Twiga Model Overview

2020
The Twiga purpose is to provide affordable access to high quality food and grocery across African cities.

1,000 Employees
60,000 Retailers
1,000 Supply Partners
The informal retail sector makes up 38% of Sub Sahara Africa’s GDP making up approximately $684Bn in value by 2019.

Nigeria, Kenya and South Africa make up 68% of the informal retail value in SSA with Nigeria and Kenya’s share of retail at 98% and 70% respectively.

South Africa’s informal retail share of value is at 40% with majority of the country’s population shopping in formal retail supermarkets.

Informal Retail % of GDP Within Region

Informal Retail as a % of Total Retail

38% informal retail value share within SSA

90% informal retail value share within Kenya

Source: IMF, Euromonitor, Deloitte
The inefficiency of a fragmented retail makes access to food expensive

Average Food and Beverage (F&B) spend in Sub-Saharan Africa is 44% of Daily Disposable Income (DDI) with Kenya sitting at 55%

South Africa with a developed agricultural industry spends only 16% of DDI on F&B. UK spends only 8% with the EU average at 12%

Food inflation has been above double digit in most of SSA cities, poor urban planning and inefficient food production will make it only worse

In SSA, agriculture employs 70% of the work force but only attracts 2% of finance making it poorly capitalized and inefficient

Food and Beverage Spend as % of Daily Disposable Income

- United Kingdom: 8%
- Sub Saharan Africa: 44%
- South Africa: 16%
- Kenya: 55%

Source: World Bank & IFC
Twiga has perfected its aggregation of retail demand towards solving Africa’s fragmented market problem while supplying quality and affordable products.

**Supply**

- **Fresh Produce Sourcing**
  Securing quality, lower cost, fresh produce from contracted farmers and working with market agents for product variety and consistent supply.

- **Grocery Sourcing**
  Strong partnerships with leading Grocery suppliers for better pricing to drive affordability.

- **Payment**
  Real time payment to farmers upon product off take.

**Distribution**

- **Warehousing & Sorting**
  Effective product handling aimed at reducing post-harvest losses and maintain quality for fresh produce to end consumer.

- **Distribution**
  Distribution across all Nairobi regions and planned expansion to the larger Kenya & East Africa region.

- **Customer Experience**
  +60,000 customers facilitating the ability to digitally place orders. And providing informal credit.
Retail aggregation makes food production efficiency possible in Africa

**PRODUCTIVITY**
Commercial farming through use of modern agronomy has seen a 3X differential in yield, which lowers cost of production materially.

**POST-HARVEST MANAGEMENT**
Larger farms allow basic post-harvest processing by packing the product. Without any cold-chain, post-harvest losses are circa 5% compared to 35% in the market.

**FOOD SAFETY**
Commercializing farms has made possible the process of certification. By mid-2021, all Twiga produce sold will meet Global GAP.
Twiga aims at streamlining Food Supply in Africa, a 1Trn Opportunity by 2030

Efficient Production
The demand aggregation provides structured access to the domestic markets, allowing efficient, large scale and low-cost production

Economies of Scale
The increased volume creates demand aggregation at scale, building a low cost, efficient supply chain.

Lower Prices
With consumers spending more than 50% of disposable income on Food, lower price is a key lever in the value proposition

Retailer Recruitment
The lower price attracts retailers who want to be part of the value chain that allows them to protect margins, while increasing revenue.

Source: World Bank
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