

French-African Funds

Non-financial report

2022 EDITION

BASED ON THE PORTFOLIO FY21 DATA



Contents

1

AfricInvest Europe and the
French-African Funds

P. 3

2

Our commitment to Impact

P. 5

3

Contribution to the UN SDGs

P. 7

4

Case studies

P. 13

5

The AfricInvest Platform

P. 17



AfricInvest Europe – supporting French entrepreneurs with unrivalled expertise

6
years of
experience in
France

Based in Paris, regulated by the AMF, our **Private Equity company** has been supporting French entrepreneurs for **six years in their growth projects, both in France and abroad**, with unrivalled expertise on **the African continent**.

14
supported
companies*

Between 2017 and 2022, the team has taken stakes in **14 French companies**, and has achieved **about 15 external growths**. It has already achieved the two **first exits of the FFA in 2022**.

c. €70m
under
management

c. €70 million of assets under management are invested in French SMEs across France and AfricInvest Europe continues to raise the FFA2.

4
Professionals
with the
support of...

A **team dedicated** to investing, monitoring and supporting portfolio companies, with more than **50 years of combined experience in the sector**.

... a
recognized
platform

The FFAs benefit from **the support of the AfricInvest Group, a leader in African private equity** with **\$2.0 billion** raised, over **210** Private Equity and Private Debt transactions realized in **25** countries, **105** PE exits, and **100** professionals in its **11** offices.



Note: *including two investments realized in H1 2022 (Amerigo Group and Etude Généalogique Guenifey)

A unique and differentiated investment strategy for the French Private Equity Small / Mid Cap market

Investment approach



French SMEs, with high development potential and credible financial strength (turnover between €20m and €300m).



Multi-sector: health, education, environment, industry, services, packaging, travel, etc.



High value-added minority investments in majority or minority operations, with €2m to €6m tickets in equity and quasi-equity.

Values and mission



Long-term
investment



Respect



Flexibility and
reactivity



Active and non-
interventionist
involvement



Proximity



Commitment

Our people



Stéphane Colin
Managing
Partner



Khaled Ben Jennet
Managing
Partner



Clémence Prach
Investment
Manager



Fatma Mebarek
Jurist



Environmental and Social Management System

We integrate the interests of all stakeholders into our investment decisions, including employees, customers, suppliers, communities, the environment, and shareholders. We prioritize exceptional management teams that align with our values. They understand how to mitigate the unintended negative environmental, social, or governance (ESG) consequences of their business operations, and know how to amplify their positive impact opportunities. This effective management of ESG and impact adds value, not only to our investees directly, but to the communities and economies in which their businesses are placed across France and Africa among others.

With the support of PwC's Sustainability team, AfricInvest Europe has developed and implemented an Environmental and Social Management System (ESMS). The system encourages portfolio companies to operate according to the following principles and objectives:

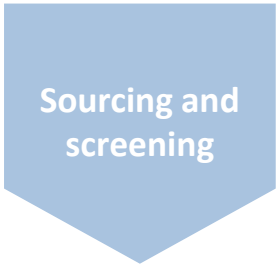
1. Minimize negative impacts and enhance the positive impacts of their activity(ies) on the environment and all their stakeholders (including employees and any communities that may be affected) where relevant and appropriate;
2. Use natural resources wisely and protect the environment wherever possible;
3. Reduce greenhouse gas emissions;
4. Align in a timely manner with the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and Core Labour Conventions, IFC standards where relevant, and respect the International Bill of Human Rights in accordance with the UN Guiding Principles on Business and Human Rights;
5. Conduct operations in accordance with international best practice, recognize and, where appropriate, promote social aspects as part of the impacts associated with their development.

We welcome developments that strive for harmonization and standard setting. The European Union has positioned itself as a frontrunner in developing—regulation, setting up both the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). With this, higher emphasis and scrutiny has been put on the integration of ESG considerations in the investment process while increasing the transparency of investment products. AfricInvest Europe makes sure to stay ahead of the curve and aligns with international best practices.



An ESG approach throughout the investment process

ESG factors are embedded throughout the investment process as described below:



Phase 1

- Screening based on exclusion list and evaluation of key financial and impact considerations, including ESG.
- Assigning ESG risk category to the considered investment.



Phase 2

- Conducting ESG due diligence, if relevant.
- Proposing a corrective action plan to resolve each material risk and tap into ESG opportunities to improve social or environmental performance.
- Including E&S clauses in all legal documentation.



Phase 3

- Active ESG and impact management, measurement and reporting as part of the portfolio management process.
- Yearly reporting on ESG and impact metrics from portfolio companies to help assess progress and identify areas for improvement.
- Where needed, partnering with our LPs to offer technical assistance to portfolio companies to help improve ESG and impact performance.



Phase 4

- The effect that timing, structure and process of exits have on the sustainability of the impact are key to our considerations.
- Targeting and achieving a responsible exit strategy to ensure the company's continued growth with a focus on environmental and social responsibility.



Theory of change

We support French enterprises...



Financial resources (capital, technical assistance)



Local presence, global partners



Transfer of know-how



Expertise (organizational, financial, ESG, ...) coupled with entrepreneurial spirit (hands-on support)

...to boost their high socio-economic potential both in France and Africa...



Best practices in internal governance



Increase the employment and training of local population



Equal workforce



Development of a multi-country footprint



Minimize environmental footprint



Market expansion



Capital mobilization

... driving inclusive socio-economic growth...



Amplified geographic outreach



More income opportunities



Improve access to essential goods and services



Better quality employment



Increased market share

... thereby improving lives in France and beyond and contributing to the UN SDGs.



AfricInvest Europe is committed to achieving the UN SDGs. Our approach is based on three pillars: financial and technical assistance as well as knowledge sharing. Indeed, the transfer of know-how that characterizes our companies is considered a driver for achieving the SDGs. We understand there are positive, but also potentially adverse effects our portfolio companies can have on the environment, the communities and society at large. The activities of our companies in the industrial and tourism sectors consume resources and energy (SDG 12) and emit greenhouse gases (SDG 13). The indirect activities of a shipbuilding stake can potentially have a negative impact on SDG 14. However, these negative contributions are identified and are the subject of particular attention in our ESG management.



Portfolio Companies contributing to the UN SDGs



Quality affordable medicines, medical equipment and medical services

- Pharmatis
- Piex
- Groupe Spengler Holtex (GSH)
- Clayens

Medical innovation

- GSH

Awareness raising

- GSH



1,000+

References of medical products sold in Africa (Piex)



60 million units of medical products manufactured per year (Pharmatis)



6,000 references of medical products manufactured and/or distributed (GSH)



Inventor of the tensiometer (GSH)

Histoire de cœur



GSH and the FRHTA (Fondation de Recherche sur l'Hypertension Artérielle) have joined forces to fight against high blood pressure in a national and public service campaign called "A Story of the Heart" ("Une histoire de cœur"). GSH equips shops with health material



R&D, industrialization, validation and production services including **7** manufacturing sites and **7** ISO 7 clean rooms to provide medical devices, medical packaging, diagnostic and safety systems (Clayens)



Quality affordable education

- Le Wagon

Promoting lifelong learning opportunities

- Ragni
- Piriou
- Baobag



14,922

Graduates (Le Wagon)



45

Campuses in the world (Le Wagon)



- Donating program for "Louly l'école au Sénégal"
- Interventions in training courses and school visits, links with the academic world
- Awarded the 19th trophy for "companies that dare to integrate the academic world" (Ragni)



"Campus des Industries Navales" was created in 2018 and Piriou is a founding member. The aim of this initiative is to strengthen training in the naval sector by creating new diplomas and organizing workshops



Development of internal skills through continuous training and training of buyers on CSR in the supply chain (Baobag)



Portfolio Companies contributing to the UN SDGs

5 GENDER EQUALITY



Focus on Quality Employment & Diversity

*Women make up 40% (or more) of total staff

- Piex
- Pharmatis
- Le Wagon
- Clayens
- Baobag
- GSH

42%

Piex
LIFE PROVIDER

48%

Pharmatis

52%

le wagon

48%

CLAYENS NP GROUP

43%

BAOBAG

40%

GSH+
Votre plateforme médicale

7 AFFORDABLE AND CLEAN ENERGY



Solar energy

- Novéa Energies
- Ragni

15,000 solar street lamps installed in 60 countries

- **100% autonomous lighting:** Total grid independence (Novéa Energies, Ragni group)
- **Reduced environmental impact:** No CO₂ emissions, no use of fossil fuels for operation, a preserved installation site and avoidance of light pollution (Novéa Energies, Ragni group)

8 DECENT WORK AND ECONOMIC GROWTH



Sustainable employment

- Le Wagon
- Piriou



93%

Employability rate at graduation (Le Wagon)



190+

Startups created by graduates (Le Wagon)



Create sustainable employment, particularly for young people, through investment and training: training catalogue, strong presence at trade shows, internal skills development plan (Piriou)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Innovation

- Afitex



23 patents registered

60 millions sqm of drainage geocomposites and geotextile sold each year: the use of innovative DRAINTUBE® geocomposites reduces the use of granular materials extracted from quarries, the exploitation of which has a high cost for the environment, and reduces the number of trucks used to transport these resources

10 REDUCED INEQUALITIES



Solidarity

- Ragni
- Piriou



Donations and partnerships with several associations for social and solidarity actions and local sports associations: "Electriciens sans Frontières", "Loulou l'école au Sénégal" and "Les Week-ends solidaires" (Novéa Energies, Ragni group)



Sponsorship actions in the cultural and sports fields and **local economy supporting actions** particularly during the Covid-19 crisis, with shopkeepers (Piriou)



Portfolio Companies contributing to the UN SDGs

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities inclusive, safe, resilient and sustainable

- Ragni

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Dematerialisation

- Piex
- GSH

Recycling, better inventory management

- Piex
- Clayens
- Fondasol
- GSH
- Afitex
- Baobag

Circular production

- Ragni
- GSH
- Baobag
- Mathevon

Adoption of Ethical Charter with stakeholder

- Ragni
- Baobag
- Clayens

Smart lighting – c. 80,000 lighting points

Ragni is invested in innovative French and international projects, which aim to integrate lighting at the heart of city's sustainable development. Artificial light at night provides comfort and safety for some and impinges on the well-being of others, but Ragni advocates sensible lighting that respects all ecosystems



Dematerialization, recycling and waste management



Digitalization and improvement of the WMS with dematerialized packaging and abandonment of the use of paper (Piex)



Dematerialization: 240 fewer reams of A4 paper purchased between 2020-2021, i.e. over 600 kg of paper saved corresponding to a decrease of 35% (GSH)



Implementation of waste sorting, reduction in the number of expired drugs through better inventory management (Piex)

Recycling and/or reuse (GSH): ink cartridges, used printer parts, electrical and electronic equipment (1,940 tons in 2021), coffee capsules, cardboard for packaging and cushioning of shipments, or deposit in skips for recycling (6.7 tones in 2021 and 40% reduction through recycling)

Waste from the production of reinforcement geosynthetics is recycled and recovered or returned to suppliers for another use (Afitex)



94.7% of solar panels, **70%** of lithium battery cells and **100%** of other components are recyclable (Novéa Energies, Ragni group)



Label More 2021: use of recycled plastics and circular economy (Clayens)



Partnership for the **recycling** of non-compliant or damaged bags (Baobag)



Waste Logistic label: approaches to sorting, recycling and transporting waste (Fondasol)

Circular production and responsible production



(Ragni and Novéa Energies)

Cradle-to-cradle approach, reduced use of raw materials, plastics and waste production and ADECC Membership to promote circular economy

99% of waste is recovered: production waste is reused to make smaller parts (Mathevon)

Eco-design: for new products, from the choice of materials to end-of-life treatment, "green" range of medical clothing and bags (GSH)



62/100: SER and Responsible Purchasing ratings (Baobag)



Partnership for **sorting center** and product lifecycle optimization (Baobag)



Portfolio Companies contributing to the UN SDGs



Environmental management system and international environmental standards

- Pharmatis
- Clayens
- Afitex
- Baobag
- Ragni
- Piriou

Carbon Emissions Reduction

- GSH
- Clayens
- Ragni

The international standard for environmental management (Pharmatis, Clayens, Afitex, Baobag's suppliers and Ragni Group, Kership – JV between Piriou and Naval Group)

Reduction of CO₂ emissions: -4.2% / year as a target for reducing CO₂ emissions at the group level (Clayens)

Transport optimization (GSH):

- +30% of FCL containers, reduction of 5 maritime containers between 2018-2019 (- 3 tons of CO₂ / year)
- Favoring sea or rail supplies over air or road and strengthening collaboration with European manufacturers (+18% in volume of purchases), thus decreasing the number of products imported from Asia

Intelligent lighting solutions / LED Lighting:

- Use of the best LEDs on the market, power reduction, presence detection, time slot system, real time remote management (Ragni)
- **100% LED lighting** by the end of 2021 and new “greener” data center (GSH)



Conserve and sustainably use the oceans, seas and marine resources

- Piriou

Design of a hybrid-powered vessel for port and coastal pollution control through the collection of floating macro-waste and grey water (Piriou)



Preserving terrestrial ecosystems

- Ragni
- Afitex
- Piriou

Reasoned lighting for the benefit of biodiversity
Deployment of the WhiteControl offer, an adaptive solution designed to limit the negative impacts of public lighting and the nuisance caused by blue LED light (Ragni)

Development of geotextiles to prevent leachate from reaching the water table below the landfill (Afitex)

The Piriou shipyard site is a classified installation for environmental protection (ICPE).
According to the **prevention and safety manual**: waste collection, transport and brokerage operations are regulated; good practices must be respected in order to limit noise nuisance in regulated areas; all hazardous products must be stored in containers to prevent soil and water pollution (Piriou)



Partnerships to achieve objectives

- GSH
- Clayens
- Ragni
- Marietton

AfricInvest Europe ecosystem

Membership of the United Nations Global Compact: GSH, Clayens, Ragni and Marietton (some brands)



Societal impact and purpose: the guiding lights of AfricInvest Europe's strategy

Summary of the impact generated in 2021

Financial performance



Combined revenues
EUR 1.2B



+ 29% vs. 2020



Combined EBITDA
EUR 96m



+ 56% vs. 2020

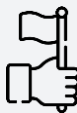
Diversity & Inclusion



37% of the employees
are women



+ 6pts vs. 2020



100% of companies who
calculated their gender
equality index have a
score over 70

Contribution to employment and sustainable development



7,001 Direct jobs
supported in 2021



+12% vs. 2020



67% of companies have a
formalized
environmental policy
and/or environmental
management system



+ 38pts vs. 2020



33% of companies have GHG emissions reduction objectives



+ 4pts vs. 2020



Note: Based on aggregated data from the 12 portfolio companies for FY 2021



Piex

Location



Date of investment

July 2017

Transaction Type

Buyout and Growth Capital

Website

www.piex.fr

Fund

FFA

Sector

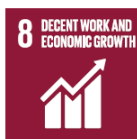
Healthcare



Business focus

Pharmaceutical distribution

SDGs



Products delivered
by Piex

1,000

Countries receiving Piex
products and services

35

The African drug market suffers from a high incidence of drug counterfeiting, medicine scarcity, unfair pricing and compromised supply chains.

The London School of Hygiene and Tropical Medicine for the World Health Organization estimates that substandard and fake antimalarial drugs could be causing 116,000 extra deaths from the disease every year in sub-Saharan Africa. This is at a cost to patient and health systems of \$38.5 million a year on average.

AfricInvest's investee Piex is playing a key role in addressing these problems through the distribution of more than 1,000 high quality products delivered via a world class supply chain and distribution strategy that adheres to regulatory regional and international standards. For 40 years, Piex has been innovating the delivery of important pharmaceutical products and services for consumers across 35 African countries, with a focus on West Africa.

Piex distribution is inclusive of a wide range of products covering most therapeutic classes. Beyond Africa, the company distributes across the Indian Ocean, the Commonwealth of Independent States (CIS), the islands of Haiti and Jamaica.

Piex is playing a key role in reinventing the circulation and distribution of health products throughout Africa and beyond, with a mission to improve the life and health of beneficiaries by bringing quality products and services to

populations who previously lacked access to quality assured pharmaceuticals. Its on-the-ground presence through a marketing and regulatory network, field supervisors and medical and pharmacy representatives, contributes to its ability to respond with agility to the needs of beneficiaries on the continent.

Piex CEO Bertrand Talbotier underscores the role of the company, "Our ambition is to build a model which is known for being innovative, profitable, long-lasting, respectful and exemplary in its operational roll-out".

Since AfricInvest's investment in Piex in 2017, it has played a key role in the development of Piex's strategy on the continent drawing on extensive experience and a strong network in the health segment. As such it was instrumental in the expansion of Piex into Eastern Africa through a strategic partnership with Philips Pharmaceuticals, a leading Kenya-based player in the East African distribution market. The collaboration with AfricInvest has also led to diversification. In the period leading up to the investment, Piex had been supplying mainly European laboratories with a base in Africa. The AfricInvest team facilitated key introductions that have led to the signing of North African laboratories based in Tunisia and Morocco.





Le Wagon

Location



Date of investment

February 2020

Transaction Type

Buyout and Growth Capital

Website

www.lewagon.com

Fund

FFA

Sector

Education



Business focus

Training in the fields of web development and data science

SDGs



Digital skills are the heart of UN SDG Goal 4 – Quality Education. Founded in Paris in 2013, Le Wagon is contributing to meeting this goal through its pioneering data science approach to delivering on-site coding bootcamps. With a mission to boost operationality and employability, it aims to give the most number of people possible the opportunity to acquire skills in coding and full-stack web development.

Ranked amongst the top coding bootcamps in the world, and with campuses in more than 40 cities, Le Wagon is an innovative global leader in digital upskilling, vocational reskilling, and individual and corporate digital transformation.

In a short time since its creation, Le Wagon has established a unique, high-impact model that has already enabled thousands of people to gain new skills, change careers, excel in their current career or become successful entrepreneurs. Le Wagon's alumni experience strong job prospects, with employability at a 93% rate within 90 days of graduation.

During the month of April 2021, Le Wagon reached the milestone of its 10,000th graduate in coding, which marked a day of significance for the company and its community. To-date, Le Wagon graduates have created 190 startup.

AfricInvest, which invested in Le Wagon in February 2020, was an ideal partner for Le Wagon founders, given the firm's solid track record in the African education segment in terms of both returns and impact. Strategically, the partnership enables Le Wagon to accelerate its expansion across Africa, with AfricInvest playing a key role on opening up strategic opportunities for partnerships on the African continent. In February 2021, Le Wagon signed a Master Franchise agreement for the African continent with Honoris, the largest Pan-African network of private higher education institutions, which had just recently acquired

the leading Tunisian engineering school Esprit from AfricInvest. Jointly, Le Wagon and Honoris are planning to open a dozen coding bootcamps across the continent. The first African campus opened in 2021 in Mauritius and Morocco, South Africa will follow in 2022. Expansion plans also include partnerships with universities to deliver co-branded programs with top-tier universities. A significant partnership program was signed in February 2021 with UK Imperial College.

Gender equality is at the heart of Le Wagon's impact model: women represent 50% of staff and 30% of alumni. Encouraging a greater number of women to enter the tech industry is a core tenet of Le Wagon's mission. The company runs a Women's Coding Day with tech communities worldwide to provide free training as a way to introduce more than 4,000 women to tech. Le Wagon has also been nominated for the Women in Tech Global Award 2020 in the Upskill & Reskill category.

"What I loved during my experience at Le Wagon, was not only to be able to create an amazing product from scratch but also to think through the user journey."

Gurpriya Bhatia,
Head of Strategy and Operations
at Google Cloud



AfricInvest Group, a Private Equity investor which has accumulated a unique experience since its creation in 1994

A Pan-African Platform financing companies at various stages of development

Generalists

Large-Mid Cap
Pan-African Funds
AfricInvest Fund IV

Small Cap
North Africa / SME Funds
MPEF IV => SME Fund 2022

Specialized Strategies

Financial Sector
Pan-African Funds
FIVE Evergreen Vehicle

Early Growth / VC
Country & Pan African Funds
Cathay AfricInvest Innovation Fund*

Cross Border
French African & French Tunisian Funds
FFA 2

Private Debt

AfricInvest Private Credit (APC)**
Sub-Saharan Debt Vehicle

Listed Equity

Integra Asset Management, Ltd***
Holding for ME/Africa listed equities fund

New initiatives Pan African Multi Regional SME fund

Blended Finance
High impact initiatives
Transform Health Fund

SME Fund



**In Partnership with Cathay Capital*

***In Partnership with FMO, Microvest and Finnfund*

****Investment in a DIFC registered, DFSA-regulated holding company*

AfricInvest Group: A Pan-African Investment Strategy Combining Return and Impact

Targeting strong companies across Africa

- High potential companies with well-defined growth strategies
- Attractive entry valuations relative to growth potential
- Strong, ethical and motivated management teams
- Clear, pre-identified operational improvement initiatives and action plans
- Capacity to deliver financial returns and impact

Risk mitigation approach

- Diversification across Africa
- Avoidance of politically exposed deals
- Deals structured to seek downside protection where possible through self-liquidating instruments or preference shares
- Extensive understanding of domestic political growth

Responsible investing

- Helping companies achieve positive social, economic and environmental impact without compromising on expected financial returns
- Contributing to the United Nations SDGs
- Identifying, building and retaining talent pools across Africa
- Integrating best ESG practices and implementing ESG solutions as part of the value addition plan throughout the investment process, from screening to exit

Hands-on approach through influential minority stakes

- Systematic board seats and committee involvement
- High value-added minority investment thanks to proven experience in private equity in Africa, recognized sectoral expertise and knowledge of issues and opportunities by geographical area

Leveraging strong expertise

- Improving operational performance and financial structuring
- Leveraging regional know-how and presence to help portfolio companies grow in new markets
- Developing regional champions with strong governance
- Employing pre-identified and realistic exit strategies



AfricInvest Group contribution to the ecosystem

AfricInvest is co-founder on the African Venture Capital Association (AVCA), Emerging Markets Private Equity Association's (EMPEA), East African Venture Capital Association (EAVCA), Africa Trade and Investment Consulting (ATIC), Association Marocaine des Investisseurs en Capital (AMIC) and of the African section of France Invest.

Our team members actively contribute to the development of the investment ecosystem in Africa and beyond and currently hold leadership roles with the following organizations: Ziad Oueslati Managing Director and Co-Founder of AfricInvest serves as Vice Chair on the AVCA Board, and is a Chairperson of the GPCA Leadership Council for Africa, and a member of the Endeavour Network. Karim Trad, Managing Director and Co-founder of AfricInvest serves as board member of Euromed Capital.

Rafik Mzah, Chief Legal Officer is a member of AVCA's Legal and Regulatory Committee of AVCA's Sustainability Committee. Ann Wyman, Chief Economist is a board member of the Tunisian American Enterprise Fund. Samia Tnani, Head of Credit Origination, AfricInvest Private Credit, serves on the jury of Cartier Women's Initiative. AfricInvest was also recently selected to participate in International Finance Corporation's (IFC) pioneering mentorship program, pairing experienced General Partners with first and second time fund managers.

The Group promotes entrepreneurship through OST (in partnership with Columbia and MIT Universities) and supports integration through music in France (La Philharmonie de Paris) and Tunisia (Tunisia 88).

AfricInvest is a co-founder of the following organizations:



African Private Equity and
Venture Capital Association



For all inquiries please contact

Contact: ffa@africinvest.com

Address: 16bis avenue de la Motte-Picquet, 75007

Web Site: www.africinvest.com

Data disclaimer

While we have used our reasonable efforts to ensure the accuracy of the data used in this report, data on employment has not been audited or independently verified. This data has been provided by our portfolio companies or is public data. Data may be from different points in time but was requested to relate as closely as possible to 2021. This data should be read as being indicative of magnitude rather than exact figures.