

2022  
INVESTMENT  
MEMORANDUM



# Esteem Diamonds Global Investment Ltd.

## BASIC INFORMATION

### OWNERSHIP STRUCTURE

Name	Percentage ownership
Balogun Joseph Olalekan	40%
Balogun Victoria Tiltilope	20%
Balogun Esther Iremide	20%
Balogun Emmanuel Fikunayomi	20%

**SME Risk Rating: 2**

**Interpretation: Good financial condition and strong capacity to meet obligations**

### MISSION STATEMENT

To be the leading cashew processor in Nigeria by offering quality cashew kernels to consumers.

### VISION STATEMENT

To be the preferred cashew processor and exporter in Africa.

### FUND ARRANGER



CAPITAL RAISING | FINANCIAL ADVISORY | EXECUTIVE TRAINING

1A, Stella Ogunleye Street, Off Bosun Adekoya,

Oniru, Lekki, Lagos.

Tel: 08165789484; 08023155122

Email: consultant@pearlmutual.com

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## Company profile

Esteemma Diamonds Global Investment Limited (“Esteemma” or “EDGIL”) is a limited liability company under the Companies and Allied Matters Act 1990 (CAMA) of the Federal Republic of Nigeria, with the registration number RC 986244. They are an agro allied company that focuses on the processing of raw cashew nuts into high grade cashew kernel and sesame seeds for local consumption and exportation. Esteemma currently has the operating capacity to process 4 tons of raw cashew nut per day. Esteemma also has 10 years of experience trading in sesame seeds. Over the past 2 decades, Esteemma has garnered key experience and capabilities and built networks (locally and internationally) that makes the organisation a processing and trading powerhouse in the Nigerian Sesame Market.

## Company track record

- In 2019, Esteemma experienced a turnover of N245 million
- During the 2020, Esteemma traded commodities totaling 2400 tons and processed 160 tons of cashew. Despite border restrictions and a difficult recession, the company was able to profit from the income generating potential in their activities (raw cashew processing, cashew, and sesame seed trading). Esteemma earned a revenue of over N500 Million in the year 2020.
- While dealing with the aftermath of a pandemic, national and international lockdown, and a national economy that was recovering at a slow rate, Esteemma still managed to earn roughly N1 billion in revenue
- Esteemma was the first company to request for funding from the BridgeAngels platform in May 2018. Since then, we have successfully facilitated N200 Million as working capital from investors for the company with all interest and principal payments remitted as at when due to investors. Over the past three years, their dedication to consistent and prompt interest payments including principal liquidations has secured their position as one of our best success stories.

(naira)	2019	2020	2021
<b>Funds Provided under BridgeAngels</b>	5,000,000	61,499,776	133,999,840
<b>Revenue</b>	244,999,872	589,871,360	999,999,936
<b>YoY percentage</b>	-	140.7%	69.5%

## The transaction

Esteemma is seeking N30,000,000.00 as working capital for the current sesame season (September – December). With these funds, Esteemma would be able to purchase more sesame seeds which would allow them to operate at full capacity and better meet local and international demands.

Transaction features.	
Loan Size	N30,000,000.00 (Thirty Million Naira Only)
Tenor	Six (6) months from the date of disbursement
Funding type	Debt financing at N1 Million Per Unit (May be open to convertible debt)
Interest rates	17% p.a. for N1m to N5m 20%p.a. for N6m to N10m 22% p.a. for investments above N10m
Repayment	Interest is payable monthly Principal – Bullet Payment at Maturity

## Risk and Security

1. Credit risk – The risk that principal or interest or both may not be paid as at when due.
2. Diversion risk – The risk that fund requested may not be used for its sole purpose or what it was originally intended for.
3. Operational risk - is the prospect of loss arising from business processes such as mechanical failure, human error etc.
4. Inflation risk – is the prospect of loss arising from a decline in purchasing power of money.
5. Liquidity Risk – is the risk that the prospect may be unable to generate enough revenue from the business to liquidate the fund as at when due.

The following mitigants have been provided to reduce and/or negate the above risks and other uncertainties.

1. Direct debit of interest and principal on due dates to the company's account via Remita.
2. PearlMutual will be setting up a debt service reserve account (DSRA). Our organisation will be made a signatory to the account.
3. Personal guarantee of the key promoter with a notarized statement of net worth.
4. Signed undated cheque(s) for the principal amount.
5. PearlMutual shall continually monitor the business closely by visiting the warehouse regularly and requesting management account information monthly.
6. Letter of Stock Hypothecation sealed and signed by the key promoter.
7. Relevant insurance policies with reputable insurance companies to cover the goods in the warehouse and whilst on transit shall be provided by the company.
8. PearlMutual registered as a member with CRC Credit Bureau in January 2020 to further boost investor confidence and to protect our customers.
9. PearlMutual now has an internal rating model used for all SMEs

## **Management Team**

### **Balogun Lekan**

Mr. Balogun holds a master's degree in Food Science and Technology from University of Agriculture, Abeokuta, Ogun State in addition to a Certificate in Entrepreneurial Management. He also attended one of the pioneer schools of Leadership in Nigeria, The Daystar Leadership Academy where he obtained his Advance Diploma.

He worked briefly at Waymark Ventures Limited, an Agro based company before he ventured into his private business. He started Qui Trade and Support (QTS) Limited which he successfully managed for eleven years before metamorphosing to Esteemma Diamonds Global Investment Limited. He is the Founder and Chief Executive Officer of Esteemma Diamonds Global Investment Limited, a company strategically set up to capture the business opportunities in cashew processing for export and local consumption.

### **Titilope Victoria Balogun**

Mrs. Titilope Victoria Balogun holds a BA degree in Agricultural Economics from University of Agriculture, Abeokuta, Ogun State. She started her career with Falcon Securities Limited where she worked as the Personal Assistant to the Managing Director. Upon the completion of her training program with the Daystar Leadership School, she started her private business ventures which includes Poultry Management Project and being a Marketing Representative for an international organization. She is currently the Marketing Manager of Esteemma Diamonds Global Investment Limited.

*Investment Disclaimer: All investments have an element of speculation and involve risk of loss. Therefore, we encourage our investors to invest carefully by getting personal advice from your professional investment advisor and to make independent investigations before acting on information that we have published. Much of our analysis and recommendation was based on information derived directly from companies that we are arranging the funds for. Therefore, we cannot assure you that the information is accurate or complete. In addition, past performance is not necessarily indicative of future results. Hence, PearlMutual Consulting Ltd cannot in any way warrant or guarantee the success of any action you take in reliance on our analysis.*