

Summary

Agora-Prometeo Fund ('Prometeo') is an impact investment fund that strives for excellent combined social, environmental, and financial returns for investors. Prometeo is seeking \$10-12 million in commitments. The fund management will be based in Central America and will invest in high growth, high impact small and growing businesses (SGBs) that are underserved by traditional capital and credit markets. The fund is sponsored by Agora Partnerships and is designed to help Agora fulfill its mission of unleashing the power of “impact” entrepreneurs to address social, environmental and economic challenges through business. The fund is named after Prometheus, the mythic figure who stole fire from the gods and brought it to humankind.

Background

Venture capital activity in Central America primarily focuses on companies with investment needs of \$1 million and above. Despite their potential to create social and economic impact, SGBs with smaller financing needs, the “missing middle”, suffer from a lack of access to networks, mentoring, support, and growth capital. Agora Partnerships and the Prometeo Fund seek to fill this gap and demonstrate to the local capital market that investment in impact entrepreneurs can produce attractive social and financial returns.

Investment Strategy

Prometeo will invest in companies with revenues up to \$2 million with the following characteristics:

- Operate in an attractive market
- Have a differentiated product or service
- Have a proven business model and experienced management team, and are at an early stage of scaling a product or service
- Have committed and experienced managers who share the fund’s commitment to social change
- Have an identifiable path to exit, typically through management share buybacks, third party investments, mergers, royalties, dividends, and debt repayment, where applicable
- Have adopted, or are willing to adopt, adequate accounting and financial reporting systems.

Prometeo Fund Highlights

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| Fund Time Frame | 8 years |
| Target Fund Size | \$10-12m |
| Minimum Fund Size | \$5m |
| Minimum Commitment | \$100,000 |
| Management Company | Agora Management Corp. |
| Debt Component | Up to 25% |
| Management Fee | 3% + .5% Admin |
| Legal Counsel | Clifford Chance, LLP |
| Profit Split | 70-30% after 6% hurdle rate |
| Primary Region | Central America |

Prometeo’s strategy aims to:

- Invest \$150-500,000 per company, targeting between 15-49% direct ownership of company. Allowing for a reserve for follow-on investments, this equates to approximately 15-20 expected investments with a fully subscribed fund;
- Syndicate deals with Agora’s network of angel investors and international impact investment funds;
- Provide mentor capital by requiring local angel or third party participation in all deals that Prometeo invests in;
- Leverage relationships with Central and North American partners in order to facilitate growth and expansion outside local markets.

Partnership Strategy

Substantive, strategic partnerships that increase stakeholder engagement are critical to helping small businesses succeed in Central America. Prometeo has established six core partnerships with leading organizations and dozens of informal partnerships with organizations operating in the region. Prometeo will work closely with the following organizations: **Vital Voices Women Business Leadership Network, B Lab, Aspen Institute Central American Leadership Network, Fusades, and Estrategia y Negocios**

In addition, Prometeo will work closely with all angel networks in Central America including Link Inversiones in Costa Rica and Ciudad de Saber in Panama.

Operational Strategy

Business execution will be the key focus of the fund.

Management will spend significant time with portfolio companies, paying particular attention to:

- Building the management team and formalizing corporate governance structure;
- Providing management consulting and business intelligence in the areas of operations management, human resources, marketing, and distribution;
- Connecting companies with potential customers, suppliers, advisors, and strategic partners through Agora's extensive business network;
- Raising additional capital where necessary;
- Connecting companies to local mentors and with Agora Partnerships training and leadership development programs if funded.

Pipeline

The fund has access to a large regional network of business leaders, universities, financial and development institutions, and other partners active in the local entrepreneur communities. Prometeo will target deals in all sectors, but will only invest in companies where the fund management team, and/or co-investing angel investors with whom the fund has partnered, have a deep understanding of the business and the industry and will actively participate on the board. Some industries that we have generated deal flow in are: Agricultural technology, medical devices & healthcare, alternative energy, telecommunication, IT Services & Software, Social Media, and Ecotourism. Sample companies already identified by management include:

- Sustainable timber, located in Honduras, seeking \$500,000 for increase in capacity, sales, and distribution.
- Furniture manufacturing and export, located in Nicaragua, seeking \$250,000 for additional capacity working capital, and marketing.
- Mobile application content provider, located in Costa Rica, seeking \$250,000 for additional product development and beta launch.
- Transaction oriented e-payment platform for financial services companies, located in Panama, seeking \$250,000 for further product development.

Relationship with Agora Partnerships

The fund is the second fund sponsored by Agora Partnerships, a Washington, DC based 501(c)3 organization dedicated to providing SGB impact entrepreneurs with the tools, community, and capital to create positive change in their communities.

Agora Partnerships owns the Agora Management Corporation and will be the General Partner of the fund. The fund will make its own decisions regarding investments, consistent with the social impact guidelines set out by Agora Partnerships.

Management

Members of the management team and investment committee bring to Agora extensive investment and executive management experience in the United States, Europe, and across Latin America.

Ricardo Teran: Co-founder of Agora Partnerships and co-manager of Agora Venture Fund, a pilot fund that invested just under \$500,000 into eight companies in Nicaragua. Ricardo is a fellow of the Aspen Institute's Central American Leadership Initiative and has a BS in International Business and a Master's Degree in International Development, both from Georgetown University.

Principals

Sam Sezak: Prior to joining Prometeo, Sam worked in early stage venture capital co-managing a portfolio of over \$30 million and over 35 companies in the Washington, DC metro area for New Vantage Group. Sam regularly consults in Eastern Europe and Latin America on angel investing, entrepreneurship, and how to build an early stage investment ecosystem. Sam has an MBA from Georgetown and a BS in Hospitality Management from Cornell.

Diego May: Diego is a leading expert on angel investing in Costa Rica and currently serves as VP of Business Development for Avantica, a software-servicing firm based in Costa Rica. Prior to joining Avantica, Diego worked in the Venture Capital Industry doing several transactions in highly scalable ventures. Diego has a degree in Industrial Engineering from the Instituto Tecnológico de Buenos Aires (Argentina) and an MBA from the MIT Sloan School of Business.

The management team will work closely with an Investment Committee (IC) comprised of both local and US based business leaders. The IC will be ultimately responsible for investment decisions.

Track Record

- Agora has managed a \$500,000 fund, giving it unique experience in this market;
- Agora has learned invaluable lessons and built valuable relationships that give it the tools for a successful new fund.

Further Information

The Prometeo investment plan, social impact policy, and subscription documents are available upon request. Please direct all inquiries to:

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