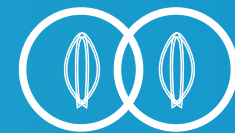




Africa's premier digital invoice factoring platform

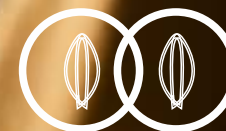
# HELPING BUSINESSES TURN UNPAID INVOICES TO WORKING CAPITAL



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## Because businesses shouldn't have to be stalled by unpaid invoices

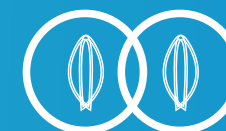
Access to quick and affordable working capital remains a huge struggle for most businesses in Nigeria especially SMEs. Capsa wants to fix this through our innovative digital invoice factoring platform.



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Like in any other parts of the world, small businesses are a key component of the Nigerian economy.

	Manpower	Asset Turnover (Million)	Assets (Million)
<b>MICRO</b>	≤ 10	>10 ≤ 49	>50 < 200
<b>SMALL</b>	< 10	>10 ≤ 100	>100 ≤ 500
<b>MEDIUM</b>	< 5	>5 ≤ 50	>50 ≤ 500



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## Key Statistics of the Nigerian MSME (Micro, Small and Medium Enterprises) Sector

<b>Total Number of Enterprises (2013)</b>	<b>Micro</b>	41,469,947	99.8%: hires less than 10 persons and have about N5 million in assets excluding land.
	<b>Small</b>	71,288	0.17%: have between 10 and 49 employees and 5 to 50 million naira in assets
	<b>Medium</b>	1,793	0.004%: hires between 50 and 199 persons and have assets of N50 million to N500 million.
	<b>Total ▶</b>	<b>41, 543, 028</b>	

# 49.8%

Contribution to GDP

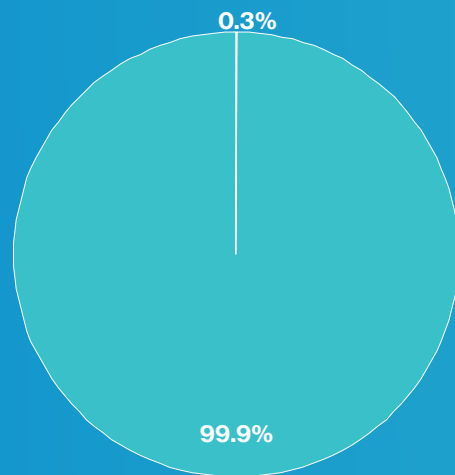
# 59.6 Million

Number of Persons Employed. (32% of total population)

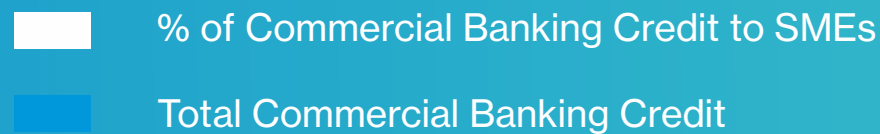
\*The definition and classification adopted above is as stated by the Small & Medium Enterprises Development Agency of Nigeria (SMEDAN) as articulated in its National Policy on MSMEs

Source: CBN, SME Toolkit Nigeria, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), PwC

Only **0.3%** of total commercial bank credit goes to small businesses creating a financing gap of **c.USD2.0 bn/year** according to PwC



**Split of Total Commercial Banking Credit to the Private Sector**



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\*In Naira terms, value is **N617** billion per year. Exchange rate used here is **N305/USD**, which is the official rate of the Central Bank of Nigeria

**Source: CBN, World Bank, EFiNA, PwC**

# Top Reasons for Financing Gap

## Why Banks Reject Loan Applications from Small Businesses

- ④ Poor credit history/report
- ④ Inadequate collateral to secure loans
- ④ Insufficient profitability
- ④ Incompleteness of loan application

## Why Small Business don't Apply for Bank's Loan

- ④ High interest rate (interest rates are as high as 27% for small businesses).
- ④ Collateral requirement too high
- ④ Tedious application process



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# PROBLEM STATEMENT



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# VISUALIZING THE PROBLEM

**30-120**  
Days

Average number of days it takes most businesses in particular to convert their receivables to cash.

**3-4**  
weeks

It takes about three to four weeks for businesses to discount their invoices with financial institutions (banks in particular).

**1**  
Lender

Most businesses can only choose to discount their invoice with a single lender at a time.

**28**  
percent

Upwards of twenty eight percent is the average interest rate for businesses.



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## LIKELY CONSEQUENCES:

Higher financing cost | Stunted growth | Lost business opportunities

## Addressing the financing gap for SMEs involves

Creating a structure beyond the traditional means that can De-risk the SMEs and give Lenders comfort.

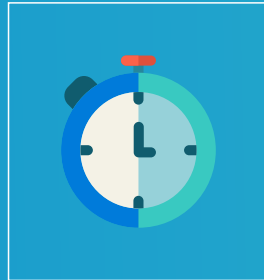


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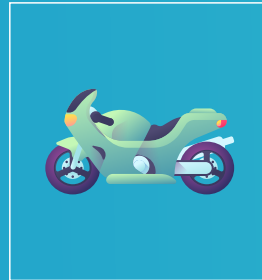
## TRADITIONAL



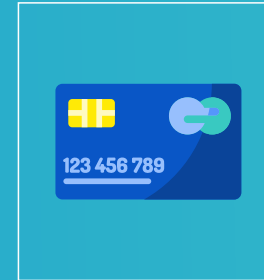
**TERM LOAN**



**SHORT-TERM  
LOAN**



**EQUIPMENT  
FINANCE**



**LINE OF  
CREDIT**



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## Common Challenges Of The Traditional Approach Includes

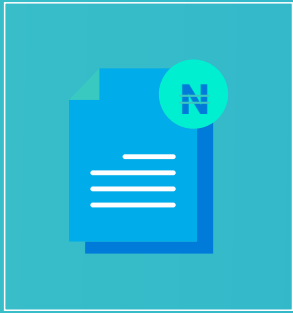
High interest rate due to inadequate credit record as well as perceived high risk

Collateral requirement too high due to perceived high risk

Tedious application process

Long lead time between when application is made and credit is disbursed

## NEWER/DIGITAL



**INVOICE  
FINANCE**



**MERCHANT  
CASH ADVANCE**



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## Digital approach is:

- Secured
- Quicker
- Faster
- Competitive

# OUR SOLUTION/ VALUE PROPOSITION

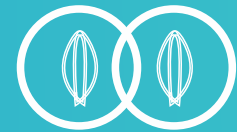


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**To democratise access to  
finance for small businesses in  
Africa leveraging technology.**

**48**hrs

We have built a platform that allows businesses  
smarter path to cash at competitive rates within 48  
hours.



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# BRINGING MOMENTUM BACK INTO THE BUSINESS

WITH JUST A FEW CLICKS



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# HOW IT WORKS



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## Upload Invoice

Vendor/business uploads invoice once service/product is delivered to the corporate/anchor.

## Anchor/Corporate verifies invoice

Platform notifies anchor of the invoice and request anchor to verify/validate the invoice.

## Verified invoices moves to bidding page

Verified invoices are now cleared and presented for bidding .

## Lenders/investors bid for verified invoices

Lenders/investors on the platform bids for the verified invoices at competitive rates.

## Vendor selects best bid

Vendor/selects the best bid and platform facilitates payment and settlement of the transaction.



On invoice due date, corporate/anchor pays into the escrow account of the platform, which is then credited into the lender/investor's account





# CAPSA OFFERS SIGNIFICANT MERIT OVER TRADITIONAL MEANS OF


INVOICING & DISCOUNTING



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# BUSINESS MODEL

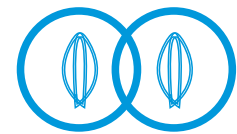


-  We are a marketplace that facilitates invoice factoring transactions and we charge a fee on all successful transactions.

## OUR PARTNER



PAYMENT AND  
SETTLEMENTS



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# WHERE WE ARE



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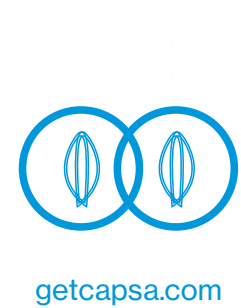
successfully  
conducted test  
operations

concluded  
integration with  
Stanbic-IBTC  
for payment and  
settlement  
purposes

investor  
engagement on-  
going

vendor  
engagements  
on-going

INITIAL CONTACT



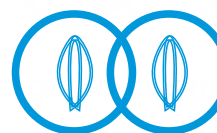
DISCUSSION  
PROGRESSING



**NEGOTIATION  
OF CONTRACT**



**CLOSED**



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**Stanbic  
IBTC  
Bank**  
A member of  
Standard Bank Group

Anchor and partner



**Blackaion**  
CAPITAL

Investor



**VETIVA**  
CAPITAL MANAGEMENT

Investor



## CONTACT US

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