GSMA

Investment readiness:
A toolkit for agritech innovators

GSMA

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile network operators (MNOs) and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: connectivity for good, industry services and solutions, and outreach. These activities include advancing policy, tackling major societal challenges, underpinning the technology and interoperability that make mobile services work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

For more information, please visit the GSMA corporate website at www.gsma.com

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GSMA AgriTech

The GSMA AgriTech programme works towards equitable and sustainable food chains that empower farmers and strengthen local economies. We bring together and support the mobile industry, agricultural sector stakeholders, innovators and investors in the agritech space to launch, improve and scale impactful and commercially viable digital solutions for smallholder farmers in the developing world.

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Author
Lisa Chassin, Insights Manager, GSMA

Contributors
Panos Loukos, Director, Financial Inclusion, GSMA
Soraya Montengo, Marketing Specialist, GSMA

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Adrienne Ndong, Investment Manager, Teranga Capital

Amna Masood, Head of Insights, Invest2Innovate

Audrey Mate, Project Manager – Africa, Village Capital

Dan Kimani, Associate Investment Director, Acumen Resilient Agriculture Fund (ARAF)

Daniele Tricarico, Founder, ArisTechia; Senior Director, GSMA

Danny O'Brien, Managing Director of EMEA & Global Programs, SVG Ventures

Dave Okech, Founder, Aquarech

David Longdon, SeniorAssociate, Equator VC

Deji Adebusoye, Partner, Sahel Capital

Doga Makiura, Founder, Degas

Elisabetta Sakiotis, AgriFood Analyst, Rockstart

Farah Emara, Co-founder, FreshSource

Jessica Villanueva, Senior Director of Technical Areas of Practice, MEDA

John Friedman, GROW Accelerator, AgFunder

Lisa K. Stahl, Senior Portfolio Manager, KfW

Loraine Achar, Investment Manager, Founders Factory Africa

Maurice Scheepens, Ventures Program – Agri Tech, FMO

Maxime Bayen, Operating Partner, Catalyst Fund

Olúwatóyìn (Toyin) Emmanuel-Olubake, Investment Director, Novastars Ventures

Omoneka Oyier, Director, Business Value Creation, MEDA

Simona Benvenuti, Director, Netherlands Advisory Board on impact investing (NAB)

Yann Vaudin, Investment Associate, Katapult Africa

Contents

Executive summary

Securing funding is critical for agritech companies looking to scale their solutions and drive meaningful impact in the agriculture sector.

However, various factors, such as ecosystem readiness for innovation, investor priorities and the investment readiness of agritech founders, can make it difficult to raise funding.

This report explores the agritech venture capital (VC) investment landscape, highlights VC decision-making criteria and provides agritech companies with practical guidance to enhance their investment readiness.

01 Landscape of VC funding

A funding gap hinders agritech transformation

Despite digital agriculture's potential to address food insecurity and climate change, a significant funding gap persists. Only 5% of VC investments went into agritech and foodtech in 2023, with Africa, Asia-Pacific and Latin America receiving less than a third of this funding.

Investment trends

Investors are gravitating towards agritech solutions that address specific challenges, such as:

- Agri-e-commerce platforms that connect farmers directly to consumers.
- Supply chain management solutions that address inefficiencies within value chains.
- Climate-resilient agriculture and AI-enabled solutions.
- Ecosystem approach that strengthens entire agricultural value chains over isolated farmer-facing apps.

02 VC investors' priorities

Investors assess agritech ventures based on key criteria:

- Strong, experienced team capable of delivering the company's vision.
- Sustainable and scalable business model.
- Demonstrable social and environmental impact.
- Alignment with the investor's strategic goals in terms of geography, sector and growth stage.

03
An agritech investment journey

Investment readiness is crucial as more agritechs compete for limited resources in a tightening funding environment. Our investment readiness toolkit provides agritech founders with practical guidance to navigate their fundraising journeys.

Get ready

- Reflect on funding needs and build a fundraising plan.
- Develop the right mindset and set realistic expectations.
- Gather supporting data and documentation in an organised data room.

Get set

- Identify and research suitable investors before adding them to your investor pipeline.
- Build a diverse professional network.
- Contact the investors in your pipeline.

Go

- Develop tailored pitches specific to each investor and situation to convince investors of the value of your team and solution.
- When delivering your pitch, convey essential attributes investors are looking for.
- Continue engaging with investors after you deliver your pitch.
- Be responsive and transparent to successfully complete the due diligence process.
- Negotiate fair terms and conditions.

01
Introducing the investment readiness toolkit

Digital agriculture can improve smallholder livelihoods

By streamlining value chains, reducing costs and enabling fair pricing for produce, digital agriculture solutions can improve smallholder farmers' productivity and livelihoods.[1]

They also provide crucial agronomic insights to increase yields and offer financial services to enable farm investment and risk mitigation, whilst bolstering smallholders' climate resilience. In 2022, the number of digital agriculture solutions deployed in low-and-middle income countries (LMICs) rose to 1,357 from 754 in 2017.[2]

Figure 1

GSMA breakdown of digital agriculture use cases and their impact on smallholder farmers[3]

Supply chain management
Business-to-business (B2B) services that help streamline agricultural value chains.

Agri digital financial services
Digitally-enabled financial services, including agricultural payments, loans and insurance.

Digital advisory
Agronomic and livestock advice, market prices, weather and climate information.

Market linkages
Digital solutions that link smallholder farmers to farm inputs, crop buyers or end-users.

Smart farming
Solutions that use IoT-enabled devices, satellites, sensors or drones' data to optimise production processes.

Improved access to markets

Streamlined access to capital

Better knowledge

Increased crop productivity

Enhanced resilience to climate shocks

1 GSMA. (2023). Improving Farmer Livelihoods Through Digitised Agricultural Value Chains.
2 Beanstalk AgTech. (2023). State of the Digital Agriculture Sector; Harnessing the Potential of Digital for Impact Across Agricultural Value Chains in Low- and Middle-Income Countries.
3 GSMA. (2020). Digital Agriculture Maps.

Yet agritechs struggle to obtain the funding required to scale

Access to funding is critical for digital agriculture solutions to develop and scale.

However, agritech start-ups, especially in early stages with limited traction and revenue, often struggle to secure external funding. Some 77% of agritechs rely on bootstrapping, using their own revenues to grow.[4] This limited access to capital curbs ecosystem growth, with only 2% of solutions reaching over one million users, while most reach between 1,000 and 50,000 farmers.[5]

Mobile phone ownership, internet usage and the digital skills of potential users all influence the success of agritech solutions. Supportive rural infrastructure, regulatory environments and local skilled tech experts can also help to scale agritech innovation, boosting investor confidence.

Figure 2

Factors influencing the scale of agritech start-ups[6]

Access to funding

Securing funding enables agritechs to expand teams, promote services and acquire assets critical for growth.

Digital inclusion

The ability of an agritech solution to scale depends on the level of digital inclusion among its potential users.

Ecosystem partnerships

Partnerships can help build scale by enhancing the value proposition for farmers.

Regulatory environments

The ease of developing and scaling agritech solutions partly depends on the regulatory environment.

Rural infrastructure

Rural infrastructure (e.g., mobile connectivity, electricity grids, etc.) affects adoption and effective usage of digital agriculture solutions.

Access to expertise

Skilled tech developers are required to build and implement innovative solutions.

4 Beanstalk AgTech. (2023). State of the Digital Agriculture Sector. Harnessing the Potential of Digital for Impact Across Agricultural Value Chains in Low- and Middle-Income Countries.

5 Ibid.

6 Ibid.

Agritech companies face multiple fundraising challenges

Agritechs face many challenges on their journey to raise capital. The struggle to access the next investment round, or access any funding at all, often hampers agritechs' growth and limits their ability to deliver benefits to smallholder farmers.

Figure 3

Challenges faced by agritech companies in their fundraising journeys

01 Articulating a clear value proposition

- Clearly communicating their purpose, impact and competitive advantage to investors.[7,8] Agritechs often don't leverage data enough to communicate their impact.[9]
- Demonstrating potential exits and business model profitability.[10]

02 Navigating the investment world

- Identifying what type of capital and investors would be best.
- Establishing a realistic valuation of their company.[11]
- Accessing investor networks.

03 Adopting a focused and strategic fundraising approach

- Some founders follow a 'spring and spray' method, whereby they reach out to a very high volume of investors, without consideration for alignment and compatibility.[12]

04 Aligning with investors' expectations and perspectives

- Most investors have high return expectations and short investment horizons.[13] Agritechs often struggle to negotiate unrealistic asks.[14]
- Investors in North America or Europe often don't have the right lens to assess operations and teams in developing markets.[15]

7 Acumen Resilient Agriculture Fund interview, February 2024.
8 Equator VC interview, January 2024.
9 ArisTechia interview, January 2024.
10 Sahel Capital interview, January 2024.
11 SVG Ventures interview, January 2024.
12 Acumen Resilient Agriculture Fund interview, February 2024.
13 Village Capital interview, January 2024.
14 Insights from GSMA AgriTech Accelerator cohort members.
15 AgFunder interview, January 2024.

FUNDRAISING CHALLENGES

Hear from agritechs

Dave Okech, CEO and founder of Aquarech
Agritech

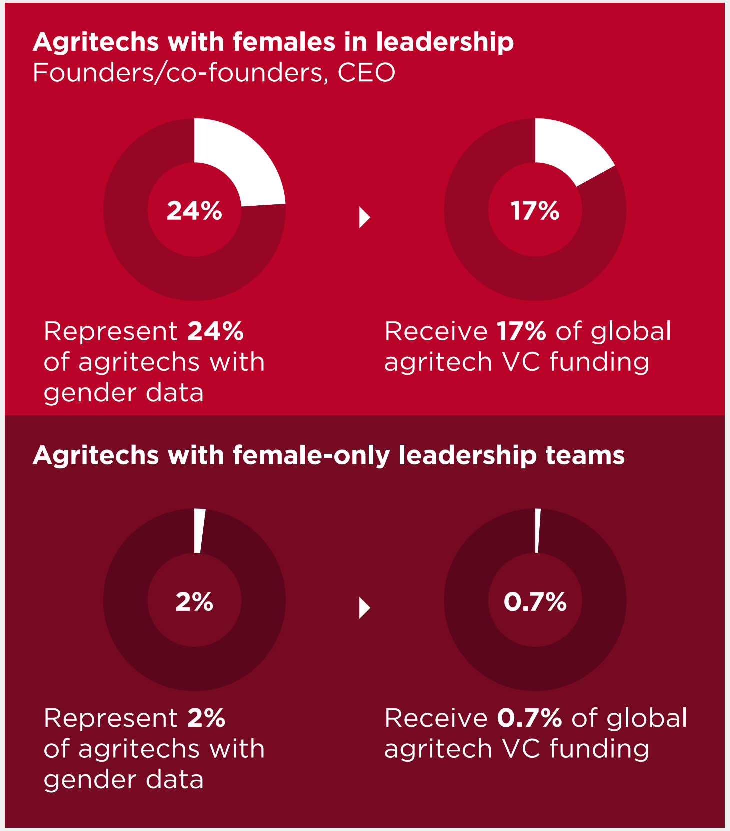
"Getting investors to understand your sector is hard. Some only want to invest in fish food, which is only one aspect of the business. We have to explain why our ecosystem approach is more beneficial than only solving one problem for aquafarmers. We combine access to finance, technical skills and access to markets. If we're not looking holistically, we're not solving the problem. [...]

It was very challenging to understand the investment sector at first – I had to learn about valuation, how to structure shareholder agreement. I'm learning every day I am talking to investors."

Female agritech founders face higher fundraising barriers

Figure 4

Agritech funding directed at women-led start-ups[16,17]



Despite growing recognition of the benefits of gender inclusion in startups, unconscious biases and systemic challenges persist, making it more difficult for female founders to secure funding. As a result, women-led agritech companies often rely more heavily on the company's revenues or their personal savings to fuel their company's growth.

Funding received by female-led agritech ventures is notably lower than those with male leadership. This disparity becomes more pronounced when founding teams are exclusively female (Figure 4).

16 AgFunder. (2023). Asia-Pacific AgriFoodTech Investment Report 2023.
17 AgFunder. (2023). Africa AgriFoodTech Investment Report 2023.

Gender lens investing remains uncommon in agritech, despite growing awareness of the funding gap. However, some investors are taking action:

- Early-stage investor Rockstart tracks founding team gender composition to be mindful of its own funding gender gap and back more female teams.[18]
- Senegalese impact investor Teranga Capital has set a target of 30% of investment in women-led agritechs.[19]
- Africa-focused investor Founders Factory Africa provides an additional $150,000 for agritechs with female co-founders, on top of its usual $100,000 investment.[20]
- International non-profit organisation Mennonite Economic Development Associates (MEDA) invests in women-owned investment funds, such as the MasterCard Foundation-funded Africa Growth Fund (MFAGF), which targets women-led businesses.[21]

18 Rockstart interview, January 2024.
19 Teranga Capital interview, February 2024.
20 Founders Factory Africa interview, February 2024.
21 MEDA interview, February 2024.

FUNDRAISING CHALLENGES

Hear from agritechs

Farah Emara, Co-founder of FreshSource
Agritech

"Fundraising is a challenge for both female and male entrepreneurs, but it is especially tough for women. We are often perceived as less ambitious and risk-averse, leading to unconscious biases that disadvantage us. This dynamic plays out not just in emerging markets like Africa, but also in Western economies. [...]

I've been asked intrusive questions about how I would run the company if I wanted to start a family. Some VCs have even suggested I make my male co-founder CEO in order to close a deal. And these comments haven't come from uneducated or unsophisticated investors – they're from prominent VCs who claim to support gender diversity. It's a blatant contradiction that underscores the deep-rooted systemic barriers women founders face."

Agritechs need support to improve investment readiness

To secure the funding they need, agritech companies require a deeper understanding of investors' priorities and emerging investment trends. Agritechs also need guidance on navigating the fundraising journey and positioning themselves more attractively for investment.

Report objectives

This report aims to help agritech companies become more investment ready.

Chapter 2

Explores landscape of venture capital investments in agritech.[22]

Chapter 3

Identifies investors' priorities in decision-making.

Chapter 4

Offers agritechs guidance and tools to improve their investment readiness.

Methodology

The report combines findings from secondary research with insights from interviews with a wide range of stakeholders. The secondary research primarily focused on analysing high-level investment data and statistics from reputable agritech investment sources. A qualitative review of relevant industry literature was also conducted to enhance the depth of insights.

The report also incorporates insights from semi-structured in-depth interviews with investors, agritech investment experts and agritech founders who have successfully raised funding. Insights from the GSMA AgriTech Accelerator cohort and programmatic partners were also leveraged to complement the research findings.[23]

Audience

The report is primarily aimed at agritechs seeking to secure funding. They will find a high-level overview of the VC investment landscape and insights on the investor criteria and decision-making process. The report also offers practical guidance to strengthen their investment readiness.

This report can also help investors better calibrate their approach to the agritech sector and its investment opportunities.

22 The landscape focuses solely on VC investments, for which there are complete and reliable datasets publicly available for analysis. The availability of data about grants, angel investments and debt financing directed at agritech is limited.

23 GSMA. (17 July 2023). Announcing the GSMA AgriTech Accelerator cohort members.

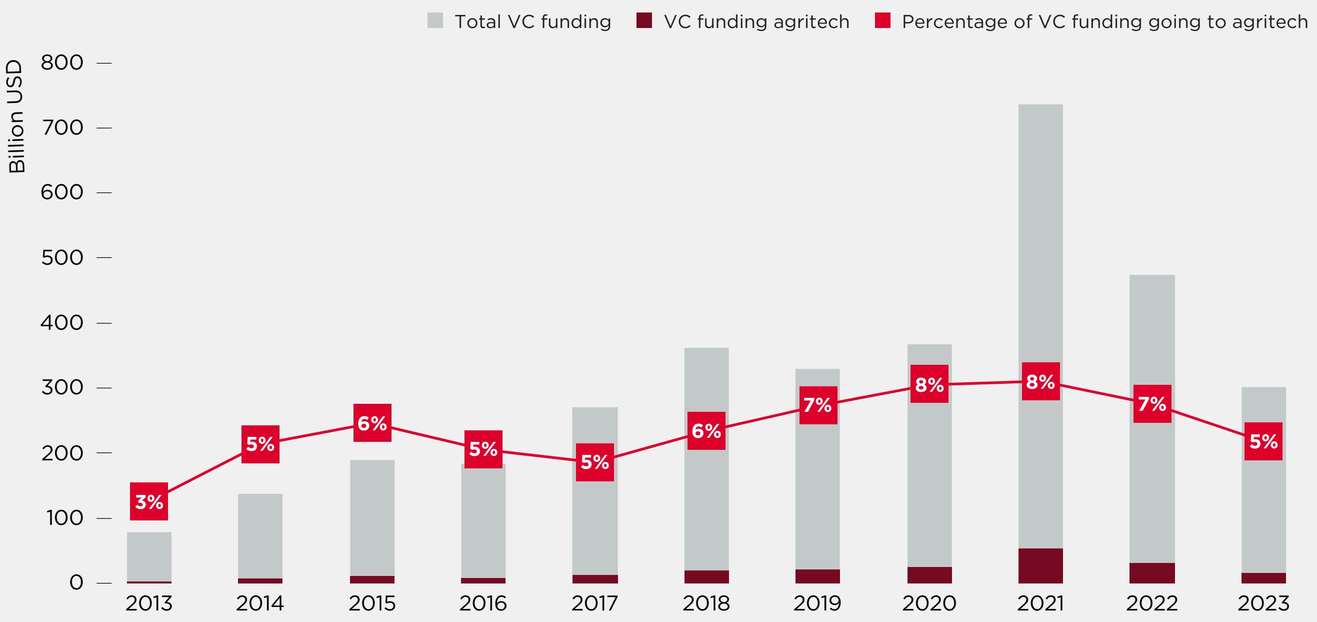
02
The landscape of VC agritech investments in Africa, Asia-Pacific and Latin America

Funding gaps limit growth of agritech in LMICs

Despite digital agriculture's potential to address critical global challenges, such as food insecurity and climate change, **only 5%** of total VC funding was allocated to agritech and foodtech companies in 2023.[24] This falls short of the level of investment needed to fully unlock the transformative power of digital solutions in agriculture.

Figure 5

VC funding allocation to agritech and foodtech[25]



24 GSMA analysis from: Crunchbase. (January 4, 2024). Global Startup Funding In 2023 Clocks In At Lowest Level In 5 Years.; AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.

25 Ibid.

Most agritech and foodtech investment goes to developed markets in Europe and North America, while LMICs in Africa, Latin America and Asia attracted less than a third of VC agritech funding in 2023.[26]

Agritech and foodtech VC investments in Africa, Asia-Pacific and Latin America, where the majority of LMICs are, reached $4.4 billion in 2023, 29% of the global total.[27] **This represents a critical funding gap**, especially considering that 41% more agritech companies have started operating in these regions since 2018.[28]

The funding gap is driven by several factors:

- Many agritechs struggle to meet investors' minimum criteria, lacking robust business plans, traction or clear profitability and scale.[29]
- Investors perceive agritech as high-risk. Climate change makes it challenging to predict returns compared to other sectors. Besides, agritech often operates on longer product lifecycles due to seasonality, limiting the ability to quickly iterate to meet financial return expectations. Diversity in value chains also demands specific expertise which challenges one-size-fits-all approaches.[30]
- The post-pandemic investment landscape has seen investors grow more risk-averse towards early-stage agritech in LMICs.[31]

26 AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.

27 GSMA analysis from: AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024. Note that the source includes developed markets in the Asia-Pacific region (Australia, Singapore, Japan, South Korea and Hong Kong).

28 Beanstalk AgTech. (2023). State of the Digital Agriculture Sector. Harnessing the Potential of Digital for Impact Across Agricultural Value Chains in Low- and Middle-Income Countries.

29 ISF Advisors. (2022). The state of the agri-SME sector – Bridging the finance gap.

30 MEDA interview, February 2024.

31 Taranga Capital interview, February 2024.

AGRITECH FUNDING GAP IN LMICS

Hear from investors

Simona Benvenuti, NAB
Impact investing expert

"Investors' perception of high risks, stemming from factors, such as political instability, regulatory uncertainty, and geographic distance, impedes their willingness to invest in LMICs. This significantly constrains the potential for innovation and growth in these regions."

Adrienne Ndong, Teranga Capital
Investor

"A couple of years ago, raising funds was relatively easy, both locally and internationally. However, since the onset of the funding winter, investors have become much more cautious due to ongoing crises and heightened awareness of risks."

Investors focus on market access and supply chain challenges

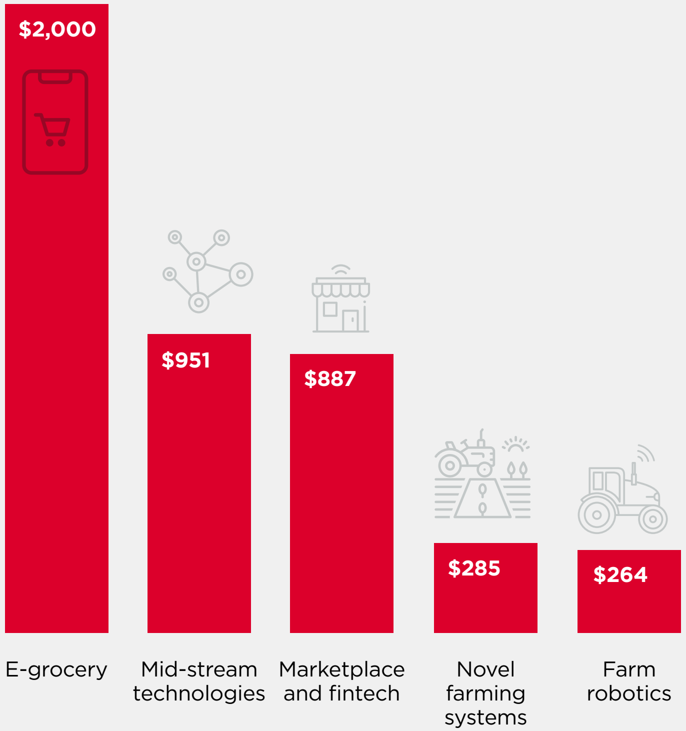
In recent years, market linkages and supply chain management solutions have garnered significant interest from investors for their ability to address structural issues related to segmentation in value chains.[32]

- **Agri e-grocery platforms,** enabling market linkages between smallholder farmers and consumers, attracted the most VC funding in Africa, Asia-Pacific and Latin America. These platforms reduce intermediation, improving price transparency for both farmers and consumers.
- In Africa, Asia-Pacific and Latin America, **midstream technologies that streamline supply chains,** encompassing food traceability, logistics and processing, secured the second-most funding. This trend is likely to intensify with the EU Deforestation Regulation (EUDR), which mandates traceability for deforestation-linked commodities, making these technologies even more critical.[33]
- **Agribusiness marketplaces and fintech solutions** have also attracted relatively high levels of funding in recent years, providing market linkages with upstream value chain actors, such as input providers and financial service providers, to reduce market asymmetries and make financial services accessible to smallholder farmers.
- **Farm management software and farm robotics, subsets of smart farming solutions**, have yet to attract commensurate investment, suggesting a potential missed opportunity.

Figure 6

Agritech VC investment in Africa, Asia-Pacific and Latin America

Type of solutions, in million, 2022[34]



34 GSMA analysis from: AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.

32 GSMA analysis from: AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.

33 GSMA. (24 March 2024). Deforestation regulations: A boon for agritech innovation, but will it leave smallholders behind?

Investors' interest in climate solutions is growing rapidly

Investors are responding to the global call for climate action, with a growing number of investment funds dedicated to solving the climate crisis.[35]

Simultaneously, investors are keenly watching AI's potential to transform agriculture, from yield prediction to supply chain optimisation, while prioritising an ecosystem approach that strengthens entire agricultural value chains over isolated farmer-facing apps.

Figure 7

Key agritech investment trends in LMICs

01

Increasing focus on climate tech solutions

Funding for solutions that enhance farmers' resilience to climate shocks and support adaptation is on the rise, with $5.7 billion raised since 2012.[36]

- Catalyst Fund, Novastars Ventures, Equator VC, ARAF, Katapult and other VCs have dedicated climate tech funds.
- As investors routinely consider the climate in their decision-making, capital flows towards climate tech solutions are increasing. Even so, climate adaptation continues to be underfunded.[37]

02

Investors see AI as a booster, not a silver bullet

AI-enabled agritech solutions bring promise of more precise, efficient, and resilient agricultural systems. Applications such as precision agriculture, predictive analytics, automated systems, and supply chain optimisation are particularly appealing to investors.[38]

However, some are also cautious of the hype surrounding AI, recognising it has become a buzzword often used to inflate valuations or make solutions sound more innovative. Investors want to understand how AI genuinely supports agritechs' value propositions.[39]

03

From models targeting smallholders to ecosystem approaches

Over the past decade, it has become apparent that adoption of agritech solutions that rely solely on farmers as end-payers is being held back by affordability issues. This dynamic, and the need to address value chain inefficiencies for true smallholder impact, is shifting investors' priorities. Investors now seek solutions that streamline value chains and include ecosystem actors, such as agribusinesses, rather than solely focusing on B2C propositions for smallholders.

35 AgFunderNews. (9 March 2023). NEW REPORT: Climate agrifoodtech bucks global funding decline as sector brings in $29.6bn in 2022.
36 AgFunder and ISF Advisors. (May 2024). Climate Capital: Financing Adaptation Pathways for Smallholder Farmers.
37 Ibid.
38 ArisTechia interview, January 2024.
39 Founders Factory Africa interview, February 2024.

INVESTOR PRIORITIES

Hear from investors

Dan Kimani, ARAF
Investor

"The Acumen Resilient Agriculture Fund (ARAF) is a $58 million impact fund and the world's first equity fund designed to build the climate resilience of smallholder farmers. The climate solutions we are investing in focus on platform businesses, they don't just solve one pain point, but provide end-to-end solutions to farmers, from agronomy support to market offtake, inputs and financing."

Toyin Emmanuel-Olubake, Novastars Ventures
Investor

"Technology should only be an enabler, not the core value proposition."

Funding in Africa, Asia-Pacific and Latin America is uneven

In 2023, 74% of funding directed at LMICs went towards Asia, with giant markets, such as India and China, attracting the lion's share.

Latin America and Africa received only 16% and 10%, respectively.[40] This uneven distribution creates a critical funding gap. Catalytic donor engagement can play a vital role in de-risking investments and encouraging private sector participation across all regions where agriculture is a key economic activity.

40 AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.

Africa

$1.92 Billion raised since 2018[41]

$260 Million raised in 2023[42]

Agritech investments in Africa are still early-stage, both in terms of investment activities and in terms of agritech company stages being funded.

Nigeria, Egypt, Kenya and South Africa have captured 93% of funding since 2013.[43] This concentration, while reflective of these nations' robust tech and agri ecosystems, casts a shadow over other African countries where agriculture remains the economic backbone.

41 AgFunder. (2023). Africa AgriFoodTech Investment Report 2023.
42 Ibid.
43 Ibid.

Asia-Pacific

$47.2 Billion raised since 2018[44]

$3.8 Billion raised in 2023[45]

Asia-Pacific has received the most funding by far since 2018: 25 times more than Africa, and six times more than Latin America.[46] However, the data for Asia-Pacific includes developed markets, such as South Korea, Australia and Japan.[47]

India, with 216 deals in 2022, is Asia's top-funded country for agritech, consistently securing multi-million-dollar investments.[48] **Southeast Asia,** with Indonesia, Thailand and the Philippines, has become a vibrant hub for agritech investment, with 192 deals and $1.7 billion in funding in 2022.[49]

44 AgFunder. (2023). Asia-Pacific AgriFoodTech Investment Report 2023.
45 Ibid.
46 AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.
47 AgFunder. (2023). Asia-Pacific AgriFoodTech Investment Report 2023.
48 Ibid.
49 Ibid.

Latin America

$7.6 Billion raised since 2018[50]

$342 Million raised in 2023[51]

Despite its agricultural potential, **Latin America captures just 5% of global agritech investment.**[52] Agritech that mitigates the impact of carbon emissions are gaining traction, representing 10% of the region's total deal count in 2022.[53]

Brazil is the agritech superpower of the region. It is home to 61% of agritech companies, and accounts for 45% of investments.[54]

50 AgFunder. (2023). Latin America AgriFoodTech Investment Report 2023.
51 Ibid.
52 AgFunder. (2024). AgFunder Global AgriFoodTech Investment Report 2024.
53 AgFunder. (2023). Latin America AgriFoodTech Investment Report 2023.
54 Ibid.

INVESTOR PRIORITIES

Hear from investors

Daniele Tricarico, GSMA and ArisTechia
Agritech investment expert

"In Africa, we're seeing quite a number of deals, but ticket sizes are small. In this region, funding comes in the form of development finance, loans, grants, but less equity investments. We're seeing also more multi-country deals in Africa – unlike in Asia, where markets are already big."

03
How investors assess the potential of agritechs

An agritech's team is a critical assessment criterion for investors

When assessing opportunities, investors place a high emphasis on the founders' skills, expertise and ability to execute their vision. They need confidence in the team's ability to drive projects forward, before considering financial or market potential.

Figure 11

Criteria considered by investors when assessing the suitability of an agritech's team

Industry expertise and experience

- Extensive agritech knowledge gained from relevant experience and industry exposure.[55]
- A track record as a founder.[56]

Adaptability and openness

- Ability to pivot and adapt to the dynamic agritech market.
- Ability to recognise weaknesses and challenges.
- Capacity to listen and take investors' feedback into consideration.[57]

Team composition and dynamics

- Diverse skillsets (technical, commercial and strategic expertise).[58]
- Team stability. Turnover among founders is a concern for investors.[59]
- Experienced advisory board supporting founders.

Network

- Prior backing by trusted parties (e.g., investors, accelerators, partners) who have industry connections that can facilitate business development.[60]

Leadership, vision and passion

- Strong motivation and drive to achieve business objectives.
- Exceptional leadership guiding the company through its growth phases.

Commitment to long-term objectives

- Full-time dedication to the venture. Having jobs on the side is seen as a red flag.[61]
- Investment of founders' own money into the business.[62]

55 Founders Factory Africa interview, February 2024.
56 Village Capital interview, January 2024.
57 SVG Ventures interview, January 2024.
58 MEDA interview, February 2024.
59 Katapult interview, February 2024.
60 Ibid.
61 MEDA interview, February 2024.
62 Village Capital interview, January 2024.

THE IMPORTANCE OF THE AGRITECH'S TEAM

Hear from investors

Maurice Scheepens, FMO
Investor

> "We bank on team above all else. It is the cornerstone of success. While we can iterate on products, the team is here to stay."

Audrey Mate, Village Capital
Investment readiness expert

> "Your company might not be the best one, but if an investor believes in you and your team, they would want to support."

Investors look for evidence of a sustainable business model

Investors, including impact investors, look for agritech solutions with the potential to scale and make a return on their investment. By tracking key operational and financial metrics that demonstrate clear growth potential, agritech companies can build investor confidence.

Figure 12

Key considerations for investors when evaluating the commercial viability of agritech companies

Strong value proposition solving problems for farmers

- Holistic and customer centric solutions that comprehensively and adequately respond to smallholder needs.[63,64]

Sustainable business model

- Monetisation and growth strategies outlining revenue streams, cash flow cycles and profit margins.[65]
- Process and cost of acquiring customers, as well as retention strategies.

Traction

- Evidence of validation and traction, such as revenues, successful proof-of-concept trials and positive pilot results.[65]

Market assessment

- Competitive advantage.
- Market size, dynamics and growth potential.
- Barriers to entry that might affect the ability to develop and scale the solution.

Capitalisation tables

- Realistic capitalisation tables, indicating current shareholders, ownership stakes, planned fundraising amounts and dilution impact.[66]

Exit strategy

- Exit strategies that include potential buyers and the feasibility and timelines of realising returns.[67]

63 MEDA interview, February 2024.
64 Novastars Ventures interview, February 2024.
65 Founders Factory Africa interview, February 2024.
66 Sahel Capital interview, January 2024.
67 Catalyst Fund interview, January 2024.

THE IMPORTANCE OF A SUSTAINABLE BUSINESS MODEL

Hear from investors

Omoneka Oyier, MEDA
Impact investor

"An agritech focusing on only one problem is a red flag. A holistic offering is always better, whether it's a marketplace or a super platform. These are challenging to build, but that's where investors see potential. Even if you don't do it from the beginning, it's crucial to have a plan for how to get there."

Loraine Achar, Founders Factory Africa
Investor

"Not being profitable is not a red flag, but not having any revenues, yes."

Potential social impact is guiding investment decisions

The ability to deliver tangible and measurable impact is increasingly viewed as a critical factor for most investors, beyond traditional impact investors.[68] Commercial VCs are aligning their portfolios with socially and environmentally responsible practices to address global challenges, such as climate change, rural poverty and food insecurity.[69]

Agritech solutions that boost climate sustainability, streamline value chains and improve smallholder resilience and livelihoods are compelling to investors. Solutions with a unique value proposition, customer-centric approach and an ecosystem strategy are seen as unlocking value and impact.[70,71] Agritech companies that quantify their positive impact offer investors the dual promise of financial returns and meaningful contributions to solving some of the world's most pressing issues.

68 AgFunder interview, January 2024.
69 SVG Ventures interview, January 2024.
70 Founders Factory Africa interview, February 2024.
71 MEDA interview, February 2024.
72 AgFunder interview, January 2024.
73 Catalyst Fund interview, January 2024.
74 FMO interview, February 2024.
75 Sahel Capital interview, January 2024.
76 Acumen Resilient Agriculture Fund interview, February 2024.

Figure 13

Impact criteria that investors look for

Environmental impact

Climate change mitigation and adaptation

- Reducing greenhouse gas emissions and promoting carbon sequestration, such as carbon credit initiatives.[72,73]

Resource efficiency and conservation

- Promoting efficient water use in agriculture.
- Addressing agricultural waste management.
- Promoting biodiversity by minimising reliance on synthetic pesticides or pollutive ingredients.[74]

Social impact

Transformative impact on livelihoods and value chains

- Creating ripple effects throughout agricultural value chains.[75]
- Increasing farmers' productivity, income and climate resilience.
  - Enhancing access to markets, information, advisory and yield-improving technologies.
  - Providing access to capital, payment and risk protection, such as weather-index insurance.[76]

THE IMPORTANCE OF SOCIAL IMPACT

Hear from investors

Toyin Emmanuel-Olubake, Novastars Ventures
Investor

"While we invest from a commercial perspective, creating positive social impact is a core consideration. We prioritise solutions that deliver transformative change for low- and middle-income communities, going beyond traditional sectoral boundaries."

Dan Kimani, ARAF
Investor

"We're particularly excited by the potential for agritech solutions to expand access to financial services for smallholder farmers. Access to credit is a critical gap we see, and solutions that empower farmers through financial inclusion are highly compelling. While we know insuretech for smallholder farmers is much more complex, we are convinced by the potential to boost climate resilience through innovative insurance solutions."

Investors’ strategic objectives direct their decision-making

Investors have specific mandates and principles that define their investment philosophies. When evaluating agritech companies, investors naturally pursue opportunities closely aligned with their strategies, values and interests.

Figure 14

Investors’ own strategic considerations and priorities guide their decision-making processes

Strategic goals

- **Aligning with strategic sectors**, such as food security, agriculture, climate adaptation, financial inclusion or a blend of these.[77]
- **Aligning with impact goals** (social and environmental goals).

Geography

- **Operating within geographical mandate** or target markets.[78] However, investors might decline an opportunity if they already have a strong presence in that area.

Growth stage

- **Desired growth stage match:** Investors have preferences for specific growth stages and assess if your company's current phase matches their investment criteria.[79,80]

Timelines

- **Fund lifecycle:** As funds mature, investors generally become increasingly selective and disciplined in their investment criteria.[81]

77 SVG Ventures interview, January 2024.
78 Ibid.
79 Katapult interview, February 2024.
80 Teranga Capital interview, February 2024.
81 SVG Ventures interview, January 2024.

THE IMPORTANCE OF STRATEGIC ALIGNEMENT

Hear from investors

Danny O'Brien, SVG Ventures
Investor

"A fund's lifecycle affects decision-making: nearing a first or final close, funds are primed to invest. Between these periods, they may be more-capital constrained, and prefer proven companies, for quicker returns. Aligning with a fund's current stage, geographic focus, sector expertise and risk appetite boosts your chances of securing investment."

Adrienne Ngong, Teranga Capital
Investor

"We are particular about the growth stage of companies we invest in. We do not finance companies at the idea stage, only those with a proven concept."

Investors look at trajectory and progress over time

Investors analyse trajectory over isolated achievements, an approach best summarised by the venture capitalist Mark Suster: “Investors invest in lines, not dots.”[82]

Investors examine trendlines over time to gauge three criteria:

- **Scalability:** Can the business model efficiently handle growth?
- **Resilience:** How does the company weather challenges and market fluctuations?
- **Execution:** Can the team translate potential into sustainable success?

Investors want to see metrics, such as farmer adoption rates or transaction growth, improve quarter-on-quarter to help them differentiate between momentary trends and innovations with lasting impact. This is why agritech founders must develop evidence-based narratives of continuous improvement.

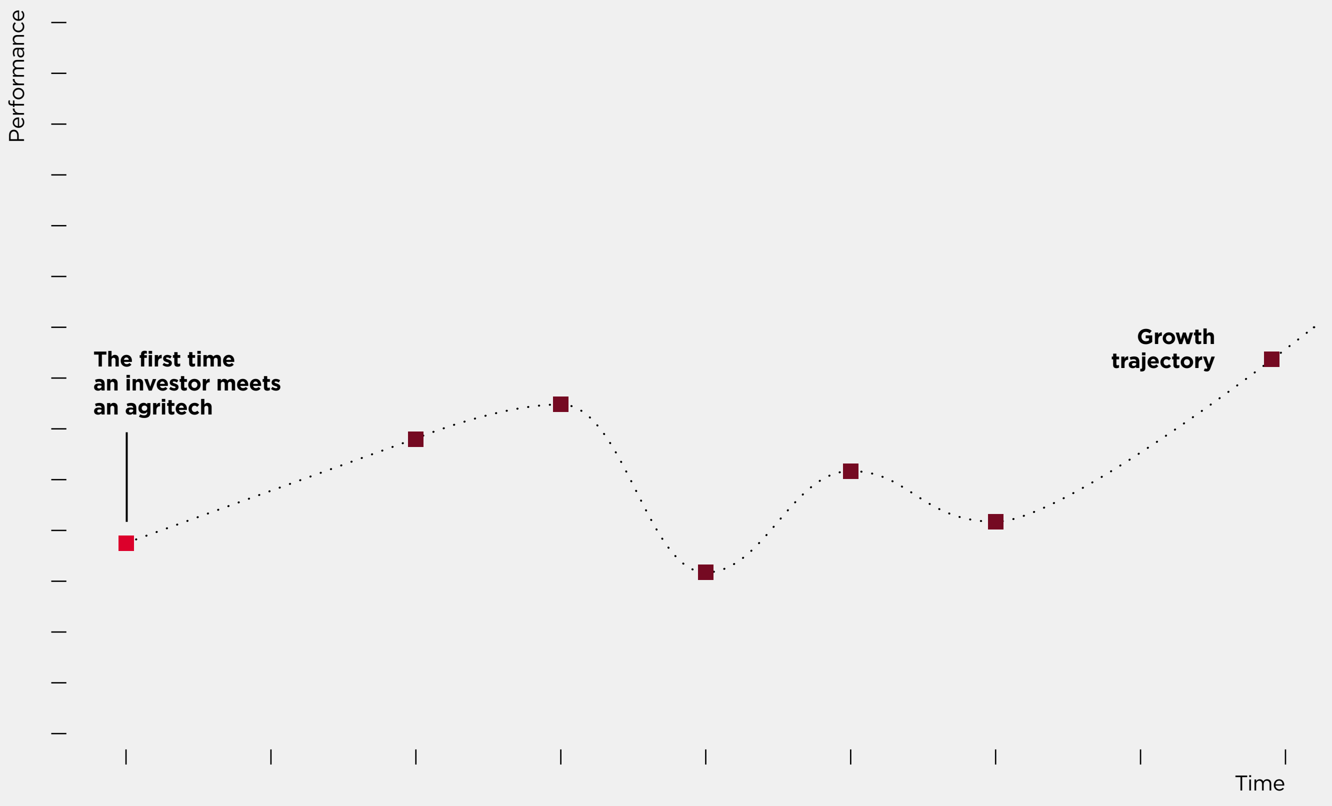
Transparency about setbacks is also valued. Downturns are inevitable in the complex, climate-vulnerable world of agriculture; what matters is how the agritech company responds. For example, adjusting a farm management app based on low adoption rates or refining a crop disease detection model after initial underperformance shows adaptability and problem-solving skills.

While data is essential, the relationship between the founder and investor often tips the scales. Cultivating these relationships allows investors to see beyond the data, understanding the founder’s passion, local insights and ability to navigate challenges. It transforms the investor from a distant analyst into engaged partners who appreciate the startup’s mission first hand.

82 Mark Suster. (16 November 2010). Invest in Lines, Not Dots.

Figure 15

An investor’s longitudinal approach to evaluating an investment opportunity



THE IMPORTANCE OF TRAJECTORY AND PROGRESS OVER TIME

Hear from investors

Toyin Emmanuel-Olubake, Novastars Ventures
Investor

"Oftentimes, investors can be interested but sceptical, you may not raise with them the first or second time, but the third time, they've seen you test and fail, progress, and they get more and more comfortable."

Loraine Achar, Founders Factory Africa
Investor

"Fundraising is all about the relationship that you're building. Securing an investor can take years, not because the diligence process spans the entire period, but due to the time needed to establish rapport and trust. Regular updates and consistent communication are crucial in maintaining investor interest and fostering these relationships."

04
The investment readiness toolkit: A step-by-step practical guide to fundraising

The key steps in your agritech fundraising journey

Figure 16

Key stages of an agritech fundraising journey

Get ready	Get set	Go!		
Prepare	**Reach out**	**Convince**	**Pass due diligence**	**Sign**
- Build a fundraising plan - Set realistic expectations - Prepare supporting documentation	- Build your investor pipeline - Develop a diverse professional network - Contact investors	- Pitch to investors, conveying essential elements investors are looking for - Engage investors post-pitch	- Complete the due diligence process	- Negotiate fair terms and conditions - Sign the deal

Get ready

Prepare for the fundraising journey ahead

Before you approach investors with your funding request, it's essential to ensure you are thoroughly prepared. This pre-fundraising phase requires careful reflection, homework and preparation to set yourself up for success.

- **Step 1:** Consider what exactly you will be asking investors for, and how you can compellingly justify your ask. Prepare a well-reasoned and data-driven case for investment.
- **Step 2:** Get your mindset right for the journey ahead. Fundraising can be a long and arduous process, so you need to cultivate resilience and perseverance to overcome potential discouragement and setbacks.
- **Step 3:** Organise all the supporting documentation – financial statements, market analysis, team profiles, etc. – that investors will require during the due diligence process. Make sure these materials are easily accessible and presentable when needed.

By taking the time to reflect, prepare your pitch, develop the right mindset and get organised, you'll be in a much stronger position to navigate the fundraising journey successfully. This preparatory work will pay dividends when you start engaging with potential investors.

Develop your fundraising plan

As you start your fundraising journey, it’s crucial to lay a solid foundation with a fundraising plan that outlines your financing strategy and guides your fundraising efforts.

Each section should be concise and impactful, highlighting the key information that investors seek.

Figure 17

Key elements of a fundraising plan

Business overview

Describe the problem you are trying to solve and your solution’s unique value proposition.

Business model

Clearly explain how your company generates revenue and your pathway to profits.

Financial projections

Ensure your assumptions are clear, realistic and justifiable.

Funding needs

Specify funding needed and how you intend to use the funds raised.

Funding instruments

Target a mix of instruments, such as equity investment, debt financing and grants.[83]

Valuation[84]

Present your valuation expectations, considering industry benchmarks, market conditions and future growth potential.[85]

Risk assessment

Identify potential risks and how they will be mitigated.

Exit strategy

Outline your plan to provide investors with a return on their investment.[86]

Investor profiles

Define your ideal investor profiles accounting for both your fundraising needs and their potential value beyond capital.

83 Founders Factory Africa interview, February 2024.
84 If you’re in a non-priced round using a convertible note, simple agreement for future equity (SAFE), or raising a grant, there won’t be need for a valuation.
85 Stone&Chalk. (n/a). Capital raising guide for startups.
86 Sahel Capital interview, January 2024.

DEVELOP YOUR FUNDRAISING PLAN

Practical tips from investors

Best practices

Analyse the different costs of capital for various funding instruments (e.g., interest rates, equity dilution).

Seek guidance from financial experts to refine your cost of capital and valuation.

Keep your plan updated as your business evolves.

If your business model is capex-intensive, it is important to justify how you plan to finance working capital and assets – outside of raising equity.[87]

87 Acumen Resilient Agriculture Fund interview, February 2024.

Pitfalls

Avoid overvaluation: Inflating valuation to secure higher funding can lead to unrealistic expectations that hinder future rounds.[88]

Avoid raising too much funding too soon, when you are not ready.[89]

Don’t conceal risks: If investors find hidden risks, it can undermine your credibility and jeopardise funding.

88 Catalyst Fund interview, January 2024

89 SVG Ventures interview, January 2024.

DEVELOP YOUR FUNDRAISING PLAN

Hear from investors

Maurice Scheepens, FMO
Investor

“Agritech companies need to set ambitious, but realistic financial projections, especially on the margins they can make.”

Adrienne Ndong, Teranga Capital
Investor

“Agritech companies often lack clarity on their funding needs and tend to ask for more than what they really need. They should prepare a thorough business plan before they contact investors, so they are able to justify the amounts they request.”

Consider different funding options to meet your specific needs

Agritechs can choose different funding methods based on their growth stage and financial needs.[90]

Early-stage companies may opt for bootstrapping or grants to fund initial research and development.
As they grow and need more capital to scale, debt financing or venture capital is more suitable to fuel expansion and enter new markets.

Figure 18

Agritech funding needs and main instruments available[91]

		Bootstrapping	**Grants**	**Debt financing**	**Equity financing**
		Growing a business without external capital, relying on company's revenues or founder's personal savings.	Non-repayable funds to support specific projects, research or business activities.	Money raised in the form of bank loans or bonds to fund growth, most commonly working capital.	Funding provided by investors, typically VC or angel investors, to companies in exchange for equity ownership.
GROWTH STAGE	**FUNDING NEEDS**	**SOURCES OF FUNDING**			
Late	Achieve sustainable revenues and healthy profit margins			- Commercial banks - VCs - Development finance institutions (DFIs) - Friends and family	- Institutional investors - VCs - Impact investors - Angel investors - Friends and family
Growth	Scale operations Target new markets				
Early-stage	Hire personnel and further develop the service offerings		- Government agencies - Non-profit organisations - Private foundations - Incubators and accelerators		
Seed	Acquire traction and prove product–market fit	- Personal funds/savings - Company's revenues			
Pre-seed	Build a minimum viable product				

90 Equator VC interview, January 2024.
91 Source: GSMA analysis, adapted from Briter Bridges. (n/a). Founder's Guides to Fundraising in Africa and Beanstalk AgTech. (2023). State of the Digital Agriculture Sector. Harnessing the Potential of Digital for Impact Across Agricultural Value Chains in Low- and Middle-Income Countries. Within each of these categories, there are other types of instruments, sometimes overlapping two different categories, sometimes being a sub-niche of the main category, such as convertible notes. For more information, refer to Briter Bridges. (n/a). Founder's Guides to Fundraising in Africa.

Evaluate the pros and cons of each funding option

There are unique benefits and constraints attached to the different funding instruments available. A thorough evaluation is needed to identify the most appropriate approach to meet an agritech company's funding needs, business model and timelines.

Figure 19

Pros and cons of funding options available to agritech companies[92]

	Bootstrapping	Grants	Debt financing	Equity financing
Conditions	Requires adopting a lean approach to operations: minimising costs, maximising efficiency and generating revenue quickly.	Requires meeting eligibility criteria and outlining clear project goals, timelines and deliverables.	Requires creditworthiness (a sound business model and sufficient cashflow) and collateral (e.g., business assets).	Depends on achieving milestones, such as a minimum viable product, revenues or partnerships.
Pros	— Retain full ownership of your business. — Demonstrate the viability of your business model, which can attract funding opportunities further down the line.	— Retain full ownership of the business. — De-risking capital to experiment and validate your ideas. — Mentorship, networking opportunities and technical assistance.	— Retain full ownership of the business. — Access capital relatively quickly. — Debt can be cheaper than equity, especially if the company can secure favourable interest rates.	— Benefit from industry expertise, strategic guidance and networks. — Business risks shared with the investor.
Cons	— Limited ability to invest in growth and talent. — No mentorship or networking opportunities. — Personal savings and/or company assets are at stake in case of downturn.	— Limitations on how and when you can use the funds. — Donors' impact objectives may drive you away from your business objectives.	— Obligation to repay the debt regardless of your financial performance or collateral assets may be seized. — Interest rates can be high in developing markets.	— Giving up ownership stakes. — High level of efforts required. — Competitive fundraising process.
Best for	Early stage agritechs, where control is paramount and external funding might not be available.	Agritech projects with clear social or environmental impact.	Agritechs with predictable revenue streams and cash-flow. Agritechs that have already raised an equity round.	High-growth agritech startups willing to trade equity for substantial funding and strategic support.

92 Analysis from GSMA interviews and Briter Bridges. (n/a). Founder's Guides to Fundraising in Africa.

Adopt the right mindset and set your expectations

The fundraising journey can be one of the most demanding challenges an agritech founder will face. It requires significant time, commitment and effort from the entire team, probably more than initially planned for. Time should be allocated each month as with any other job function.[93] While moments of frustration may arise, perseverance is critical to success.

Figure 20

Indicative timeline and effort required to secure a deal[94]

APPROXIMATE TIMELINE (MONTHS)

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12

3 months · 3 months · 1–2 months · 2–6 months · 2 wks

Prepare

Preparation time will depend on your company's growth stage and the availability of documentation.

EFFORT LEVEL **HIGH**

Focused involvement of founders and cross-departmental teams.

Reach out

Identifying and approaching the right investors can take several months initially. Relationship building, investor research and networking should be continuous efforts.

MODERATE

Considerable research and networking efforts at first. More ad-hoc, routine efforts in the long term.

Convince

Several touchpoints are required before a decision can be made (up to six calls in some instances). An investment committee also needs to convene to hear a start-up pitch before proceeding to due diligence.[95, 96]

HIGH

Direct founder involvement in meetings and investor queries.

Due diligence

Although typically completed within three months, due diligence can take up to six months if documents are missing.

MODERATE

With proper preparation, addressing investor queries is swift. However, missing documents can significantly strain the process.

Sign

Seeking legal and transaction advice is beneficial for navigating this step quickly and effectively.[97]

LOW

Low effort is required to review term sheet and agreements, especially with external legal advice.

93 Mark Suster. (16 November 2010). Invest in Lines, Not Dots.
94 Indicative timing based on stakeholder interviews and GSMA own estimations.
95 Rockstart interview, January 2024.
96 Acumen Resilient Agriculture Fund interview, February 2024.

ADOPT THE RIGHT MINDSET AND SET YOUR EXPECTATIONS

Hear from investors and agritechs

Audrey Mate, Village Capital
Investment readiness expert

"The journey is almost like a marathon. We meet [agritechs] for the first time in an event and can give them funding 2 or 3 years down the line."

Doga Makiura, Founder, Degas
Agritech

"It's going to be tough, it's the mindset you need to have."

Dan Kimani, ARAF
Investor

"Fundraising can be a full-time job. Trying to run a business and raise funds simultaneously can be overwhelming, leading to delays in responding to information requests."

Dave Okech, CEO and Founder, Aquarech
Agritech

"Be prepared to be rejected 90% of the time, but don't lose hope when rejection comes."

Set up a data room

A data room is a secure online repository for confidential documents, allowing investors to access critical information and streamlining the fundraising process by ensuring efficient information exchange.

Investors need full transparency and easy access to company information when evaluating potential investments. A well-organised data room allows agritechs to respond promptly to investor requests and ensure that all necessary documentation is available. This streamlines the due diligence process, reduces delays and demonstrates preparedness, ultimately making the company more attractive to investors.[97]

Figure 21

Key documentation of a data room

MUST HAVE

Legal documents
Business licenses, permits and other legal documents.

Pitch deck
Deck summarising key information about the company.

Financial documents
Business plan, financial projections, audited financial statements and cap table.

Team profile and board composition
Information about your team's experience and qualifications (resumes and bios).

NICE TO HAVE

Demand study and impact reports
Insights on customer needs, demographics and impact.

KPIs dashboard
Key performance indicators and user engagement metrics presented in a dashboard.

Competition analysis
Studies highlighting your competitive landscape and relevant industry trends.

Strategy and business model
Clear strategy and operational model, including customer acquisition and MOU with partners.

97 Catalyst Fund interview, January 2024.

SET UP A DATA ROOM

Practical tips from investors

Best practices

Structure content into clear sections and folders for easy navigation:[98] Investors should find what they are looking for easily.

Ensure all documents are professionally prepared and clear.

Manage access rights to control document release. Tailor or customise access for specific investors based on their interests, stage of engagement or confidentiality requirements.

Regularly update your data room with the latest company information.

Do not give permission to edit documents in your data room.

98 Catalyst Fund interview, January 2024.

SET UP A DATA ROOM

Resources

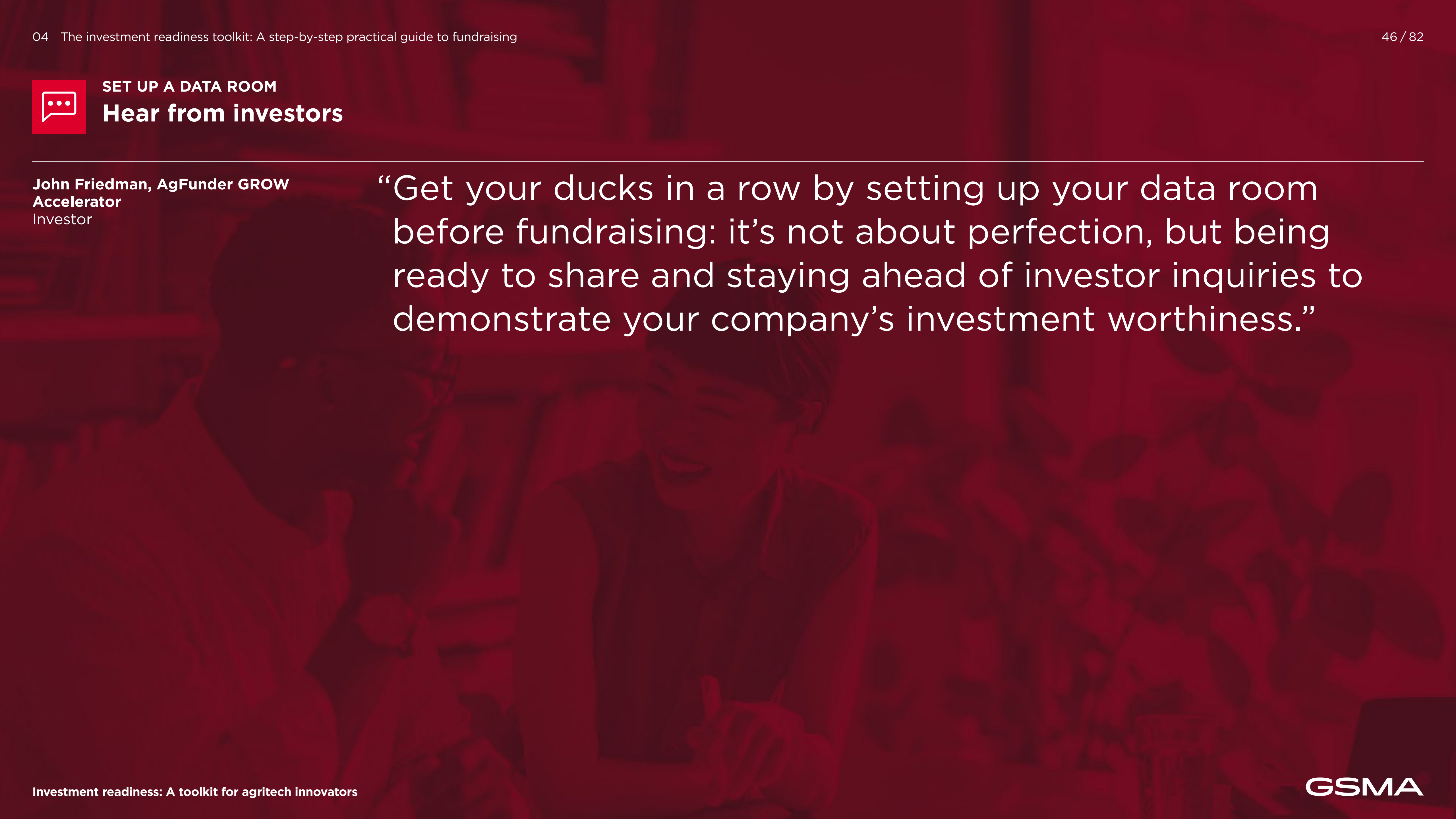
Examples of data sharing tools

Generalist data sharing platforms

- Sharepoint
- Dropbox
- Google Drive

Specialised data rooms

- Intralinks
- Firmex
- Smartroom



SET UP A DATA ROOM

Hear from investors

John Friedman, AgFunder GROW Accelerator
Investor

"Get your ducks in a row by setting up your data room before fundraising: it's not about perfection, but being ready to share and staying ahead of investor inquiries to demonstrate your company's investment worthiness."

Get on top of your data and key performance metrics

As an agritech company preparing for fundraising, it's essential to have a firm grasp on your data and present it effectively. Investors will want to examine financial performance, market traction and impact.

The data and metrics to support fundraising include:[99]

- Financial performance: Historical and projected revenue figures, growth rates, profit margins, cash flow statements and break-even analyses.
- Market traction: Customer acquisition rates, customer lifetime value, market share, competitive landscape analysis and customer segmentation data.
- Impact and sustainability: quantifiable data on your agritech solution's positive impact on smallholder farmer livelihoods, environmental sustainability and relevant sustainable development goals (SDGs).

Collect, analyse and interpret data meticulously. This data can be used to support valuation efforts, show performance and legitimatise your impact story.

Present this data clearly and concisely using visualisation tools and insightful analysis to show your business's growth trajectory.

Figure 22

Key fundraising elements enhanced by a data-driven approach

Valuation

A valuation is an estimated total value of a company. Generally, the more established a company is, the higher its valuation.

Valuation approaches depend on a company's stage. Discounted cash flows (DCF) is used for growth-stage agritech, while early-stage agritechs typically compare themselves with similar companies and deals.

- **Leverage both company** and **market data**.

Performance

A strong performance narrative with precise data builds investor confidence in your agritech's long-term viability.

- **Collect and analyse data across key performance areas,** including revenue growth, customer acquisition and retention rates, market share and penetration, cash flow projections and operational efficiency indicators.

Impact story

An impact story is a data-driven narrative featuring key results, changes and impact that your solution has delivered. Your impact narrative should be aligned with investors' impact goals and priorities.

- **Assess data availability** and collect data efficiently and consistently.
- **Conduct surveys** to substantiate your impact story.

99 A list of metrics and their definitions are included in Annex 1.

Get set

Preparation extends beyond defining your ask and gathering documentation: It also involves identifying and connecting with relevant investors.

- **Step 1:** Maintaining an investor pipeline with detailed information about each target investor, including their mission, focus areas and portfolio, is essential for staying organised. This tracker will help manage relationship-building and engagement activities, keeping you on course to achieve your fundraising goals.
- **Step 2:** Building and expanding your professional network is essential for successful fundraising. Strong connections can put you in touch with the right investors and keep you informed of the latest investment trends.
- **Step 3:** Reaching out to investors in your pipeline with your pitch is the next step. Leverage the insights you've previously gathered and tailor your messaging to increase the chances of securing a meeting.

Build your investor pipeline

A targeted investor pipeline boosts efficiency and ensures alignment with the right partners.[100]

Explore connections with unfamiliar investors, while streamlining outreach to those genuinely interested in your sector or market. Balance casting a wide net (e.g. hundreds of investors) with focusing on those aligned with your mission.

Figure 23

Key steps for building an investor pipeline

Identify investors

Leverage multiple channels and information sources to identify investors.

Media

Use LinkedIn to identify relevant investors and monitor deals across media and publications.

Events

Attend relevant industry seminars, conferences and webinars. If you can't attend, review past attendance lists or recorded sessions.

Investor platforms

Curate investment platforms that provide an extensive base of VC and private equity investors, such as Crunchbase and Pitchbook.

Research investors

Research investors' scope and goals to identify alignment.

Interests

Growth stages, markets and sectors

Experience

Knowledge of your industry or market

Portfolio companies

Profile of investees

Goals

Investment motivations

Financial capacity

Ticket and fund size

Technical assistance

Value-add beyond capital

Build your pipeline[101,102]

Compile research into a database to create a targeted investor pipeline and tailor your outreach. Use the database to record interactions with each organisation.

Tools

Consolidate investor information into a single, unified pipeline, rather than across multiple documents to ensure accuracy and simplify updates. Excel or Google Sheets can be effective starting points. It is best to choose a cloud-based solution with editing and sharing features.

Categories

Use your research insights to feed your database:

- Type of investor: Angel investor, family office, impact investor, commercial investor, financial institution, etc.
- Growth stage: pre-seed, seed, series A, B, C, etc.
- Sectors: agriculture, technology, climate, financial services, etc.
- Geographical scope: markets or geographies of interest.

100 Katapult interview, February 2024.
101 Jenny Fielding. (8 November 2018). Building an Investor Pipeline Spreadsheet.
102 Annex 2 includes a template for building an investor pipeline.

BUILD AN INVESTOR PIPELINE

Resources

To identify investors

Annex 2 provides a list of agritech investors contributing to this report.

ISF Advisors provides a database of funds globally investing in agricultural finance.

NpM provides a database of funds investing in agritech in Asia and Africa.

Briter Bridges offers a catalogue presenting a diverse array of investors supporting growth and innovation in Africa.

To know about investment deals

AgFunderNews reports on the evolution of the global food and agriculture system, featuring investment deals and trends.

ArisTechia is an agritech-focused newsletter that provides curated information about digital agriculture developments and investment deals in emerging markets.

Africa: the Big Deal is a newsletter providing data and insights on start-up funding in Africa.

BUILD AN INVESTOR PIPELINE

Hear from investors

Yann Vaudin, Katapult
Investor

"Like every start-up, agritechs need to be structured in their fundraising approach. This involves maintaining an investors list with relevant contact information on a spreadsheet and including prioritisation and tracking systems."

John Friedman, AgFunder GROW Accelerator
Investor

"Understanding investors' mandates and time horizons is critical for agritech start-ups."

Develop your professional network

Building a diverse professional network takes time and dedication, but it can make fundraising significantly easier.

Networking connects you to potential investors, mentors, fellow founders, partners and industry experts who can offer guidance and opportunities. It also offers valuable insights on the industry and investment trends.[103]

Figure 24

How networking supports fundraising efforts

Relationships

Investors you connect with may not invest immediately, but building relationships keeps you top-of-mind for future opportunities and creates reference points from which to judge your company's growth.

Connections

Your network can recommend suitable organisations or introduce you to investors they know. Recommendations and introductions increase trust and credibility with investors.

Mentorship and guidance

Your network can help you overcome challenges, refine your business strategy and prepare for investor meetings. Experienced mentors can offer insights and advice for fundraising.

Insights

Discussions with peers or industry experts offer valuable insights into investor values and priorities.

Figure 25

Platforms to build a fundraising network

Matchmaking platforms

Matchmaking platforms with features, such as messaging, virtual pitch sessions and investment forums, facilitate connections between agritechs and investors.

Industry events

Agritech, technology and investor events are a great way to meet and connect with peers, experts and potential investors.

Accelerators

Accelerators provide access to experienced industry experts and advisors who can offer valuable guidance and advice. They also allow you to learn from peer founders.

Social media

Social media helps you make your solution more visible and engage with potential partners or mentors.

103 Mark Suster. (16 November 2010). Invest in Lines, Not Dots.

DEVELOP YOUR PROFESSIONAL NETWORK

Tips from investors

Best practices

Ensure that your agritech has an accurate and up-to-date profile on relevant investor matchmaking platforms.

Increase your visibility at events by having a speaking slot or a stand.[104]

104 Katapult interview, February 2024.

DEVELOP YOUR PROFESSIONAL NETWORK

Resources

Examples of networking platforms

Foodbytes connects 1,700 agritechs with 1,100 investors.

Abaca aligns entrepreneurs with investors and other support organisations (accelerators, bootcamps and more).

ICT4Ag is an annual gathering of agrifood system stakeholders.

Africa Food Systems Forum brings experts together for resilient and inclusive food systems.

MWC Kigali is the largest and most influential connectivity event on the African continent.

Sankalp organises global and regional summits, as well as deal rooms for agritechs to showcase their solutions.

Africa Tech Summit welcomes tech corporates and investors to drive business and investment forward.

Endeavor African Agri-tech Scale-Up is a 12-month programme providing access to thought leaders, mentorship and investor networking.

Asia-Pacific Agri-Food Innovation Summit brings together leaders to identify the strategic priorities in Asia’s agri-food system.

The Future Food Asia Platform works with ecosystem players to accelerate innovation in agritech and foodtech across Asia Pacific.

AgFunder GROW Accelerator Programme refines your business model for global growth and plugs you into the AgFunder network.

Pitch AgriHack is a programme that nurtures tech innovation and entrepreneurship in agriculture.

DEVELOP YOUR PROFESSIONAL NETWORK

Hear from investors

Yann Vaudin, Katapult
Investor

"I highly recommend going to relevant events and reach out to people. I also find accelerators and competitions great to increase an agritech's visibility, but be careful about over-acceleration."

Danny O'Brien, SVG Ventures
Investor

"Ideally, when you reach out to an investor, they should have met or heard about you before. If you have planted seeds before, it works way better."

Loraine Achar, FFA
Investor

"Focus on building relationships with potential investors. A regular newsletter can keep them updated on your progress. This way, when you're ready to fundraise, they'll already be familiar with your work and more likely to engage."

Contact investors in your database

Agritech investment is competitive, requiring strategic outreach.

Aim for "warm" introductions via mutual connections to leverage existing relationships and trust.[105] If unfeasible, a well-crafted cold email can still be effective, though less so. Key elements include personalisation, relevance and respect for the investor's time. In both cases, your email should be clear, concise and tailored to the specific investor you're contacting, highlighting your value proposition, reasons for contacting them and key company metrics to pique their interest.

105 AgFunder interview, January 2024.

Warm Introductions
The ideal route

Warm introductions bring trust and credibility, increasing the chance investors will consider your pitch. Always seek trusted sources within your network to boost response rates and investor receptiveness before reaching out.

Leverage your network[106]

Identify network connections linked to your target investors, such as mentors, advisors, entrepreneurs or even other investors connected to suitable prospects.

Be respectful of your network's time

Save your contact time and boost follow-through by drafting a tailored introductory email yourself. Provide all necessary information to make a compelling case for your agritech, including a brief description, achievements and why the investor is a good fit. Include your "light pitch" for their reference.

106 Sahel Capital interview, January 2024.

Cold Emails
A last resort

When resorting to cold emails, thorough research, a value-driven message and a respectful approach are crucial.

Show you have researched the investor's interests[107]

Research the investor's interests, such as their focus areas. Show how your company aligns with their goals, referencing their past investments to demonstrate they would be a good fit.[108]

Articulate your value concisely and limit your ask[109]

Clearly explain your value proposition and how it addresses a specific problem in the agriculture sector. Keep your email concise, requesting a brief 15-minutes conversation. Provide enough context for the investor to feel ready for a future conversation.

Refrain from spamming

As well as being ineffective, sending multiple unsolicited emails can damage your reputation.

107 Sahel Capital interview, January 2024.
108 SVG Ventures interview, January 2024.
109 Equator VC interview, January 2024.

CONTACT INVESTORS

Hear from investors

Danny O'Brien, SVG Ventures
Investor

"While we're open to cold emails, they should be well researched and tailored to the firm's focus areas. Most are generic email blasts and 90% of them fall outside our investment scope. However, cold emails with the strongest chance of success highlight endorsements from reputable organisations like the GSMA, UNDP or established accelerators. These endorsements add credibility and demonstrate that you have already attracted the attention of respected industry players."

Go!

Now that you have targeted the right audience for your fundraising journey, it's time to try to convince potential investors and close the deal.

There is no one-size-fits-all approach for convincing people. However, there are many pitfalls to avoid along the way. In the following slides, we'll explore the dos and don'ts of convincing potential investors.

Remember, the process doesn't end with the pitch. Follow up with investors, even if they don't immediately commit to investment. Seek feedback and stay on their radar for potential future partnerships.

If an investor decides to move forward, congratulations! This is when the due diligence process begins, as the investor will scrutinise your records to ensure there are no surprises. Once the investment decision is confirmed, work together to agree on mutually beneficial terms and conditions.

Tailor your pitch to the audience and time you have

Articulating a compelling story for your agritech, highlighting its unique approach, is key to attract funders and investors. The hook often lies in demonstrating traction, commitment and capabilities through a cohesive narrative.

You should follow these pitching guidelines:

1. **Capture attention quickly:** Craft a compelling opening to stand out amid multiple pitches.
2. **Tailor your agritech story to your audience:** Research investor criteria and motivations to strategically highlight aspects that resonate with your audience.
3. **Choose the right format:** Adapt your pitch length and depth based on the time available—concise for brief meetings, detailed for longer sessions.
4. **Back your claims with data:** Use relevant, up-to-date and accurate data to validate your impact and performance (see slide 47 ▸).

110 The Founder Institute's. (n/a). Perfecting Your One Sentence Pitch.

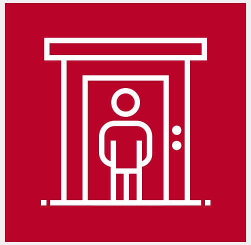
Figure 26

Pitching formats

The one-liner pitch

Present your business in a succinct and compelling manner, typically in one sentence.

- A few seconds
- Group setting at events
- Investor you meet for the first time



The 3-minute elevator pitch

Give a quick overview that covers the essential elements of your business

- A couple of minutes
- Private setting at events
- Investor you meet for the first time, or you know vaguely.

See slide 59 ▸

The detailed pitch deck

Communicate your business plan, strategy and potential

- 15 min. to an hour
- Formal meetings or pitching events
- Investors you are acquainted with

See slide 61 ▸

Figure 27

Structure of a one-liner pitch[110]

My company

(name of your company)

is developing

(your defined offering)

to help

(your defined audience)

(solve a problem)

with

(your unique value proposition)

A 3-minute elevator pitch can win your audience over

When you first meet a potential investor, focus on convincing them of your idea's relevance and potential. Avoid diving into details or giving a lengthy presentation initially. Save in-depth discussions for when the investor is interested in exploring a partnership. A concise and compelling 3-minute elevator pitch is crucial to achieving this goal.

Why an elevator pitch?[111]

- An elevator pitch succinctly communicates **the problem you solve, your unique value proposition and your potential impact.**
- The objective is to pique investors' interest and leave them eager to learn more. Initially, investors are not looking for a comprehensive breakdown of your solution; they want to understand the big picture.
- A compelling elevator pitch increases chances of **securing a follow-up opportunity** to explore details.

111 B. Pinvidic. (2019). The 3-Minute Rule: Say less to get more from any pitch or presentation.

How to design an elevator pitch?[112]

Follow the three-minute rule

Three minutes is all it takes for an audience to form an initial impression about a proposal.

Sticking to three minutes also makes it easier for the audience to then convey your key points to others within their organisation, such as investment committees or limited partners.

Be selective with your content

Only include your most essential and compelling material, facts and figures. At this stage, leave out anything that would require too much explaining. Be as clear and concise as possible.

112 Ibid.

A 3-minute elevator pitch can win your audience over

Figure 28

Key story telling elements an elevator pitch[113]

An opening

A short captivating story on why you created your solution.

What is it?

Explain what your solution is.

How does it work?

Make some bold claims about your solution.

A callback

Go back to your opening with an illustrating anecdote.

Are you sure?

Support your claim with facts and figures.

“All is lost” moment

Acknowledge challenges upfront and explain how you overcame or plan to address them.

A hook and an edge

Identify one element that makes you feel the most excited about the solution.

Can you do it?

Reassure that you can deliver on your solution.

113 B. Pinvidic. (2019). The 3-Minute Rule: Say less to get more from any pitch or presentation.

Explain the value of investing with a detailed pitch deck

When investors show interest in your agritech company, leverage your detailed pitch deck. It serves as a compelling narrative capturing your agritech's essence and provides investors with the necessary information to make informed decisions about supporting your venture.

Figure 29

Foundations for a successful pitch deck

A compelling opening

Problem

- Explain in simple terms the problem you are trying to solve and why it is important to solve it now.[114]

Solution

- Provide a concise overview of your business and solution.
- Clearly articulate your value proposition and potential impact.

Market

- Describe your target customers' challenges and needs (personas).[115]
- Present your market potential, go-to-market strategy and traction.
- Provide information into industry trends and competitive landscape.

Financials

- Present your revenue model, financial projections and valuation terms.
- Go through risks and rewards.

Team

- Sell your team's capabilities to demonstrate that you have the skills and experience to make success happen.[116]

Ask

- Share your funding needs
- Present a detailed plan for how you plan to use the investors funds.

114 AgFunder interview, January 2024.
115 Founders Factory Africa interview, February 2024
116 David S. Rose. (March 2007). How to pitch to a VC. TED Talk.

DRAFTING AND DELIVERING YOUR PITCH

Practical tips from investors

Best practices

Hone your pitch through practice and feedback
Practise and actively seek feedback.

Send your deck in advance of the meeting[117]
Allow investors to preview your deck to move away from a slide-by-slide approach, enabling a more seamless storytelling.

Have a pre-recorded demo
Pre-recorded demos bring your product to life and convey complex information in a concise and impactful format.

Gauge your audience
Understand who you are presenting to (type of institution, seniority levels, background, etc.) and adapt your story to address any potential gap or issue in your pitch.[118]

Use buzzwords with caution
AI, climate, exits...These are a few words investors hear all the time. Carefully back your claims up when using these in your pitch.[119]

Show you understand investors' needs and priorities
Use visuals strategically and employ short bullet points.

117 FMO interview, January 2024.
118 Founders Factory Africa interview, February 2024.
119 Founders Factory Africa interview, February 2024.

Pitfalls

Relying on overinflated figures and overexaggerated claims.

Failing to provide clarity over the services you offer and the problem you are solving.

Using complex jargon and/or too much text, without any white space.

Having typos and formatting issues.

Including superfluous information.

Resources

Examples of templates

Sequoia Capital PowerPoint Pitch Deck

33 Legendary Startup Pitch Decks and What You Can Learn From Them [+10 Free Templates]

DRAFTING AND DELIVERING YOUR PITCH

Hear from investors

Loraine Achar, FFA
Investor

"I typically schedule a 30–45-minute call for initial meetings with founders. Ideally, the first 10 minutes are for your pitch, followed by Q&A. It's helpful if founders send the pitch deck beforehand to avoid going through it slide by slide. I've usually read the deck beforehand to understand the basics, so our conversation can focus on your motivations, business and industry insights."

Convey essential attributes in your pitch to investors

While a strong pitch deck is crucial, the presenting team is the most important element in the room, being a key factor in investors decision-making (see slide 24).

How you convey your message matters as much as what you say. Your delivery — body language, tone and overall demeanour — significantly influences investors' decision to partner with you. They evaluate not just your business idea, but also you as the leader who will drive it forward.

Figure 30

Key characteristics you need to demonstrate to investors[120]

Passion and determination

Investors seek passionate founders committed to overcoming obstacles with their agritech solution.

Commitment

Investors prioritise founders fully dedicated to the venture, demonstrated by full-time employment in the business.

Coachability

Investors appreciate founders who show coachability, indicating their ability to adapt and navigate dynamic markets.

Integrity and transparency

Investors seek strong ethical values, honesty and open communication. Transparently addressing risks and challenges shows these qualities.

Experience and domain knowledge

Investors expect agritech sector expertise and want to understand if you have the skills and experience to navigate the start-up challenges.

Leadership and vision

Investors assess your ability to inspire and guide your team. Clearly articulate your agritech vision.

120 Source: David S. Rose. (March 2007). How to pitch to a VC. TED Talk.

CONVEY ESSENTIAL ATTRIBUTES IN YOUR PITCH

Hear from investors

Audrey Mate, Village Capital
Investment expert

"We are looking for people with lived experience and compelling stories. People invest in YOU as a person, so work on being credible as a person. Beware that it is a small sector, and that bad reputation of founders spreads fast."

Continue engaging with investors after your pitch

After pitching to an investor, following up is crucial to remain on their radar. By prioritising follow-ups, documenting interactions and giving regular updates, your agritech can effectively nurture investor relationships and advance its fundraising goals effectively.

Figure 31

Building momentum after an agritech investor meeting

Follow up

- Follow-up by addressing any outstanding questions or concerns raised during the initial meeting.
- Seek investor feedback on your pitch and business model to refine your approach for future meetings.[121]

Document and organise

- Keep a record of all investor communications, including notes, documents and emails.[122]
- Document feedback, suggestions, action items or next steps discussed during the meeting.
- Regularly update this documentation to track progress, address outstanding items and maintain continuity in interactions with the investor.

Stay on their radar

- Send periodic updates,[123] newsletters or progress reports to keep investors informed of key milestones and achievements in your agritech.[124]
- Use these communications to reinforce your value proposition, team's dedication and alignment with investor's goals.
- Invite them to industry events or demos where you showcase progress.

Be responsive and transparent

- Respond promptly and professionally to investor inquiries, showing commitment and respect for their time.
- Maintain transparency about challenges or setbacks your agritech may face and share your strategies for addressing them.
- Embrace a collaborative mindset and be open to guidance, acknowledging investors' expertise and experience.

121 Novastars Ventures interview, February 2024.
122 SVG Ventures interview, January 2024.
123 Ibid.
124 Founders Factory Africa interview, February 2024

CONTINUE ENGAGING WITH INVESTORS AFTER YOUR PITCH

Hear from investors

Dan Kimani, ARAF
Investor

"We've been impressed by companies we couldn't invest in at the moment, but who kept us informed about their progress through regular quarterly updates. This is important because, in a few months, we might be able to invest, and they'll be our first consideration."

Audrey Mate, Village Capital
Investment expert

"When an investor declines your pitch, it's crucial to understand the underlying reasons behind their decision. A 'no' could mean different things – it might be a 'not now' due to timing or because you do not meet their investment criteria. By probing further, you can uncover opportunities to refine your approach and increase your chances of securing the right investment partner in the future."

Be responsive and transparent during due diligence

Due diligence is a critical stage in fundraising where investors thoroughly investigate an agritech to assess its investment potential, understand risks and ensure strategic alignment.[125]

Due diligence intensity varies based on the agritech's growth stage and investor type (e.g., investment firms and VC funds often conduct thorough due diligence).[126] However, the core purpose remains consistent across investors.

Figure 32

Due diligence process objectives for investors[127]

Assess risks

Evaluate the risks associated with the investment.

- Market risks
- Financial risks
- Operational risks
- Legal risks

Verify claims

Ensure what the agritech claimed during its pitch is true.

- Technology
- Financial projections
- Competitive advantange
- Market potential

Check compliance

Ensure that the agritech complies with relevant regulations and meets the legal requirements to operate.

Figure 33

Due diligence methodology and key focus areas

Research analysis of online information

- Competition analysis
- Market analysis
- Agritech website

Analysis of data room documentation

- Financial statements, including balance sheets
- Business plan
- Technology
- Intellectual property rights
- Management team qualifications
- Legal documents

Discussions with third parties

- Past employers
- Customers
- Partners
- Other investors

125 AgFunder interview, January 2024.
126 MEDA interview, February 2024.
127 Acumen Resilient Agriculture Fund interview, February 2024.

BE RESPONSIVE AND TRANSPARENT DURING DUE DILIGENCE

Practical tips from investors

Best practices

Ensure your data room is complete and up-to-date to avoid unnecessary delays in the due-diligence process.
The due diligence process is when your data room becomes most handy. Make sure investors have access to all relevant and up-to-date documentation from the data room.

Prepare for technical and intellectual property questions[128]
Be ready to answer detailed questions about your technology, including its scalability, intellectual property rights and patents, and any technical challenges you've faced.

Foster relationships
View due diligence as an opportunity to build rapport with investors. Be receptive to feedback and proactive in providing updates.

Lack of responsiveness during this process is a red flag for investors.[129]
Aim to respond within 24 hours of receiving a message or inquiry from an investor. If a response can't be provided within this time frame, acknowledge that the inquiry has been received and provide an estimated timeline for when a response will be provided.

Do your own due diligence on the investor
Due diligence is not just a one-way examination. It's also an opportunity for you to assess potential investors and their fit with your agritech's mission and culture.

128 AgFunder interview, January 2024.

129 Catalyst Fund interview, January 2024.

GSMA

BE RESPONSIVE AND TRANSPARENT DURING DUE DILIGENCE

Hear from investors

John Friedman, AgFunder GROW Accelerator
Investor

"During the due diligence process, we ask tough questions to make sure it is a worthwhile investment. We also check references from former employers and customers. Everything has to check out."

Dan Kimani, ARAF
Investor

"We like to talk to other agritech investors to get their perspective about agritechs we are considering. Venture capital in Africa is a small world and investors talk to each other."

Negotiate fair terms and conditions

Once due diligence concludes, and investors decide to invest, the final key step is negotiating fair terms and conditions.

This is particularly critical in seed rounds, as it sets the foundation for future funding. However, this process can be daunting for founders due to complex legal and financial language. Negotiating involves agreeing on key terms, beyond funding, such as equity split, exit strategy and corporate governance.

Figure 34

Steps of a negotiation process

Receive the term sheet from the investor

The term sheet serves as a letter of intent, laying out the key financial and control terms of the investment, including start-up valuation, equity stake, and profit distribution if the company is acquired or goes public.

Review the term sheet

Review the term sheet to identify areas for negotiation and consult with legal and financial advisors if needed.

Make a counteroffer and negotiate

Present a counteroffer with your desired terms and engage in open and professional communication with the investor.

Sign subscription and shareholder agreements

Once terms and conditions are final, legal documents are drafted and signed, marking the official investment agreement.

NEGOTIATE FAIR TERMS AND CONDITIONS

Practical tips from investors

Best practices

- Get expert legal and financial advice to navigate this critical step.
- Ensure that the investment terms are aligned with your long-term goals.
- Ensure that the equity split given to investors is not overly dilutive, as this can significantly reduce the founders' and employees' ownership and control and makes raising future rounds difficult. Retaining at least 50% ownership means you maintain majority control of the company.
- Negotiate board seats and composition to ensure you maintain a strong voice in decision-making and voting rights.
- Negotiate fair liquidation that protects the company's interests and discuss potential exit scenarios, such as acquisitions or IPOs.
- Pay attention to overly restrictive terms, such as exclusivity clauses or limitations on the company's ability to raise future funding.

Resources

EXAMPLES OF TEMPLATES

- Negotiating Term Sheets: Focus on What's Important (Cooley Go)
- What to look for in a term sheet as a first-time founder (Techcrunch)
- Term sheet template (Y combinator)

05
Conclusion

Agritech offers opportunities for both social and financial returns

Agritech is a rapidly evolving sector with immense potential for financial returns and positive social and environmental impact.

Addressing food insecurity, climate change, and rural poverty, agritech aligns with the demand for impact investments, but remains underfunded. Investors should leverage insights, case studies and best practices from the past decade to mitigate risks, make strategic decisions and unlock agritech's vast potential for a sustainable, food-secure future.

Figure 35

Recommendations for investors

Market immersion

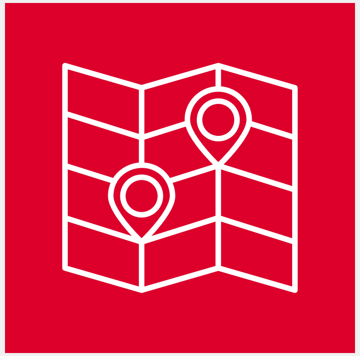
Strengthen understanding of emerging agritech ecosystems, identify local partners and gain nuanced insights into specific market dynamics and opportunities.

Innovative finance partnerships

Explore blended finance models, public-private partnerships, and other innovative structures that can help mitigate investment risks by combining different sources of capital with varying risk/return expectations.

Tailored risk assessment

Re-evaluate risk assessment criteria to better accommodate agritech's unique challenges, such as longer development cycles, capital-intensive models and context-specific solutions.[130]



Geographic diversification

While major markets, such as India, Kenya and Nigeria, attract significant attention, investors should gear their attention towards less funded markets in West Africa, North Africa and other regions where agritech ecosystems are on the rise.

130 Greenbiz. (9 November 2023). Why leading VCs are rethinking their food investments.

Investment readiness is more crucial than ever

Investors warn that with the current funding winter, the era of abundant capital is over, leading to more agritechs competing for increasingly constrained resources. This reality underscores the importance of investment readiness for agritech founders. To stand out in a crowded field, founders must be thoroughly prepared to meet investor requirements and demonstrate their unique value propositions effectively.

Figure 36

Key stages of an agritech fundraising journey

Get ready | **Get set** | **Go!**

Prepare

- Build a fundraising plan
- Set realistic expectations
- Prepare supporting documentation

Reach out

- Build your investor pipeline
- Develop a diverse professional network
- Contact investors

Convince

- Pitch to investors, conveying essential elements investors are looking for
- Engage investors post-pitch

Pass due diligence

- Complete the due diligence process

Sign

- Negotiate fair terms and conditions
- Sign the deal

Annexes

Annex 1
Data and metrics to support fundraising

Type of data	Metrics	Definition
Revenues	Year-on-year (YoY) revenues and growth rates	The rate of change in revenues across two (or more) years
	Projected revenue growth rate	The estimated growth in revenue your company will earn over the next three to five years
Profitability	Profit margins	A measure of a company's profitability, expressed as the percentage of revenue that the company keeps as profits
	Operating margins	A measure of how much profit a company makes on a dollar of sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax
	Projected profit margins	The margin expected over the next three to five years
	Return on investment (ROI)	An approximate measure of an investment's profitability, expressed by subtracting the initial cost of the investment from its final value
Cash-flow	Cash flow statements	A financial statement that provides aggregate data regarding all cash inflows and outflows that a company has
	Burn rate	The total amount of money spent each month
	Run away projections	The estimated amount of time a company has before it runs out of cash
	Break even point	The level at which total revenue equals total production costs
Customer metrics	Customer acquisition costs	The total cost of convincing a consumer to buy your product or service, including research, marketing and advertising costs
	Customer lifetime value	The total amount of money that a customer is expected to spend at a company over the entire relationship
	Churn rate	The percentage of subscribers who discontinue service subscriptions within a given time
	Segmentation data and target customer demographics	Aggregation of prospective users into groups or segments, based on demographics, geography or behaviour factors
	Customer retention rate	The percentage of existing customers who remain loyal to your business over time
Market metrics	Market share	The percent of total revenues in an industry generated by a particular company
	Market share projections	The expected percent of total revenues in an industry generated by a particular company in the next three to five years

Annex 1
Data and metrics to support fundraising

Type of data	Metrics	Definition
Profitability	Total addressable market (TAM)	The overall revenue opportunity that is available for a product or service if 100% market share is achieved
	Serviceable available market (SAM)	The portion of TAM that is reachable and can potentially be served by a company's products or services
Social impact (data should be disaggregated by gender)	Number of farmers reached	The number of farmers who have used the solution at least once
	Number of active users	The number of farmers who use the solution at least every three months
	Increase in farmer yields and income	The percentage of increase in farmer yield and income
	Financial inclusion rate	The percentage of users who have access to financial services
Environmental impact	Water usage or chemical use	The amount of water and pesticide used by farmers
	Climate resilience	The ability of smallholder farmers to prepare for and bounce back from climate hazard events
	Waste	The amount of waste produced by agricultural activities
	Biodiversity impact	The consequences of your own activities, as well as those of your customers', on biodiversity

Annex 2
Contributors to this report to add to your investor pipeline

Investor	Sector(s) of interest	Geographical focus	Funding stage	Instruments	Ticket size	Additional support
AgFunder	Agritech	North America, Europe, Asia and emerging markets			$100,000 funding	AgFunder GROW Impact Accelerator (focused on Asia and emerging markets) provides in-kind programme benefits (business mode refinement and networking opportunities)
ARAF	Climate resilient agriculture	Africa			$300,000 up to $4 million, with possibility of follow-up investment of up to $7 million	Technical facility providing grant funding (business development, research, SHF education) funded by IKEA Foundation
Catalyst Fund	Climate adaptation and resilience	Africa	Pre-seed to series A (for follow-up investments)		$200,000 at pre-seed, with possibility for follow-up investments	6-month venture support where the Catalyst Fund team works with the start-up to improve their solutions and business models
Equator VC	Climate tech	Sub-Saharan Africa	Seed and Series A	Equity, Convertible notes	$750,000 to $3 million	Post-investment support, governance, follow-on funding
FMO	Financial sector, energy and agritech	Africa and Asia	Series A and B	50% of investment in fund managers, and 50% direct investment in companies. Debt and equity	$1 to $4 million If more is required, they look for co-investors	Technical assistance
Founders Factory Africa	Sector-agnostic	Africa	Pre-seed and pre-series A	Debt and equity	Between $250,000 and $500,000, split between equity and debt	Technical assistance and platform support

Annex 2
Contributors to this report to add to your investor pipeline

Investor	Sector(s) of interest	Geographical focus	Funding stage	Instruments	Ticket size	Additional support
Katapult	Agritech and climatech	Africa		Equity, convertible notes	Between $150,000 and 500,000	Accelerator (1/3 of invested amount) and networking opportunities
Mennonite Economic Development Associates (MEDA)	Agriculture, women and youth SMEs, financial services	Latin America and the Caribbean, Sub-Saharan Africa, East Asia and Pacific	Early growth stage	Direct equity Direct debt into investment funds and financial institutions Investment platforms: MEDA Risk Capital Fund (MRCF) MasterCard Foundation Africa Growth Fund (MFAGF)	Between $100,000 and $7 million Target internal rate of return range: 3–5% Average deal size: $2.8 million Tenure range: 3–7 years	Technical assistance and advisory in gender mainstreaming, and environment and climate change
Novastars Ventures	Social impact, climate	Africa	Series A	Equity	$1 million to $3 million	Board participation
Rockstart	Agrifood, emerging tech, energy	Europe	Pre-seed	Equity	€100,000 to €200,000	Business support, connections with domain mentors and experts
Sahel Capital	Food and agriculture	Sub-Saharan Africa	Growth	Debt and equity	Between $300,000 and $8 million	Technical assistance
SVG Ventures	Agrifood tech	Global	Seed to Series A	Equity	$100,000 to $1.5 million	Accelerator
Teranga Capital	Entrepreneurship	Senegal and Gambia	Seed to Series A	Equity and quasi-equity	Up to $100,000	Technical assistance

Annex 3
Template for building an investor pipeline

Investor name	Investor type	Instruments	Fund size	Ticket size	Funding stage	Geographical focus	Sector(s) of interest	Portfolio
Hyperlink investor names to their website.	Create a drop-down menu with key investor types you are targeting.	Create a drop-down menu with key investor instruments you are targeting.	Ensure the funding range is indicated in a single currency for consistency; conversion may be necessary.		Create a drop-down menu with key funding stages your potential investors are typically funding.	Decide on the desired level of granularity for your sorting (e.g., per region, per country, or both), and maintain consistency with this level throughout.	Create a drop-down menu with key sectors of interest for your potential investors.	Indicate any portfolio company operating in your market or offering similar services.
	EXAMPLES	**EXAMPLES**			**EXAMPLES**	**EXAMPLES**	**EXAMPLES**	
	VC	Equity			Pre-seed	Africa	Agriculture	
	Impact	Convertible notes			Seed	West Africa	Climate	
	Angel	Debt			Series A	East Africa	Agritech	
	Donor				Series B	Kenya	Technology	
	Accelerator				Series C		Energy	
	Financial institution						Financial services	

GSMA

GSMA Head Office
1 Angel Lane
London EC4R 3AB
United Kingdom

Tel: +44 (0)20 7356 0600