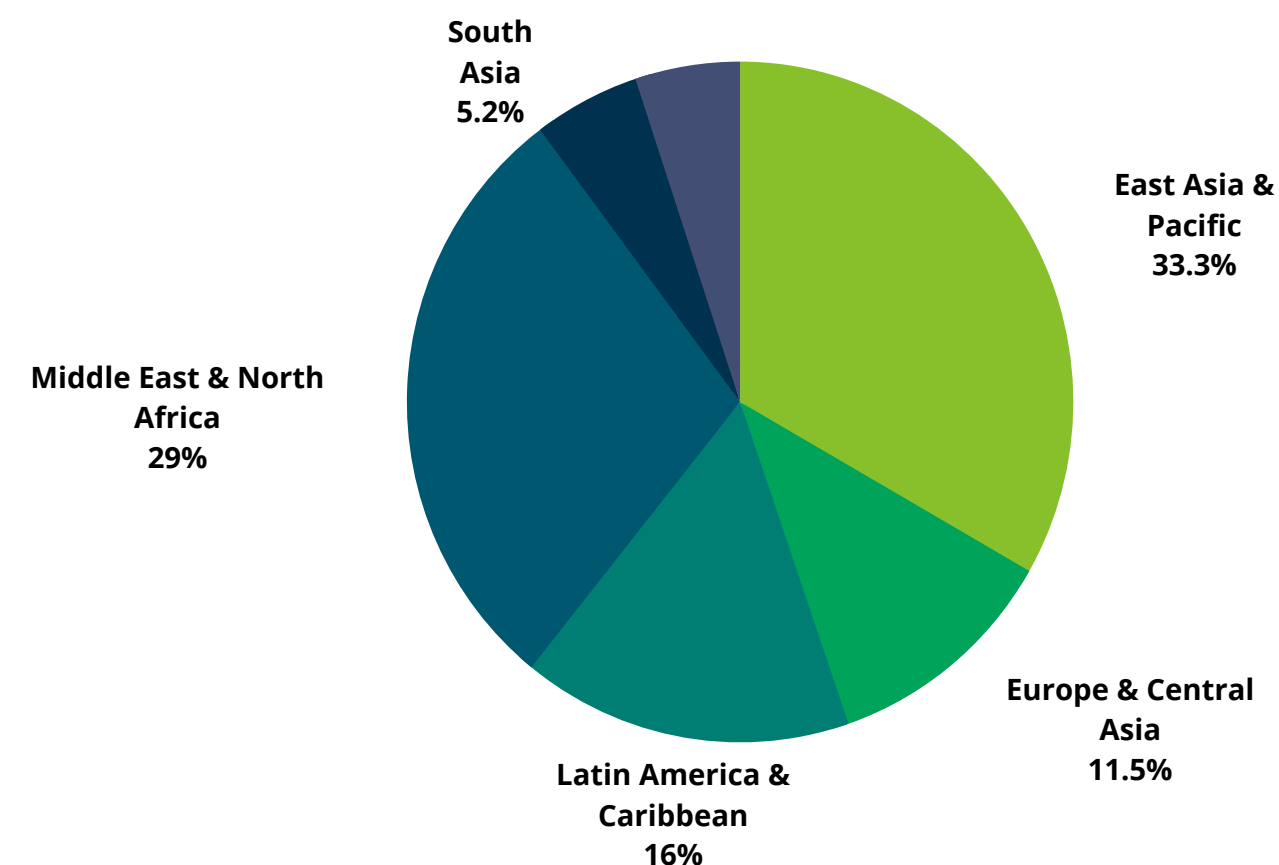
Nigeria's NMSMEs financing gap is the second-largest in the world, behind Brazil accounting for an estimated \$158.1 billion. This represents lack of funding to 41.5 million MSMEs in Nigeria

☒ Serviceable Obtainable Market (SOM)

\$7.91 Billion

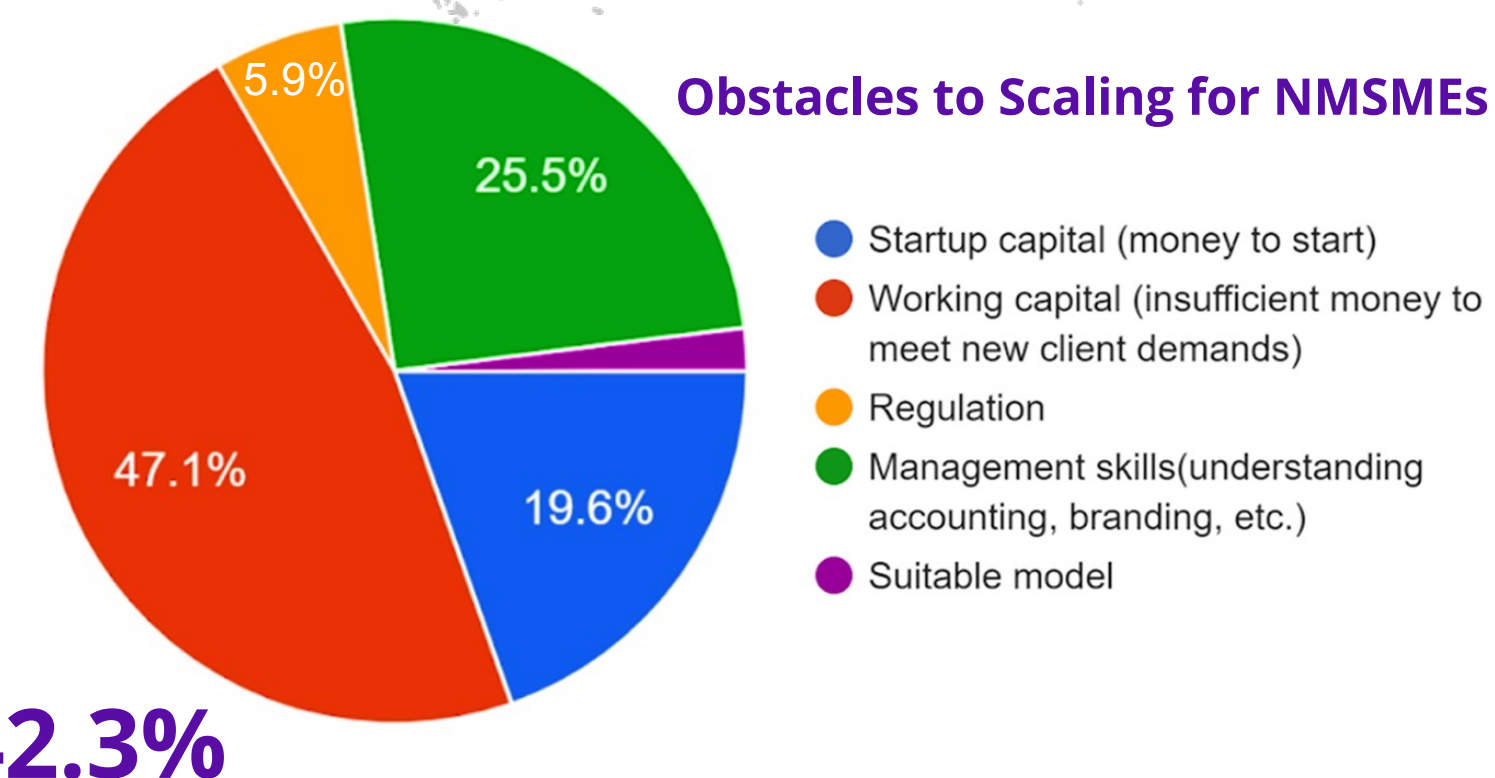
This represents a 5% obtainable market in Nigeria, representing the provision of funding to 685,000 NMSMEs in the short to medium term.

Global NMSME Finance Market by Region



NMSMEs in Nigeria

NMSMEs play a major role in most economies, particularly in developing countries. The NMSME sector in Nigeria accounts for 96% of the total businesses. Over the last 5 years, they have contributed 49% to the national GDP and employed 84% of the nation's labour force. Out of the total NMSMEs in Nigeria, 66.7% of NMSMEs in Nigeria identify start-up and working capital as the biggest obstacles to scaling, while 25.5% identify management skills. Whilst we have spent the past 5 years intervening to help NMSMEs develop management skills, we have now set up FedhaGap to digitize the SME community and provide a comprehensive support ecosystem.



78%

While 70% of women would rather transact in a face-to-face context, 78% were prepared to learn new technology.



98%

In regions where some form of credit financing e.g. cash advance, factoring, working capital loan) has been offered to MSMEs, (there has been a 98% customer retention.



42.3%

Of the 20 - 60 years old who operate SME businesses in Nigeria, 42.3% run some form of wholesale/retail business. 20.9% operate agriculture businesses, 13.1% in services, 9% in manufacturing, and 5.7% in accommodation/food services.

What Makes Us Unique?

Our team and active MSME community of over 5,000 business owners make us stand out. Our founder has built and scaled an MSME-focused startup, Caladium Consulting from ground zero to servicing hundreds of Africa's most prominent organisations. Our team are masters in the game in the industry that we choose to serve.

Niche

We offer short-term financing, as short as daily, to NMSMEs. There are currently few substitution for our type of funding solution.

Easy

Business owners can receive funds in as little as 48 hours. Invoice advancing request can be made in less than 5 minutes on our platform.

Agile

Our business model is such that we can respond quickly to changes in macro-economic environment.

Community driven

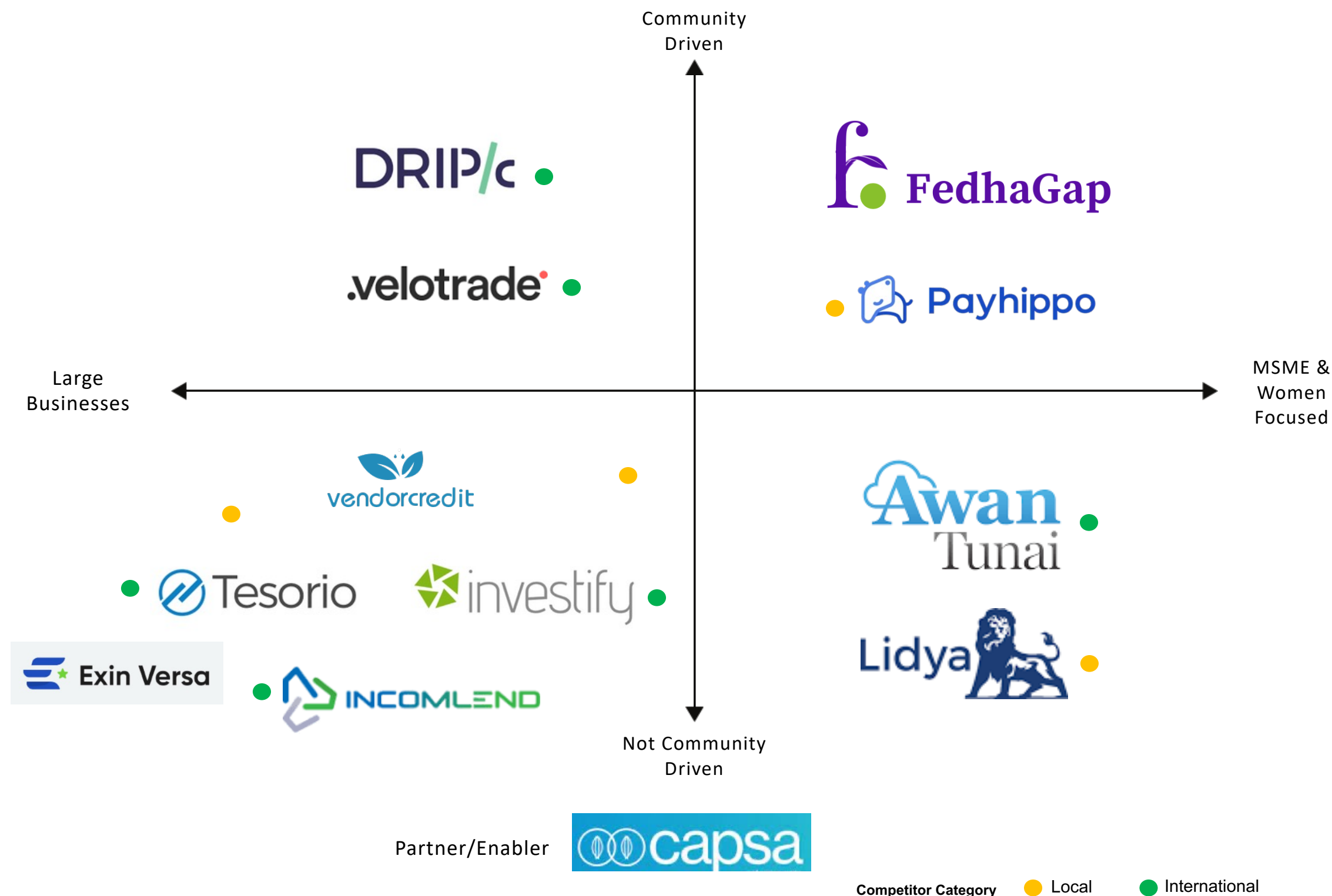
Our community approach ensures an inclusive and diverse business environment.

Diverse

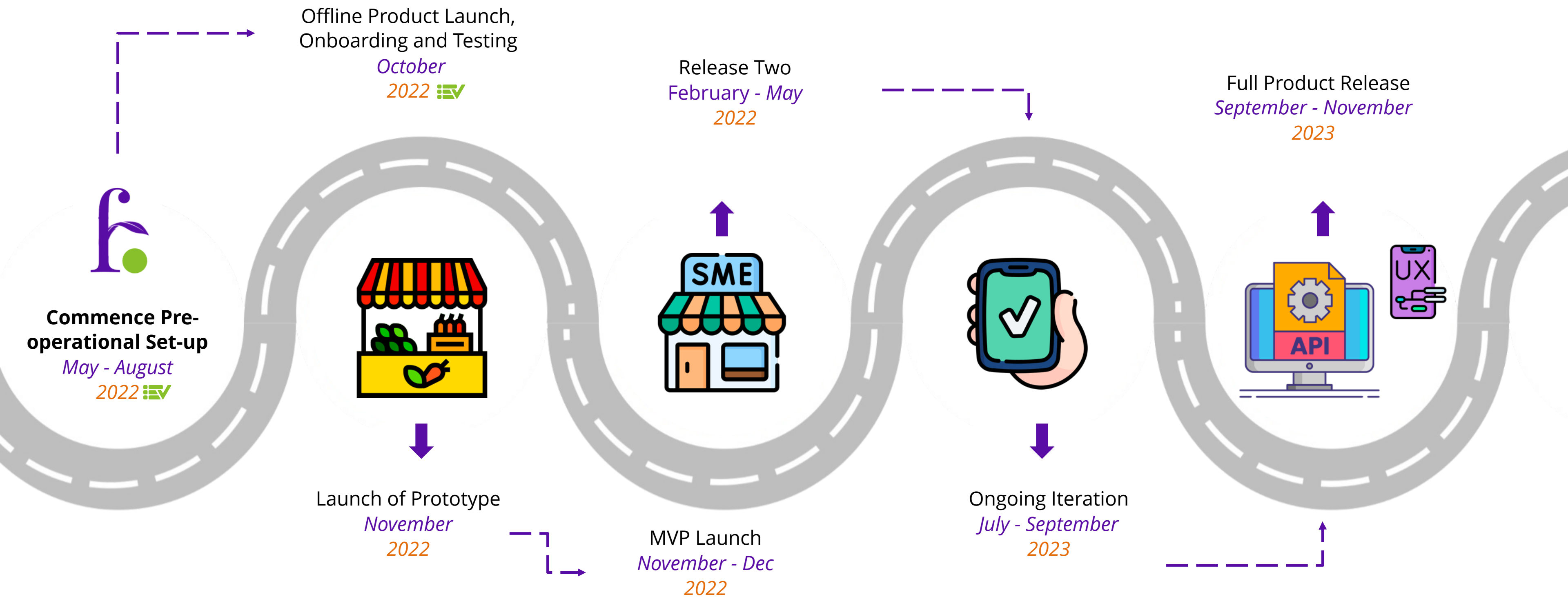
Our business model caters to the NMSME market across various sectors which positions us to respond to economic changes whilst remaining profitable.

Relationship

Our relationship with the NMSMEs is our most important relationship. We listen to ensure we are meeting their funding and training needs.



Product Journey



Our Ask

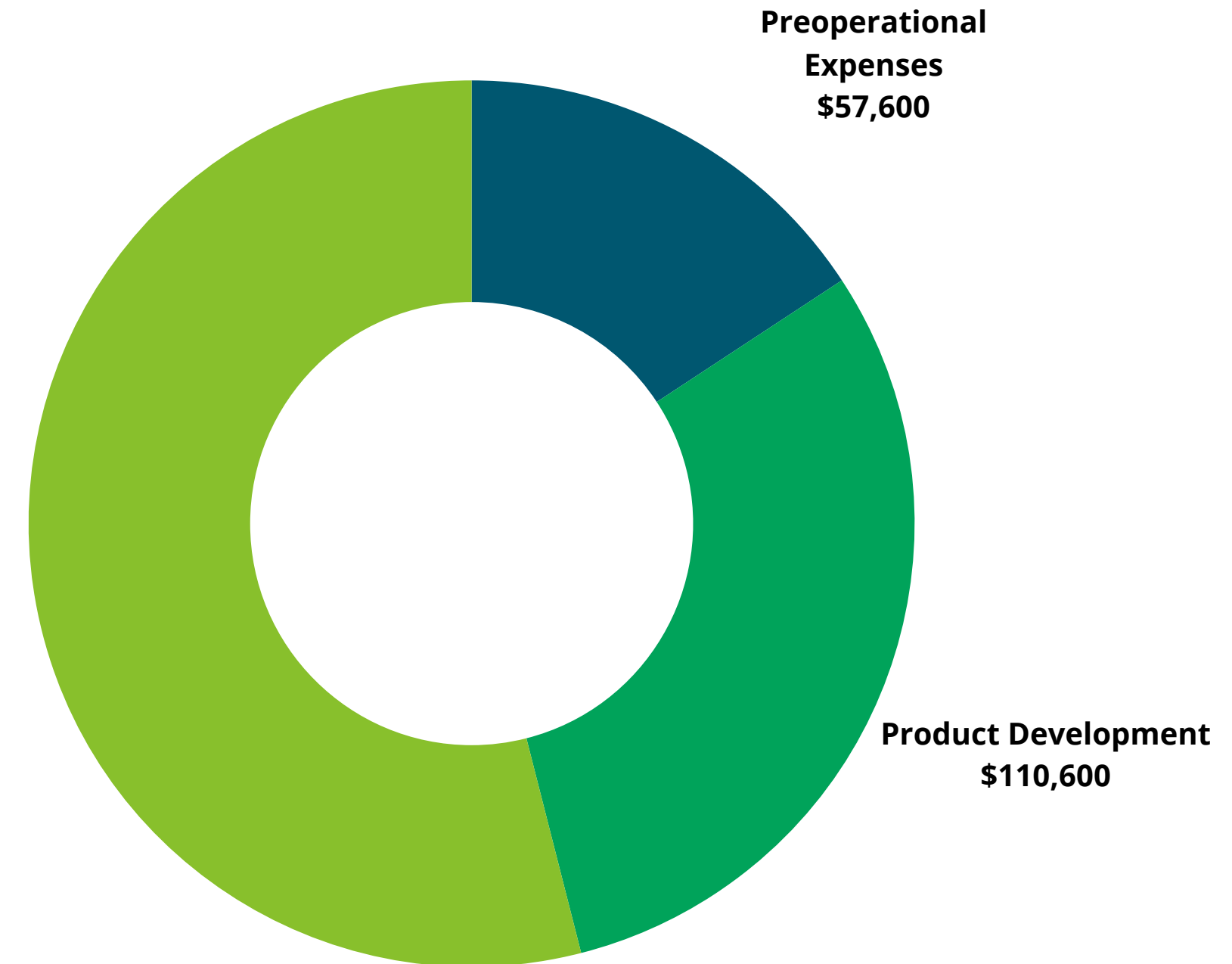
This is based on our goal of having a fully functional **mobile app by Q4-2023** and **achieving product-market fit by 2024**.

Pre-seed Investment

\$365,500

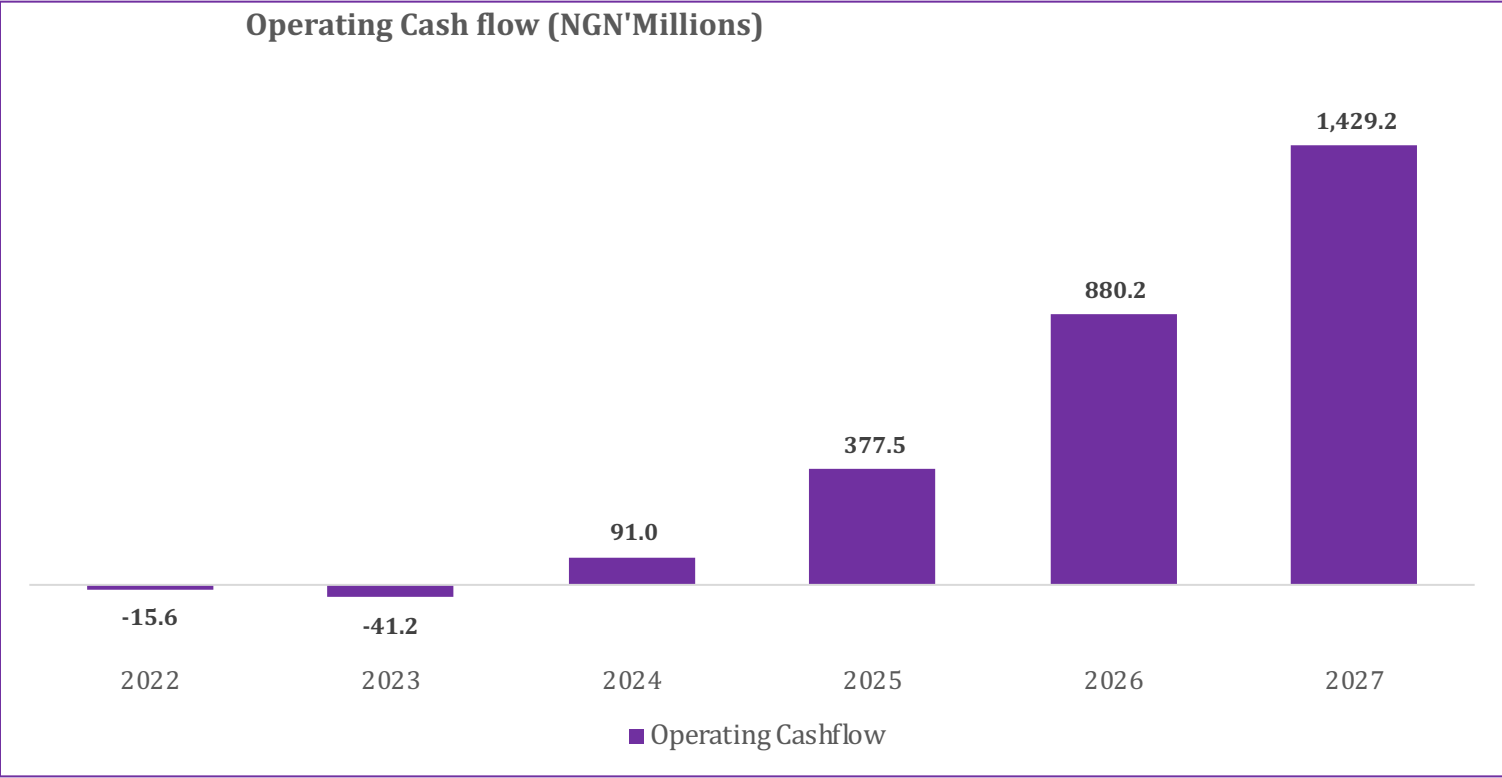
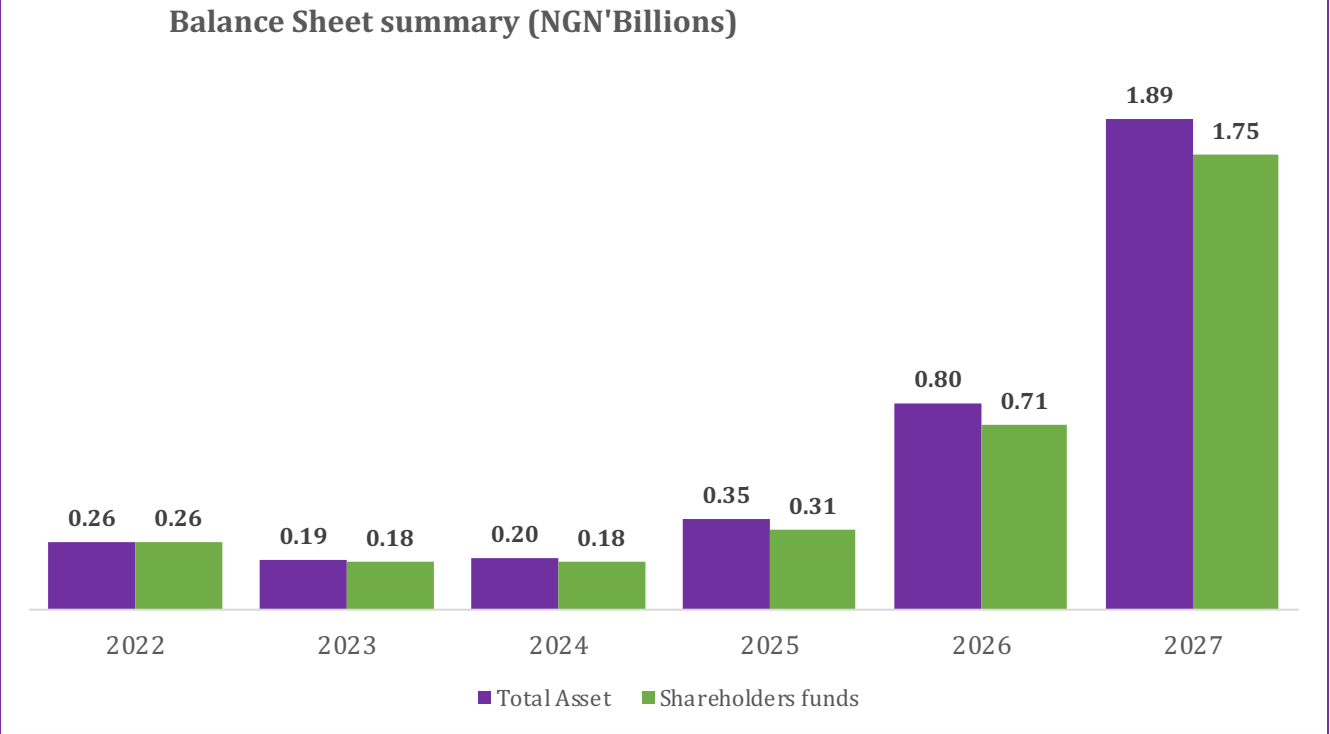
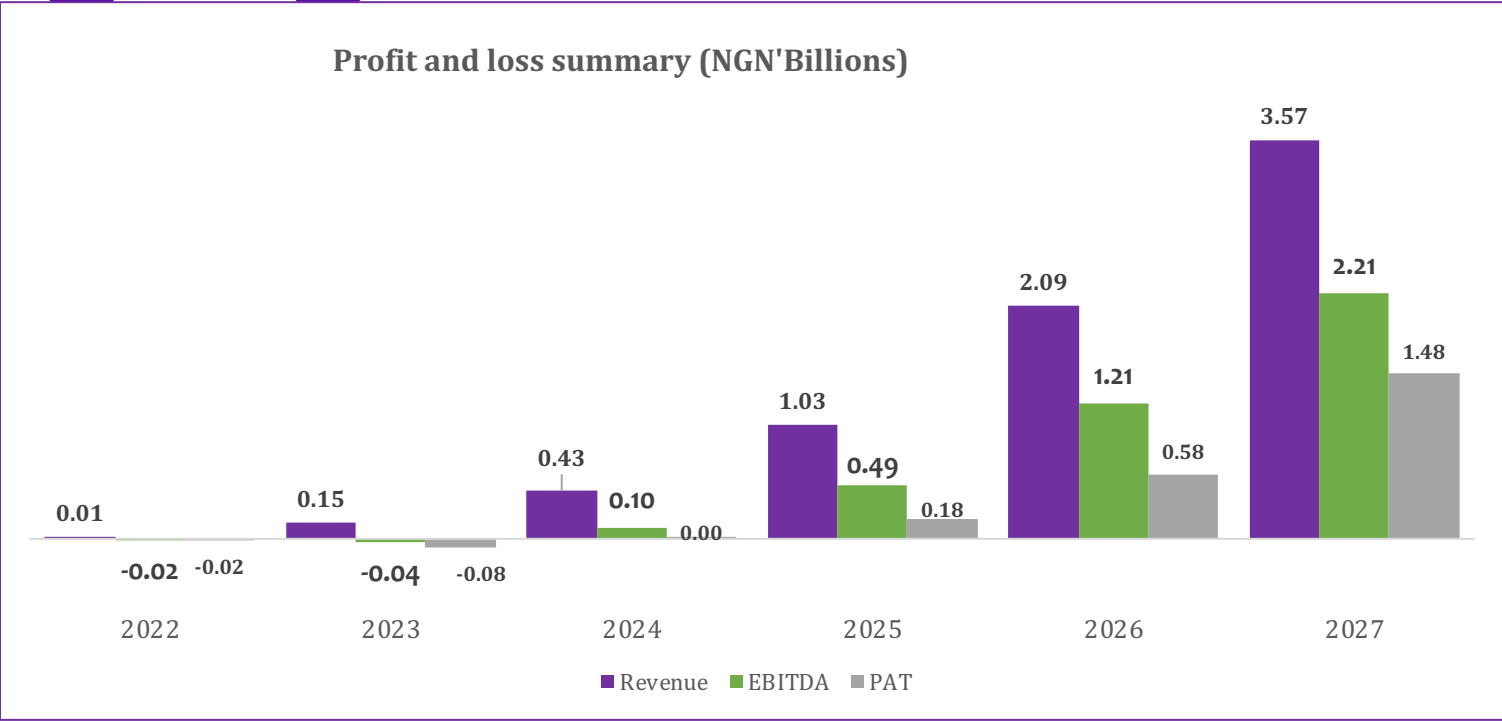
#PBNask

Working
Capital
\$197,300



Financial Highlight

FedhaGap is projected to grow from a 14million income level to a 1.5billion company by Year 6, with the expectation of hitting profitability levels by year 3.



KPIs		SOURCES & USES OF FUNDS	
	Average	Source	
Grossprofit margin	62.9%	Equity	1,240,504.85
EBITDA margin	5.8%	Total	1,240,504.85
PBT margin	4.3%	Uses	
Net profit margin	-16.3%	Pre-operational Expense	27,257
Return on Asset	25.9%	Product development	52,378
Return on Equity	55.9%	Working Capital	196,022
NPV	1,240,504,847.5	Total	275,658
IRR	165.9%		
Payback period	4.0years		
Multiple	11.5x		

Who Are We?



FedhaGap was founded in 2022

We are a team of young professionals who have interacted with thousands of MSMEs across Africa through our work as strategy consultants and our non-profit efforts to support MSMEs with business management capabilities. We have an active community of over 4,500 MSMEs through the Lagos SME Bootcamp initiative, where we have since established ourselves as one of Nigeria's most prominent MSME support brands.

In the course of our work with MSMEs, one thing keeps jumping at us - *working capital inadequacy*. We see how MSMEs lose clients because their cash is trapped with previous transactions with clients who have the volumes needed for growth, but with payment terms that gag their ability to meet new obligations.

We see the agony of market women and men who trade in the informal sector across hundreds of markets in Nigeria, unable to restock their inventory because demand exceeds their working capital; or because cash is tied for inventory that is yet to arrive, while other categories suffer.

This is the problem FedhaGap seeks to solve.

We digitize the MSME community to provide an integrated support ecosystem across core problem areas.



Inventory
Financing
for Nano &
Micro
Businesses

+



Invoice
Discounting
for Small &
Medium
businesses

+



Community-based
Learning &
cooperative

=





Our Purpose

FedhaGap exists to ensure the survival of NMSMEs in Africa, by removing the cash constraints for them through the utilization of technology tools to provide seamless invoice and inventory finance solutions. We are committed to reducing the failure rate of NMSMES, one business at a time, in support of Sustainable Development Goal (SDG) 8.



Our Vision

Our Vision is to be among the top three NMSME-focused invoice financing organization in Africa by 2026.

Our ERICA Values



Excellence

We strive for excellence in all we do. We are dedicated to providing best-in-class experience for our stakeholders across all touchpoints.

Relationship

We prioritize and invest in our relationships with the NMSME community. Through our capacity building programs, grants, consulting services and advocacy, we have established our position as leaders in the West African NMSME ecosystem.

Innovation

We are committed to consistent product and process innovation. We are inspired by new ways of solving problems for our community.

Collaboration

We believe that our strength lies in our ability to combine our skills and resources to achieve the common good. We believe that the strength in the collective outweighs that of the individual.

Accountability

Our actions are governed by ethics, professionalism and transparency. We are accountable to our investors, customers, team and our community.

Thank You

Bridging the MSME financing gap

Get in touch with us for partnership opportunities



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