



Adhengo Boaz
& ASSOCIATES

PROJECT NABUUR

A VENTURE CAPITAL FUND



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Adhengo Boaz & Associates is launching the **Project Nabuur Capital** to invest in creative businesses active in Kenya. This facility is designed to provide financing for businesses to: restructure interrupted supply chains; increase production capacity; diversify offerings; increase market share; increase integration in local and regional value-chains; support the transition to low-touch and digital capabilities, and take advantage of new opportunities.

Business support remains a key component of our fund strategy. As such **Project Nabuur Capital** beneficiaries will also be the recipients of ongoing strategic engagements to synergise with their direct cash-flow investment. This will include: relevant financial modelling, legal, tax, human resource, accounting, and cash flow management support, as well as access to training and international platforms for market access.

TERMS OF ENGAGEMENT

This fund is a loan facility featuring targeted debt investments to be deployed for a maximum of four (4) years in each business which makes a successful application. Businesses can apply for a minimum of USD 10,000 and a maximum of USD 80,000. This debt facility will be available in several forms for flexibility to several types of business needs:

Term loans (up to 48 months): This is the normal term loan that is offered for 12-48 months, with a moratorium of 3 months before the payment period begins.

Lease to Own: This is for a specific asset the beneficiary would like to acquire for the business, such as a particular machine, equipment etc. The beneficiary would be able to use the asset while paying for it. Upon completion of payment ownership is transferred fully to the beneficiary.

LPO Finance: This enables businesses with pending or possible purchase orders, which do not immediately have the liquid working capital to buy materials or hire needed assistance, to meet the needs of the order. In this short term facility, financing is advanced for the beneficiary to meet these working capital needs.

Line-of-Credit: Some enterprises have rolling working capital needs: for purchase orders, inventory replenishing, new hires or consultancy requirements, expansion and more. This facility moves a pre-approved amount of financing that an organisation can access at any time to allow them to get these matters sorted out.

ELIGIBILITY AND REQUIREMENTS

Key requirements for each application are:

1. Your business must be registered and operational in Kenya. At least 51% of company shareholders must be citizens of Kenya.
2. Your business must be able to demonstrate a resident team (permanent or part-time). The business must have a minimum of one (1) permanent employee.
3. You must have valid financial statements or audited accounts for a minimum of one (1) year.
4. Your business must demonstrate that it has been operating for at least two (2) years.
5. Your enterprise must be in any of the following creative economy value chains:

Crafts and Handmade Items

Toys (*including board games and children's toys*), traditional crafts (*including dhow making, door carving, musical instruments, soapstone, beads, sculptures*), candle makers, gifts and stationery.

Creative and Cultural Education

Relevant programming in sector-aligned schools and colleges, development of relevant educational online and mobile applications, courses, masterclasses and more, art schools, programs and centres (*including child and adult lessons for music—vocal and instruments training, visual arts, drama, dance, crafts and more*).

Cultural Infrastructure

Upgrading and renovating and equipping production capacity, including at-home production, recording, rehearsal and performing space-making for relevant physical and online use, exhibition space-making, work in/ around archives and libraries, co-working spaces, making and improving of online marketing and distribution platforms, including video-on-demand and streaming platforms, and e-commerce marketplaces.

Cultural Tourism

Curated physical and digital experiences, guided tours, such as city tours, cycling tours, walking tours, night tours and more.

Decorative Home

Designers, makers and manufacturers of decorative home furnishings (*including furniture, lighting, mirrors, made-to-order furniture and more*).

Digital Media

Content production and distribution (*including in the arenas of entertainment, gaming/e-sports, sector-aligned podcasts and vlogs*), translation (*subtitling and voice-over recording*), literature publishing (*e-books, digital magazines and other online applications*), edutainment, including children's and adults learning content (*in all relevant languages*), relevant online presentations, tutorials, masterclasses and more.

Events

Digital/virtual and physical event renditions (including music and cultural events, festivals), events supplies (*including decor, sanitation, tents, flooring and accessories, sound and lighting, pyrotechnics and more*), event planners.

Fashion

Textile manufacturers, fabric and garment/ apparel wholesalers and retailers, designers, makers and manufacturers of leather goods, garment producers including industrial apparel or personal protective equipment (PPE), makers of accessories (*bags, wallets, belts, hats and more*), jewellery (*using beads, precious metals/gems, natural materials and more*), menswear, womens-wear, baby/ junior/ childrenswear, lingerie and intimates, school uniforms, industrial uniforms, occasions and bridal/wedding wear, traditional/cultural garments, and more.

Film, TV and Photography

Archiving, commercial film production and distribution, co-financing commissioned work.

Food and Cuisine

Cultural food offerings (*including innovative approaches to food, food trucks, food and dining experiences, non-alcoholic beverages, and more*), culture-centric cooking classes, courses and food vlogging, indigenous food preparation, preservation and presentation, makers and distributors of spices, condiments and preserves (*such as jams, pickles, sauces and more*), locally made and culture-centric sweets, confections and snacks, food event and festival curators, cultural wellness explorations (*remedies, herbs, teas, honey and associated products, fermented non-alcoholic drinks, and more*).

DEFINITIONS OF TERMS

Revenue Share

In this facility, allows the beneficiary to make repayments based on an agreed upon percentage of their monthly revenues. This may be a standard percentage of their revenues (2% -6%) or payment is based on the forecasted revenues, informed by the financial modelling. This forecast is derived from conservative revenue projects, and the effective interest rate is 20% per annum. The repayment period is 24 / 48 months.

Convertible Loan

In this facility, PRONA issues a convertible loan note at a rate of 14% for 18 /24 months to be converted into shares at a discount of 20% on the second anniversary of the loan. PRONA is not obliged to convert, and should this be the case, then the principal and interest is paid back. We also offer a Partial Conversion option.

Lease to Own

In this facility, PRONA receives a request to acquire assets, PRONA then purchases the asset and hands over the asset to the investee as a loan model, against which the investee pays back monthly instalments. Upon complete recovery of the principal and interest amounts, the asset is transferred to the investee and the contract is deemed fulfilled. Lease to Own can be advanced under normal loan terms or under revenue share model terms.

LPO Financing

In this facility, PRONA advances cash to an investee with whom we have an ongoing relationship, to meet the working capital needs of a certain purchase order. This is a short-term facility of upto 80% of purchase order, covering 90 days at a rate of 2% per month and a one off processing fee of 0.5% of the principal amount.

Line of Credit

This is a pre-approved amount of financing that an organisation can access at any time to meet their working capital needs. The amount varies from business to business and is determined during the financial modelling stage.

Hybrid Instruments

These are mixed model financing models that incorporate grant/ debt for operations, working capital and capital expenditures of an organisation.