



Impact Outlook 2023





About AfricInvest

Thirty years ago, AfricInvest started as a small and mid-cap private equity fund manager. Since then, we have grown to become a leading Pan-African multi-asset investment platform that delivers value and impact for our investors, portfolio companies and communities. We strive to provide attractive risk-adjusted returns while supporting African entrepreneurs in driving inclusive and sustainable growth. In addition to our investment activities, AfricInvest has played a crucial role in advancing the investment ecosystem in Africa, with a focus on private investments. We have taken the initiative to establish various local and regional associations for private equity and venture capital, including the African Venture Capital Association (AVCA) and the Global Private Capital Association (GPCA).



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A letter from our founders

We are pleased to present the AfricInvest 2023 Impact Outlook Report, showcasing the continuous evolution of our impact approach and investment decision-making, taking account of the unique environments in which we operate. In addition to generating new insights and perspectives, this report aims to create a cohesive narrative that speaks to the breadth and depth of our impact as an institution, as well as the opportunities and challenges we face.

The last year was notably turbulent on a global scale, further emphasizing the urgent social and environmental issues that have motivated our actions for the past 30 years. We, at AfricInvest, have always focused on taking real, practical steps rather than just making statements, and we have stayed true to our core investment beliefs despite the ever-changing world. This has required making decisions that are adapted to our unstable environment. A myriad of challenges hinders economic stability and development in Africa, including pandemics and high unemployment rates that have led to a significant brain drain and illegal immigration, internal and external conflicts, high inflation, currency devaluation, economic and social inequalities, and the growing threat of climate change. These challenges highlight how

important it is for us to continue our commitment to promoting impact investing.

While our core investment values remain steady, the way we measure and manage impact is continually evolving to more accurately reflect and value our work, which in turn, influences our decisions. The results presented in this report for our companies in 2022 highlight the improvement made in our measurement methodology and are overall encouraging. AfricInvest places importance on both financial returns and the impact on human well-being, societal cohesion and environmental health. As one of the first movers in the PE/VC space in Africa, AfricInvest is shaping current and future market trends with our impact strategy, target setting, and measurement.

As Impact Measurement and Management (IMM) practices become mainstream in developed markets, AfricInvest needs to consider the implications this has for African businesses which struggle to adhere to increasingly stringent standards and understand how this affects our journey to create evidence and outcome-based measurement practices. Alongside our Just Net Zero strategy, we seek to place greater emphasis on bringing financial measurement to social and environmental goals by creating solutions that are tailored for the markets we operate in. For example, AfricInvest is piloting a model called **"Multiple of Impact" (MOI)** that endeavours to assign an economic value to impact. The MOI tool translates the social and environmental impact generated by our investments into a single quantifiable figure. It complements our existing IMM and investment frameworks (as described in **section 4**).

AfricInvest remains committed to exploring and refining strategies to better align impact goals with the economics of our funds. In the case of our first blended finance vehicle targeting lower-income groups, the structure helps catalyse commercial investors by improving their risk-adjusted returns. This approach seeks to build a resilient ecosystem by investing, supporting and scaling innovations in the healthcare space that improve access to quality and affordable care and supplies for the most vulnerable.

In our upcoming fund dedicated solely to small and medium-sized enterprises (SMEs), we will provide right-sized holistic support to African SMEs. We are transitioning from responsibility to engagement by incorporating impact-linked compensation practices. These practices are connected to specific indicators—namely, quality job creation, gender balance, and environmental stewardship, which have been guiding principles for AfricInvest from the start. These indicators ensure alignment during the screening phase, balancing commercial viability with our foundational values.

We are also committed to championing diversity and inclusion in our underlying investments and in the workplace by implementing measures to

promote diversity at all levels. Some of our key diversity considerations are diversity of thought, experience, socioeconomic background, gender, age, and culture which we see as not only a moral imperative, but also common sense. In 2022, we conducted a firmwide gender-lens investment training and introduced an annual gender diversity analysis on promotions and pay, while simultaneously ensuring that our investment portfolio increasingly includes companies that uphold and promote gender equality principles. By actively promoting diversity and inclusivity, we are not only enhancing the representation of women in the investment industry but achieving better investment outcomes as highlighted in **The Diversity dividend: Female fund managers in Africa- The AfricInvest Women case study**.

As we forge pathways in our industry, sustainability remains at the core of our envisioned future. Our focus is sharply set on championing social and economic equality. We are committed to generating sustainable and decent employment opportunities, and acknowledge the heightened vulnerability of specific regions and communities to climate change, owing to their geographical contexts, socio-economic status, and constrained adaptive capacities. We are currently developing and implementing a Just Net Zero strategy with science-based targets (SBT) which entails embedding climate risks and opportunities into our investment process (please refer to **section 5** for further detail)

We steadfastly uphold our commitment to fostering inclusive and sustainable economic growth, and embrace the influential role we jointly undertake to create meaningful and measurable positive change. Achieving this vision is contingent upon the unwavering support from our investors, the synergies established with our management teams, and our cohesive interactions with the communities in which we operate.

Aziz Mebarek and Ziad Oueslati

Founding and Co-Managing Partners
of AfricInvest

2 2022 at a glance



1 Sustainable Economic Development



African countries represented

35

SMEs supported in the portfolio

40



Invested in

114

SMEs



Direct jobs created and supported¹

64,292

(+13% over 2021)

153%

Difference between average wages of AfricInvest supported companies and average GDP per capita of SSA and MENA countries²

¹ Direct jobs includes the number of full-time equivalent (FTE) employees at the end of the reporting period. This amount sums all sub-indicators of FTE permanent and temporary listed above. e.g., If having 20 FTE direct third-party employees and 30 FTE temporary direct employees, the reported figure shall be 20 + 30 = 50 FTEs for this indicator.

² Average of GDP per capita taken of Middle Eastern and North African (MENA) and sub-Saharan Africa (SSA) countries, excluding high income, in 2022 US\$ per The World Bank – World Development Indicators.

2 Environmental Sustainability



Companies have structured action plans to **reduce carbon footprint** with yearly progress updates



35%

(+16 ppt over 2021)

Financed emissions (scope 1 and 2)³



200,990 tCO₂eq



Energy consumption from **renewable** sources

44%

(+15 ppt over 2021)⁴



318.67 tCO₂e per million \$ invested

³ Given the considerable growth of our portfolio, we have updated our methodology on Scope 1 and 2 emissions to allow for estimation based on sector and revenue averages to more fully demonstrate our environmental impact

⁴ Only companies that have disclosed their energy consumption, including from renewable energy sources, are taken into account for this indicator

Global Metrics

210 Companies financed

\$2.3bn Raised since early 90s

110+ Exits

2.1x Average return multiple





3 Equality and Inclusion

Women employees (+0.4 ppt over 2021) **40%**

Women in management (+2.5 ppt over 2021) **41%**

Companies with women's career advancement initiatives **60%** (+20 ppt over 2021)

African-based and African-led companies AfricInvest is working to empower **78** (+2 over 2021)

Companies headquartered in **low-income countries** **11**

As per FY2023 World Bank Low-Income Economies (\$1,135 or less)








4 Quality Institutions, Networks and Services

People served by financial institutions **442M**





Individuals with improved healthcare **25M**

People with improved education **12,520**

Companies with a supplier code and/or integrated ESG factors in supplier selection **80%**

Amount of taxes paid by portfolio companies to the government¹ **300M** (+43% over 2021)

¹Include corporate income taxes and other taxes and government fees e.g. sales taxes, withholding taxes etc.



Impact at AfricInvest

Overview

Impact has been woven into the fabric of AfricInvest since its inception. For the past 30 years, we have balanced commercial excellence and sustainable positive impact to uplift our communities and drive a better future for Africa.

Over the years, we have learnt that to best serve our range of funds, it is crucial to work with companies at the stage they are in, helping them understand their baseline and challenges before recommending any new developments. Effective partnership may mean helping companies learn how to grow and weave impact into their decision-making, or it may mean investing in firms on the leading edge of impact innovations such as climate adaptation. For all our investees across this spectrum, AfricInvest instils best practices around Impact Measurement and Management (IMM).

As we seek to back and grow mission-driven businesses in and for Africa, we have found that management teams are aligned on the importance of IMM. For some of our companies, impact is already embedded into the operating model, necessitating only one step towards formalizing the impact measurement processes and tools. For others, we initiate discussions around our expectations for IMM at the earliest stage possible to set the groundwork for our partnership, instil a strong sense of rigour in the process, and obtain genuine buy-in from key stakeholders. In 2023, we introduced the **Multiple of Impact (MOI)** model to our IMM process as a way to add a new layer of depth and rigour to our impact measurement and management processes.

Most of our work occurs in countries where traditional definitions, research and tools used in other geographies are more challenging to apply, which has made adaptation and flexibility a necessity. We are committed to continuously evolving our approach and tools based on our learnings, insights from the industry, experiences, and global developments, ensuring that our approach remains informed and effective.

Adapting international best practices for the African context

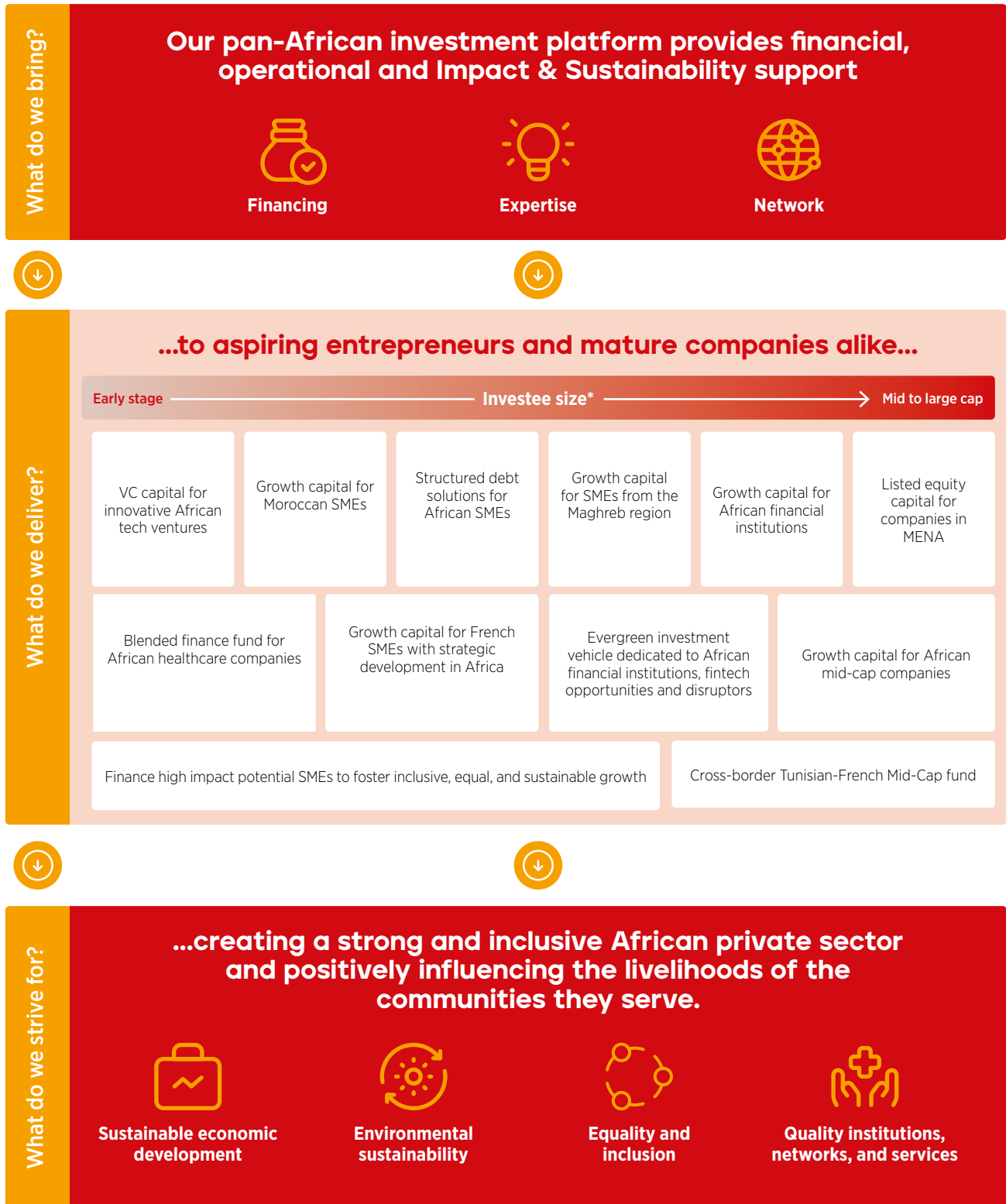
In addition to pioneering and contributing to best practices, AfricInvest continually monitors developments in the impact space to identify leading practices to incorporate into our approach. Given the nascence of this space, best practices are constantly evolving with new research and guidance. AfricInvest has been humbly breaking new ground in PE, VC, and private debt in Africa. We are always learning and striving to help develop better practices among African General Partners (GPs) to contribute meaningfully to the continent's development.

For example, in 2021 we signed onto the **Impact Principles**, a framework that guides investors in the design and implementation of their impact management systems. As part of our efforts to ensure independent verification of our practices and identify opportunities for improvement, we engaged a third party in 2022 to conduct an assessment of our alignment with the Impact Principles and identify areas for improvement. AfricInvest scored above benchmark across the board, with seven of nine principles **receiving the highest possible score** - we are leveraging these insights for further improvement.

Our review of international best practices also spans specific impact areas; for example, we remain committed to advancing gender equality and have signed onto the **2X Challenge** at the GP level with AfricInvest Private Credit (APC) as a **2X Flagship Fund**. We are also a signatory of the **Charte Parité France Invest**, a charter which promotes gender parity among private equity players and in the companies they support. We also regularly engage in training on this topic, including hosting a firm-wide session in Tunisia on gender-lens investing with **British International Investment**. Moving forward, we will continue to monitor and exercise leadership as the impact field further develops best practices to incorporate into our approach.

Theory of change

Building A Sustainable Future For The Next Generation Of Africans



*Funds are placed on an investee size spectrum based on the target investee size as per the fund's mandate but this is subject to change as the strategy of the fund evolves.

Our impact pillars



Impact pillar 1: Sustainable Economic Development

Promote strong inclusive economic development for communities by providing affordable quality goods & services and creating quality jobs.



Impact pillar 2: Environmental Sustainability

Partner with investees to drive environmental innovations and modifications to existing business models focused on strong environmental governance and climate mitigation and adaptation⁶.



⁶ Climate change and its urgency are progressively becoming a core focus at AfricInvest. We have undertaken ambitious actions, such as the Science Based Targets initiative (SBTi) to support meeting the moment around our continent's climate urgency. We have always sought to play a role in fighting climate change through our funds by investing for the long-term and have become more active by increasing the sophistication of our overall climate approach. One example of how we are progressing is by re-evaluating how we measure risk with respect to climate on our balance sheets. While we acknowledge that this new emphasis will require hard work, including shifts to how we and our investees operate, we are up for the challenge given the urgency this moment demands from us.

Impact pillar 3: **Equality and Inclusion**

Combat systemic inequality across organizations and communities by increasing access to goods, services, and opportunities for marginalized communities. AfricInvest achieves this through three main avenues:

- **Between countries:** Focus on inclusive expansion by directly investing in relatively more mature markets and scaling into neighbouring countries to have indirect reach on those that are categorized as low-income or economically fragile which we see not only as inclusive investments but as a commercially viable approach
- **Within countries:** Promote inclusive businesses that expand access to goods, services, and livelihood opportunities, especially for the most vulnerable segments of the population
- **Among the African workforce:** Train and hire African staff at all levels of business without compromising on quality to not only increase the amount of investment circling on the continent but to also ensure that African people directly benefit from these gains



Impact pillar 4: **Quality Institutions, Networks and Services**

By placing a strong emphasis on governance and business integrity to which we are firmly committed, we invest in high-quality interventions and services. Our focus is on driving improved and elevated health, financial, and educational outcomes. This commitment not only ensures the enhancement of life quality but also instills meaningful and lasting impacts within the communities we serve.



Involving impact from start to finish

Alongside our rigorous commercial processes, we have woven impact into every step of the process.





4

Investing for Africa's future – Making difficult decisions

Impact Measurement and Management (IMM)

AfricInvest's experience with IMM in the broader industry

To cultivate a strong organizational culture, we have integrated impact, ESG and climate considerations—collectively referred to as “Impact & Sustainability” (I&S) into our governance and investment processes from screening to exit

We are continuously reinventing the way we measure and manage the impact of our investments and are committed to the highest IMM standards.

AfricInvest Management System (AIMS), encompassing our impact, ESG, and climate-related management processes, is in a continual state of evolution. In the past year, we have collaborated with the climate expert, the Carbon Trust, to design and develop our Just Net Zero Strategy. They reviewed our processes against

the globally recognized standards of the Task Force on Climate-Related Financial Disclosures (TCFD), identifying areas for improvement and offering recommendations for each of the TCFD's pillars: governance, strategy, risk management, and metrics and targets. These insights have been crucial in refining our approach and taking steps to align with TCFD as we work toward our Just Net Zero Strategy. Also, every member of our team has completed 35 hours of climate-related training with the Carbon Trust in the last six months.

In addition to impact and ESG factors, climate considerations have been incorporated to enhance our decision-making process through three tools:

Climate Risks and Opportunities (CRO) Investment Evaluation Tool

Aligned with TCFD guidelines, the CRO tool is instrumental in the preliminary identification and evaluation of climate risks and opportunities during the pre-investment stage. It leverages the Vulnerability Index, particularly the Notre Dame Global Adaptation Index (ND-GAIN), to assess the vulnerability of specific countries and employs the Climate Policy Relevant Sector (CPRS) methodology to examine risks across different economic sectors. Additionally, a matrix, integrating ND-GAIN and NACE, allows for a refined understanding of sectoral climate risks, enabling well-informed and resilient investment decisions.⁸

Climate Due Diligence

As part of our Impact & Sustainability due diligence, we conduct a thorough climate assessment to assess the potential climate risks and opportunities in prospective companies. This review is independently executed by a third party for companies that are categorized as “medium” and “high” in terms of E&S risks.

If substantial climate risks are identified, we may conduct an additional TCFD due diligence to analyze the value at stake due to these risks. Subsequently, any identified gaps and areas for enhancement are incorporated into a legally-binding and time-bound value creation action plan for the company.

⁸For additional information on the Vulnerability Index used, please refer to the “Technical document - Country ND-GAIN Index - Nov 2015” in Microsoft Word.

Financed Emission Reporting Tool

Provides insight on a portfolio company's carbon footprint by assigning a score based on two metrics:

- Emission of greenhouse gases (estimations in tons CO₂ equivalent) and
- Financed emission intensity per unit

Portfolio Emission Reporting Tool

Consolidates portfolio company footprints to create portfolio level outputs and analysis. This tool was designed in alignment with the Partnership for Carbon Accounting Financials (PCAF).

Top of mind changes and accomplishments

Monetization of impact

Purpose of the monetization approach

- Enables a methodology that allows for better benchmarking and project screening by attributing a monetized value to potential impact
- Creates a process integrated into the commercial due diligence and measurement efforts
- Transparently captures external impacts in a way that drives decision-making
- Helps develop investment frameworks that are more outcome-driven and evidence-based

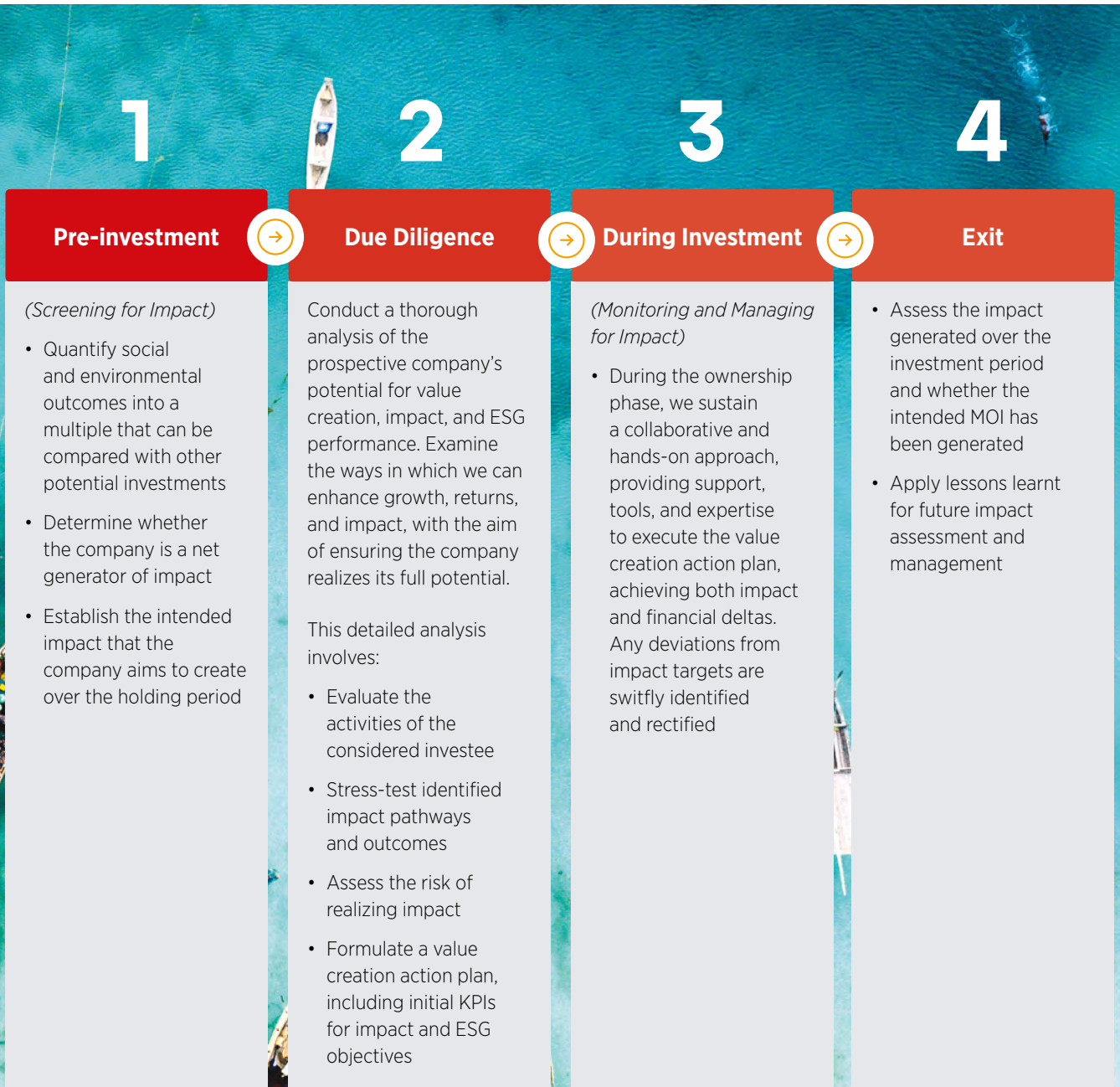
Usability of the tool – Multiple of Impact (MOI)

- We believe in the core values and principles that impact can be measured and compared, although we acknowledge that not everything significant can be quantified. We are aware that achieving substantial change requires a scalable measurement of impact, which can only be accomplished by being practical and cost-efficient
- In that regard, the MOI is a tool that helps investors, such as AfricInvest, measure and compare the impact of our investments in a streamlined manner. It aggregates data without compromising important details that inform decision-making. The tool also combines financial and impact data, leveraging established internal analytical tools to provide a holistic evaluation of companies
- Additionally, the MOI articulates the diverse environmental and social effects in a way that is comprehensible and accessible to both investors and our own team. Nonetheless, we are aware of the limitations of quantifying complex metrics and acknowledge the risk of oversimplification. Therefore, we use the MOI as a guidance tool alongside more in-depth qualitative assessments to ensure a comprehensive understanding of impact from all perspectives

"Achieving substantial change requires a scalable measurement of impact, which can only be accomplished by being practical and cost-efficient."

Aicha Zakraoui, Head of Impact and Sustainability

How MOI is applied within the current AfricInvest Investment Process



Case studies

Although AfricInvest strives to expand accessibility, affordability, acceptability and quality across all its investments, quantifying the impact of equitable and sustainable investments remains a key learning area for the institution. To demonstrate the tool's usability in different contexts, the MOI has been adapted for the African operating environment with a focus on the following impact pathways:

1. **Emerging Market Consumers (Turaco)**
2. **Climate Adaptation (CMGPCAS)**

CASE STUDY 01

Turaco



Turaco is a financial services start-up that brings a new model to health and risk financing for emerging customers.

Turaco, a financial services startup, provides innovative health and risk financing solutions tailored for emerging markets. In sub-Saharan Africa, where only 2% of the population has health insurance, Turaco is dedicated to addressing this substantial coverage gap. The company specifically targets the vulnerable, lower-income demographic that is frequently neglected by major insurance providers.

With operations across three countries, the company has insured over 1 million people, with premiums costing as little as \$2 a month. Turaco provides tailored medical, life, and vehicle insurance with flexible payment schedules.

It aims to improve quality of life by providing better health outcomes, increasing financial resilience and expanding economic opportunity through affordable and accessible insurance products.

 Kenya, Uganda and Nigeria



“I had some issues with chest pain that persisted. I was admitted to a hospital for a few days to recover. Work came to a halt. I called Turaco when in the hospital and followed the procedures. Within a short period of time, they called me and sent the money to my M-Pesa. Work went back to normal after.”

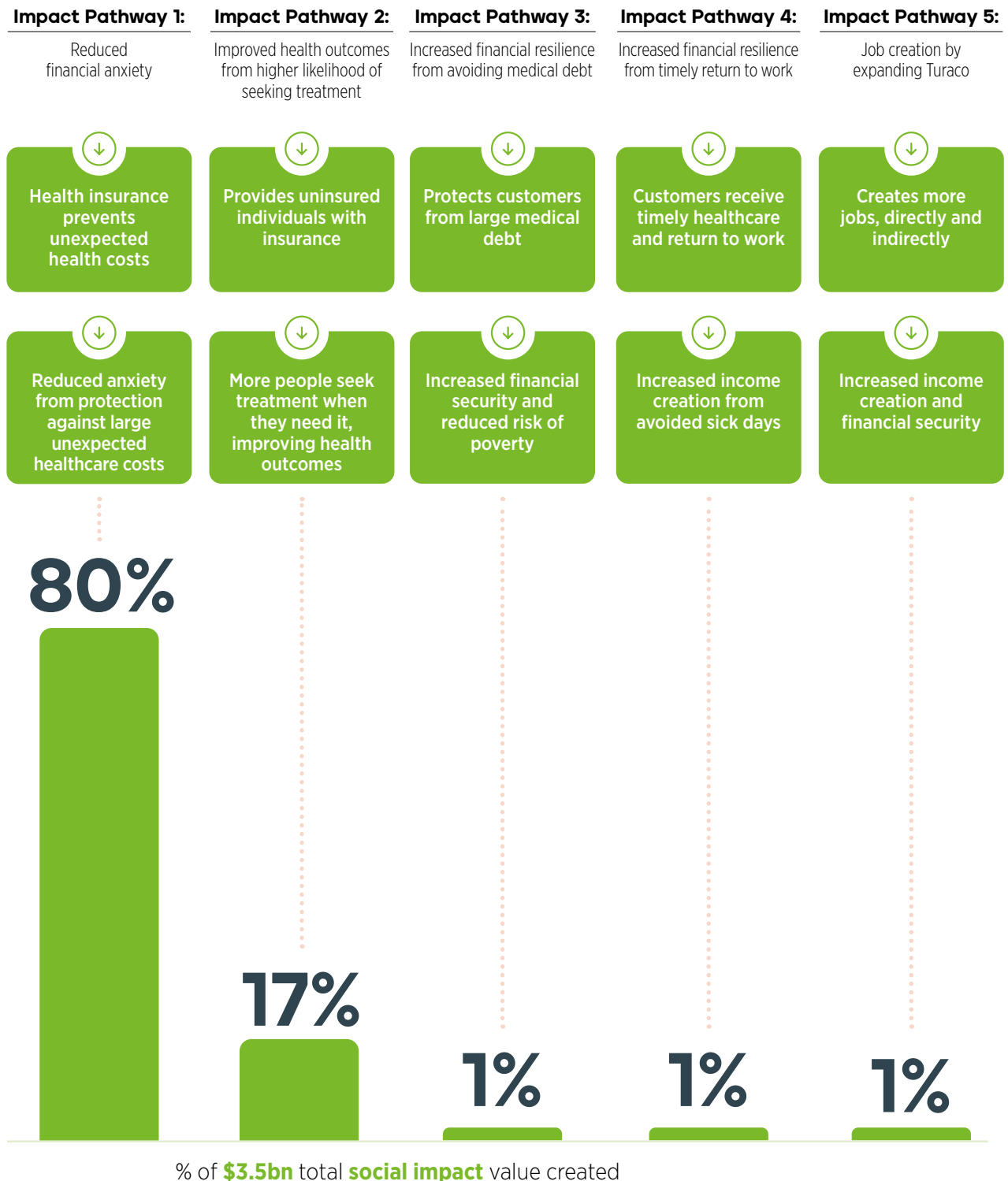
Joyce Njeri Mureithi, Copia agent, a Kenyan B2C e-commerce platform



Outline of impact pathways

Turaco provides more health insurance policies as it operates and grows

■ Positive Pathways





Estimated **Multiple of Impact**

82x

Note: The MOI figure presented here is based off of company data as of September 15, 2023. This figure is subject to change as the MOI process is further refined and as additional company data becomes available

For every

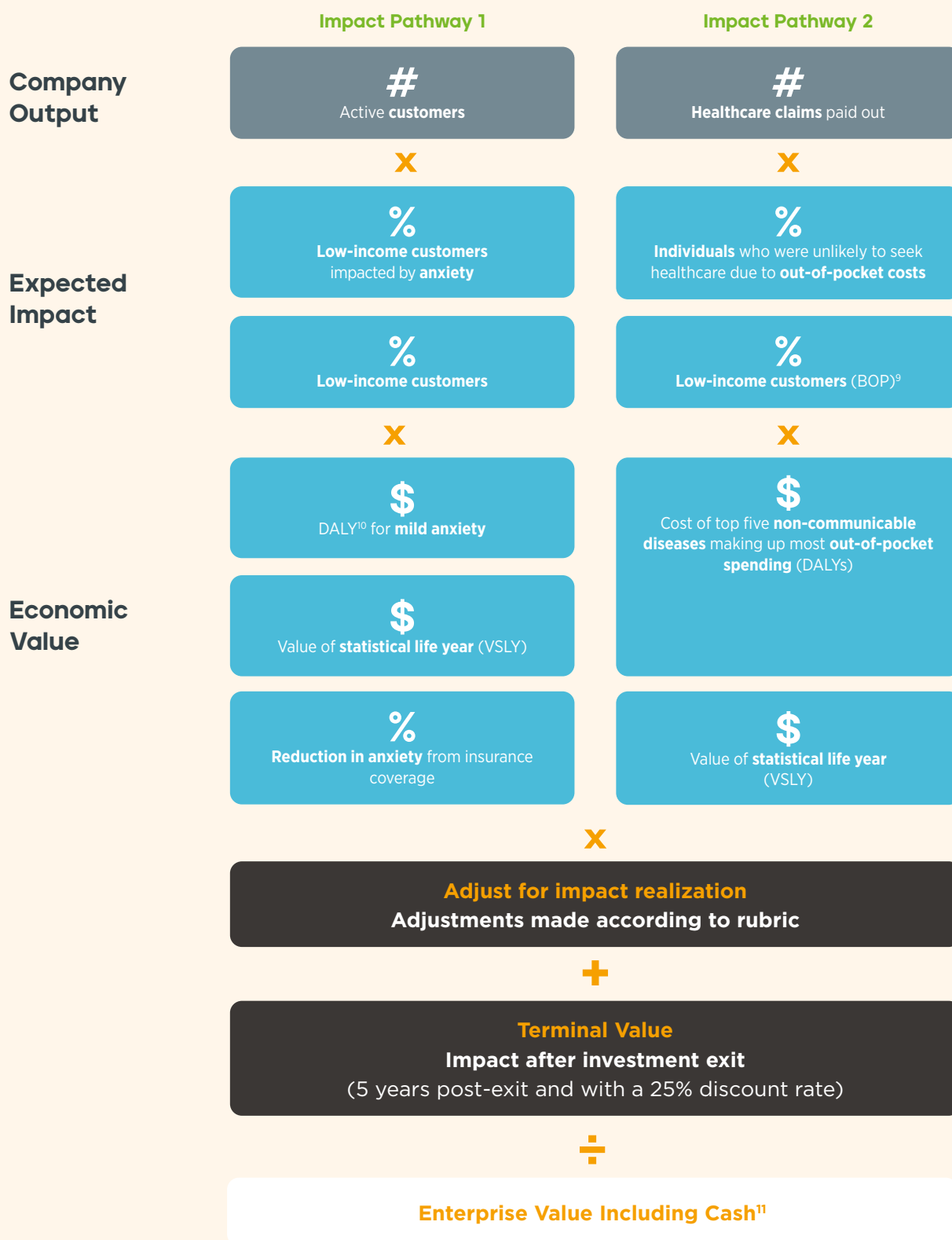
\$1 = 82x

invested
in Turaco

Estimated
social return
on investment

Monetization application

MOI model assumptions for Turaco



⁹ Disability-Adjusted Life Year (DALY) quantifies the overall burden of disease. It represents the total number of years lost to illness, disability, or premature death within a population.

¹⁰ The Value of a Statistical Life Year (VSLY) quantifies the economic value of one year of an individual's life, usually applied to evaluate the benefits of health and safety interventions.

¹¹ EVIC is defined as: The sum of the market capitalization of ordinary shares at fiscal year-end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests. No deductions of cash or cash equivalents are made to avoid the possibility of negative enterprise values.

■ Positive Pathways ■ Draws from investee data sources ■ Industry and field research ■ Customized rubric for AfricInvest



CASE STUDY 02

CMGP.CAS



📍 Morocco, Senegal, and Ivory Coast

👤 1,473 employees

🌾 Agriculture and Farm Machinery Sector

📅 Date of investment: 2021

🏠 Business Focus: Irrigation Equipment, Systems, and Agricultural Supplies

CMGP.CAS, a Moroccan-based company, specialises in providing comprehensive irrigation solutions, hydraulic infrastructure, and agricultural supplies. By leveraging its innovative irrigation systems, CMGP.CAS significantly enhances food production while minimising water consumption.

Irrigated agriculture yields, on average, double the productivity per unit of land compared to rain-fed agriculture. In Morocco, a country where only 20% of its total agricultural lands are equipped for irrigation, the significance of effective water management cannot be overstated.

CMGP.CAS stands at the forefront of addressing this challenge. The company offers a holistic approach to water management,

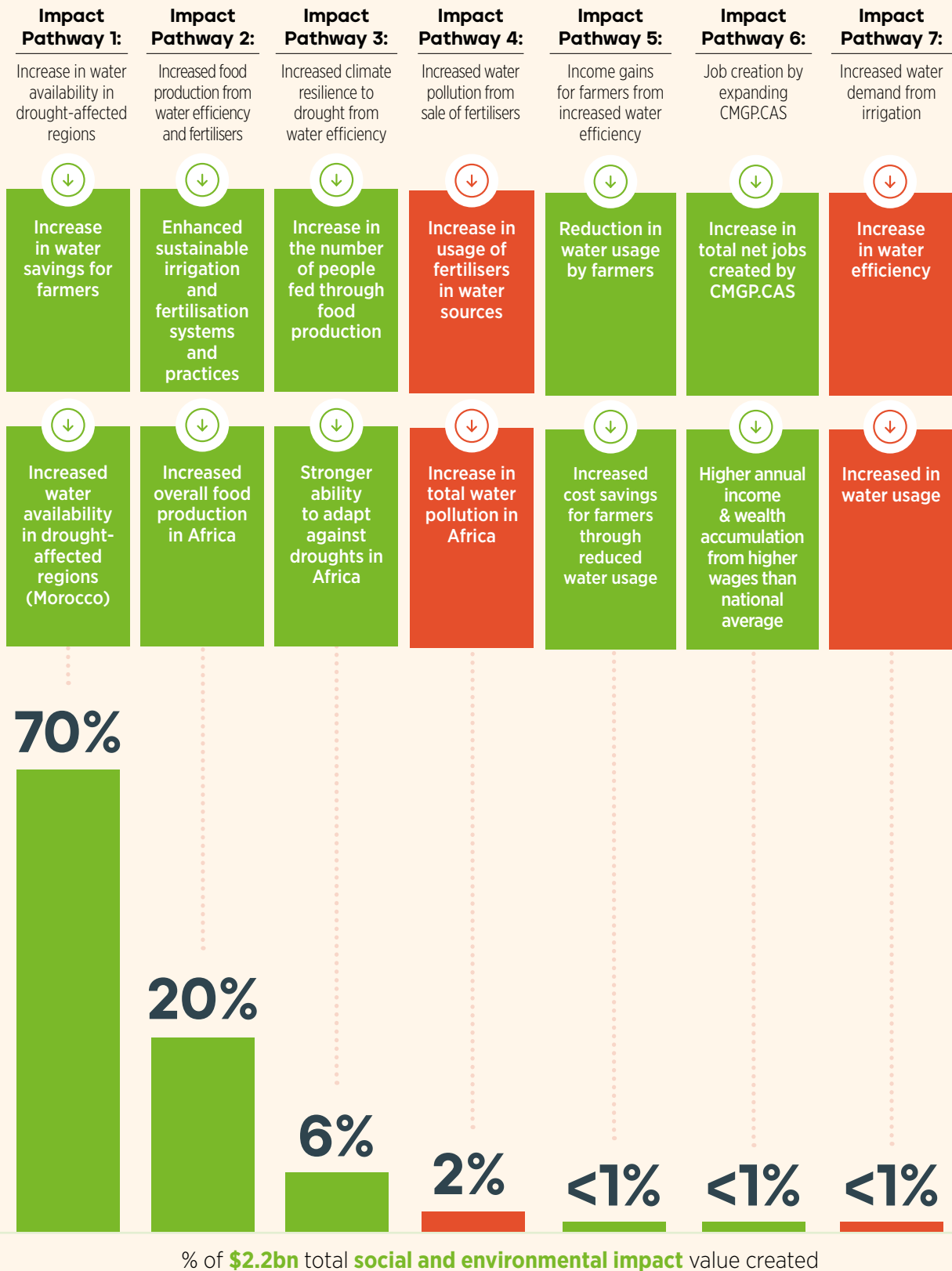
encompassing the entire water value chain. This begins with the manufacturing and distribution of water pipes and extends to providing top-tier agricultural irrigation materials. Beyond mere supply, CMGP.CAS delivers end-to-end solutions for irrigation projects, encompassing engineering, procurement, and installation. By doing so, they not only bolster the nation's agricultural productivity but also champion the responsible use of its precious water resources.



Outline of impact pathways

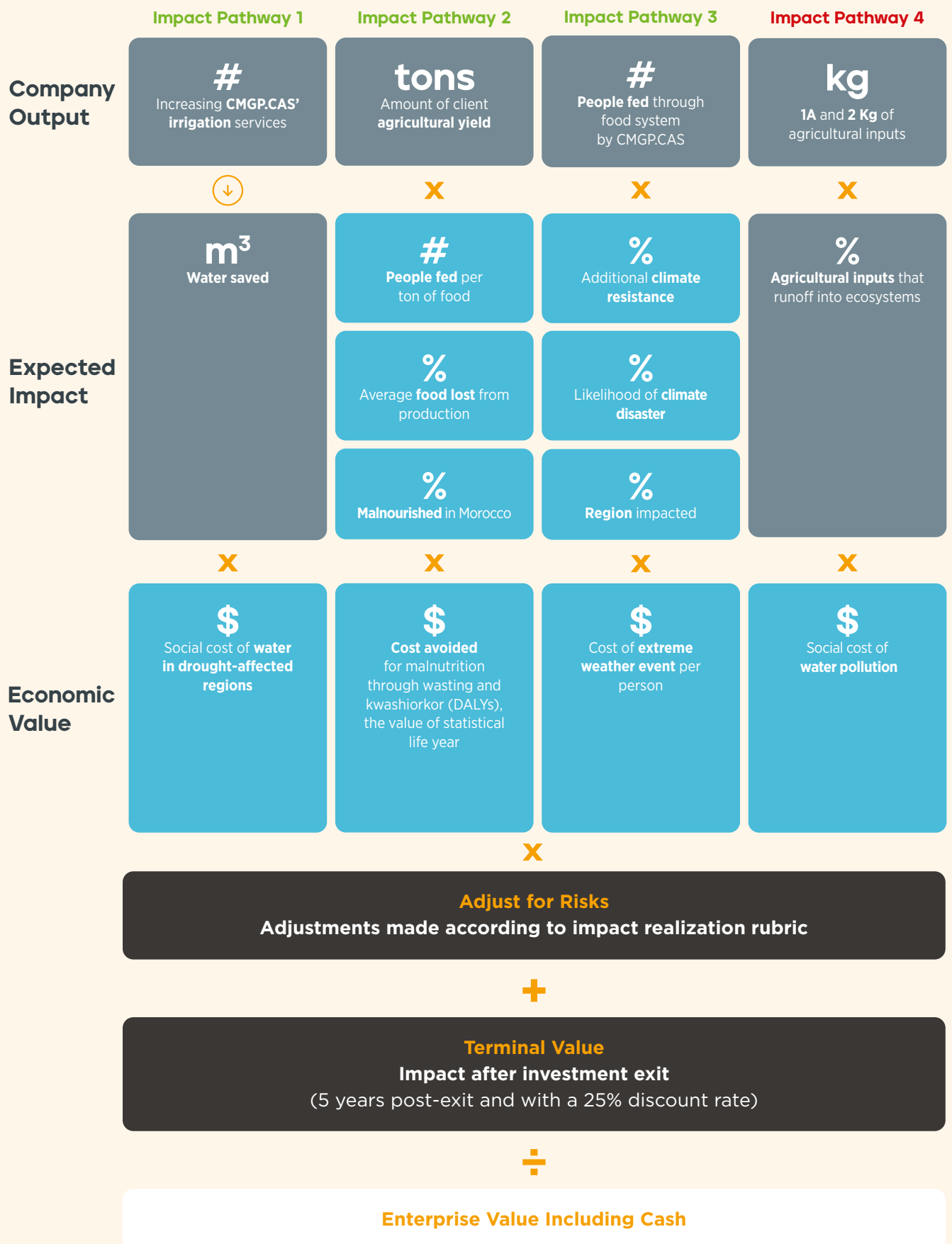
CMGP.CAS provides more irrigation system services and agricultural inputs to farmers as its operations grow

Note: Percentage of impact is subject to change as the MOI process is further refined and as additional company data becomes available.

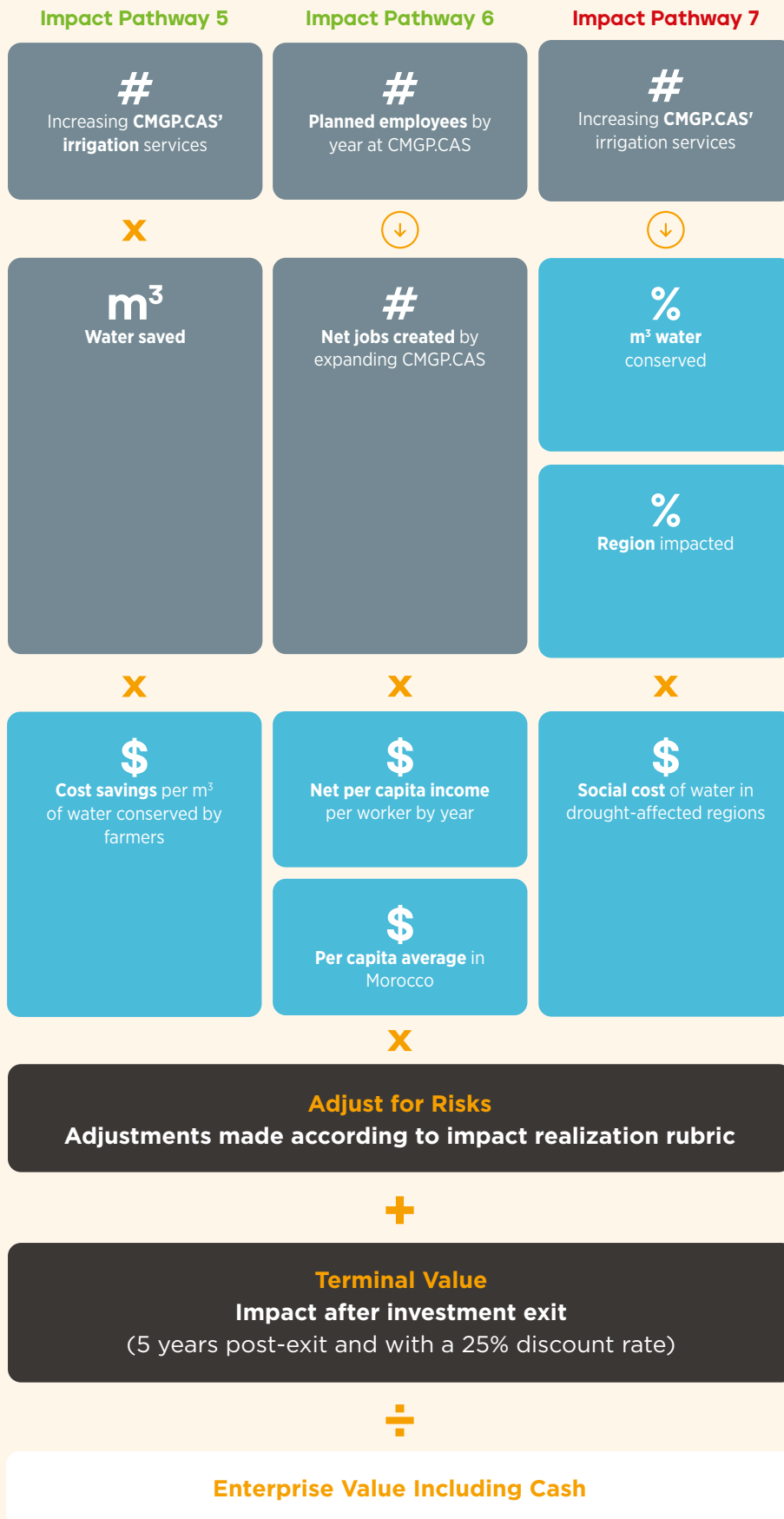


Monetization application

MOI model assumptions for CMGP.CAS



- Positive Pathways
- Negative Pathways
- Draws from investee data sources
- Industry and field research
- Customized rubric for AfricInvest





Looking ahead

We remain steadfast in our ambition to advance our IMM including our MOI to the highest standards. We actively seek to utilize the best available tools to suit our unique context.

All our work in areas such as climate change and social impact are integrated, allowing us to have a comprehensive understanding of how our actions create value for our employees, customers, the environment, and society at large. To demonstrate this, the MOI will be applied retrospectively to quantify the impact of older investments and evaluate its success with early-stage, mid-cap, and large-cap companies as well as small to medium-sized enterprises (SMEs).

In addition, we are allocating resources to develop strategies for measuring quality job creation, the social value of climate adaptation, the social cost of plastic, and the social cost of carbon in eligible investments. This will improve our decision-making process and support equitable efforts towards a just transition in Africa.



"The MOI will be applied retrospectively to quantify the impact of older investments and evaluate its success with early-stage, mid-cap, and large-cap companies as well as SMEs."

Ahlem Kefi, Impact & Sustainability Officer



5

What's next on the impact horizon

In the coming year, we are set to launch a comprehensive roadmap that encompasses not just our direct emissions, but also amplifies the efforts across our portfolio companies to create a substantial combined impact. Recently, we collaborated with the Carbon Trust to develop innovative tools that rigorously calculate the greenhouse gas (GHG) emissions emanating from our 10 local offices, as well as those of those of our companies.

As we forge ahead, we are in the midst of appointing an expert third-party to oversee a resource efficiency audit across our office locations. This initiative aims to set our Scope 1 and 2 emissions meticulously, laying the groundwork for the establishment of ambitious

reduction targets aligned with Science-Based Targets (SBT).

The past year marked a significant milestone with the completion of our inaugural effort to calculate the Scope 1 and 2 carbon dioxide equivalent

(CO₂e) emissions of our portfolio companies. Our method, shaped in collaboration with the Carbon Trust, aligns seamlessly with the guidelines set by the Greenhouse Gas Protocol, the World Resources Institute, and the Partnership for Carbon Accounting Financial (PCAF).

"AfricInvest remains fervently dedicated to fostering a culture of responsibility and innovation among portfolio companies."

Aicha Zakraoui, Head of Impact & Sustainability

Although we did not consolidate data on our companies' Scope 3 emissions this year, we acknowledge the proactive stance of several portfolio companies which have undertaken initiatives to monitor and minimize these indirect emissions within their supply chains. We are cognizant of the significant portion of emissions represented by this category and are committed to progressing incrementally, steadfastly prioritizing environmental sustainability.

AfricInvest remains fervently dedicated to fostering a culture of responsibility and innovation among portfolio companies. Encouraging them to collaborate with third-party entities to meticulously map and reduce their carbon footprint will be a continued focus. As we navigated through 2023, our primary emphasis was on the seamless integration of the GHG emissions data collection system. Consequently, we are at the nascent stage of accruing reliable and precise GHG emission data from portfolio companies.

Looking forward to 2024, we anticipate a richer dataset that paints a comprehensive picture of GHG emissions from our portfolio companies. Our state-of-the-art tool is designed to allocate a quality score to the data reported by companies, facilitating a smooth initiation into the process regardless of their current stage of

data collection. This inclusive approach ensures companies can embark on their sustainable journey immediately, refining their processes as they advance.

We are committed to meeting our portfolio companies at their current stage, guiding them progressively towards a sustainable, low-carbon economy. Our forthcoming plans include extensive coaching on leveraging the data collection system effectively, fostering the generation of precise and reliable sustainability data that serves both value creation and regulatory objectives.


In the coming year, AfricInvest is committed to deepening our engagement with the critical issue of biodiversity, building on our ongoing contributions to the Just Net Zero initiative. Recognizing the intrinsic link between climate and nature, we understand that achieving net zero emissions is inextricably tied to halting and reversing the loss of biodiversity. This is particularly pertinent in the MENA and sub-Saharan African regions, where environmental degradation poses a significant challenge, with MENA being the most water-scarce region globally and approximately 20% of Africa's land surface estimated to be degraded. Our approach will include strengthening our risk management frameworks and leveraging disclosures to address nature-related risks and opportunities, in line with the Taskforce on Nature-related Financial Disclosures (TNFD). The importance of addressing these twin challenges of climate change and biodiversity loss is underscored by the international community, with significant developments such as the Kunming-Montreal Global Biodiversity Framework aiming for effective conservation and management of at least 30% of the world's land by 2030. As we navigate these evolving landscapes, AfricInvest remains dedicated to contributing to the solutions that address the interconnected issues of poverty, climate change, and biodiversity loss, cognizant of the World Economic Forum's estimation that approximately \$44 trillion of global GDP is dependent on nature."


6 Impact stories





IMPACT STORY 03


LAND'OR 

 Tunisia & Morocco

 Agribusiness sector

 Business Focus: Cheese manufacturing

 750 employees

 Date of investment: 2018

Company history

LAND'OR is the leading cheese producer in Tunisia by volume and revenue and is among the top three in the Maghreb region. Over 30% of its products are exported, catering to the substantial demand in North African markets that heavily rely on food imports.

Such dependency often leads to high consumer prices and less business opportunities for local suppliers. LAND'OR has worked to alleviate these pressures by delivering affordable, quality food that aligns with international standards, enhancing the availability of local produce.

“Since the inception of our partnership in 2013, we have cultivated a vibrant collaboration with LAND'OR that has continuously blossomed and strengthened.”

Lotfi Abdelhedi, Plant Manager, TECMMP SARL, a packaging supplier of LAND'OR since 2013

Target impact background and overview

Recognizing the transformative potential of the food industry in bolstering the North African economy, the emphasis on nurturing regional manufacturing champions is significant. LAND'OR is at the forefront of this initiative, exemplifying commitment to sustainable industrialization and equitable employment.

With a diverse workforce of 750 employees, of which 41% are women, LAND'OR is not just a hub for high-quality direct employment. It also acts as a catalyst for broader positive impacts within the dairy farming sector. The company is estimated to have created and supported 3,000 indirect jobs, facilitating various opportunities across its supply chain. This highlights the beneficial relationship between inclusive employment and regional industrial growth.

Key to strengthening the workforce in Africa is building up skills in the workforce at an early age. Currently, 11% of the company's workforce is under the age of 25. LAND'OR offers a mandatory apprenticeship programme focused on youth workers to increase their chances of gaining and maintaining full-time employment in the long run.

| Work to date

Value creation during holding period

AfricInvest has supported LAND'OR's efforts to enhance local food production capabilities in Tunisia and Morocco, thereby strengthening the sustainability of the dairy industry in the North African region.

LAND'OR has strengthened its Environmental, Social and Governance (ESG) commitment by implementing measures within its operations and across its value chain. The company has established a dedicated ESG team, created a risk committee, and designated an internal auditor. Now, LAND'OR utilizes an ESG screening process and collaborates with suppliers committed to best practices. Additionally, an emphasis on energy optimization has prompted the investment in a trigeneration unit, signifying advances in cost savings, climate mitigation, and improved efficiency.

Commercially, LAND'OR has enhanced productivity by refining its internal operations. Specifically, the company has bolstered its

“LAND'OR has been more than just a business partner throughout this decade of steadfast cooperation. They have been a beacon of inspiration and progress, continually steering us towards the improvement of our products and services.”

Lotfi Abdelhedi, Plant Manager, TECMMP SARL, a packaging supplier of LAND'OR since 2013



IT systems, formed strategic partnerships for the development of vegan and vegetarian products, and set up a state-of-the-art laboratory to advance research and development (R&D) of innovative formulas.

LAND'OR has tailored its brand strategy for new products to resonate more with local customer tastes. The company has also invested in a dairy unit for in-house production of raw materials, thereby improving resilience and effectively addressing supply shortages and costs. Looking ahead, LAND'OR aims to boost exports to sub-Saharan Africa via its Moroccan unit, capitalizing on AfricInvest's expertise and the company's logistical strengths to further its impact in the region.



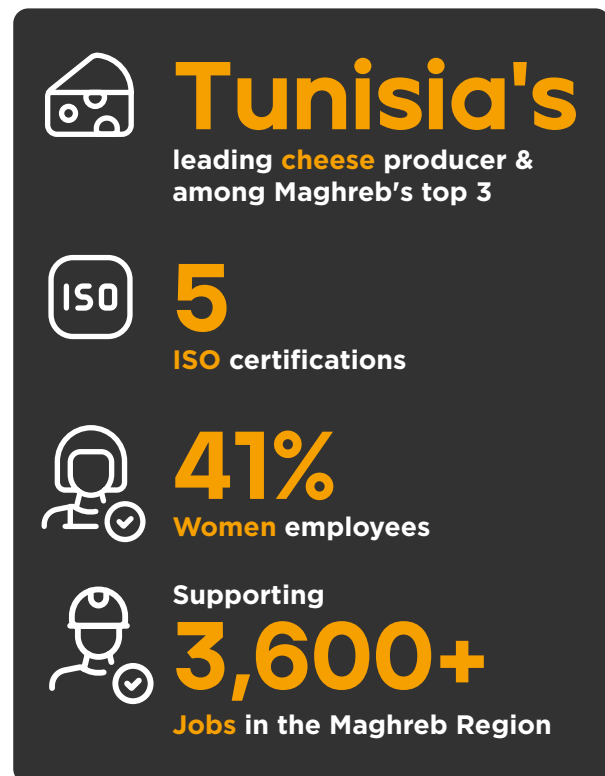
I Progress in key areas of focus

Innovation

LAND'OR's commitment to quality and best practices is evident in its acquisition of five key international standard certifications: FSSC 22000 for Food Safety, HACCP for Hazard Analysis and Critical Control Points, ISO 9001 for Quality Management, ISO 45001 for Occupational Health and Safety, and ISO 14001 for Environmental Management. AfricInvest was instrumental in the 2022 renewal of these certifications, further cementing LAND'OR's status as an industry frontrunner and enhancing its global reputation.

Climate change

LAND'OR is actively ensuring that its growth does not come at the expense of the environment. In its Moroccan facility, a state-of-the-art refrigeration system significantly reduces energy consumption. Simultaneously, in Tunisia, an advanced trigeneration system meets 90% of the factory's energy demands, demonstrating the company's commitment to optimizing electricity use. Coupled with water-saving measures and avoiding GHG-intensive processes like drying, LAND'OR's comprehensive approach showcases its unwavering dedication to sustainability and tackling climate change.




In partnership with AfricInvest, LAND'OR is forging a greener path. Their teams have been trained to measure carbon footprints, set GHG emission reduction targets, and evaluate climate risks within the value chain. This partnership also explores sustainable raw materials and embeds ESG standards in LAND'OR's supplier contracts, setting a benchmark for industry excellence and fostering a healthier ecosystem.


"Inspired by our common objectives, we have embarked on significant transformations within our manufacturing facility, encompassing aesthetic enhancements and strategic investments in advanced technologies slated for 2024. These initiatives are meticulously crafted to further satisfy LAND'OR's stringent quality and delivery time benchmarks."


Lotfi Abdelhedi, Plant Manager, TECMMP SARL, a packaging supplier of LAND'OR since 2013


IMPACT STORY 02


Spengler Group **GSH+**

 France and Ivory Coast

 Healthcare sector

 Business Focus: Manufacture of medical devices and instruments

 46 employees

 Date of investment: 2021

I Company history

In 2019, two prominent names in the medical world, Spengler and Holtex, came together to form the Spengler Group. Imagine this: Spengler, a pioneer from the early 1900s who gave the world its first blood pressure monitor, joining forces with Holtex, a leading name in medical equipment not just in France but around the globe. Their union was more than just a merger; it was a strategic move to meet the ever-changing needs of the medical world.

Fast forward to 2022, and the Spengler Group's story evolved further. They brought Cardionet, a French heart-specialty equipment distributor, under their umbrella. The narrative took another exciting turn by April 2023, when they welcomed two more medical device manufacturers, DDM and ECM, into its fold. Notably, DDM, known for its high-quality equipment like pressure cuffs (those bands that tighten around your arm when checking blood pressure), had earlier acquired Electro Concept Medical in 2020. This partnership had a heart-warming touch, focusing on creating warm cradles for new-borns and comforting blankets for patients. Now, with manufacturing hubs nestled in Castelculier and Saint-Léonard de Noblat, France, both DDM and ECM contribute to Spengler Group's unfolding story of innovation, care, and holistic growth in the medical field.

GSH, the business name for Holtex Company, functions as the distribution arm for brands under the Spengler Group umbrella, which includes Spengler, DDM, ECM, Holtex, and

De Boissy. Additionally, GSH distributes products from other renowned brands in the medical equipment and devices sector, such as COMEN, CAMI, and KERN. With four decades of experience, the company holds a distinct position in the medical equipment distribution landscape.

Spengler Group tailors its products to meet the needs of diverse medical settings, including doctors' offices, nurses' stations, hospital patient rooms, and emergency transport services. While the primary objective of the Spengler Group is to sustain its leadership position as a top European manufacturer and distributor of medical equipment, it has historically enjoyed a robust presence in the North African market, contributing to roughly 25% of its sales. Moreover, Spengler Group extends its support to the African continent by partnering with nongovernmental organisations (NGO) that procure and distribute GSH's medical innovations locally. In a strategic move to bolster its influence in West Africa, the group launched a subsidiary in 2022: GSH West Africa, headquartered in Abidjan, Ivory Coast.

Target impact background and overview

Anchored by a profound commitment to sustainability, Spengler Group embraces the Ten Principles of the United Nations Global Compact, ensuring rights are upheld throughout its operations. This commitment is further reflected in its Responsible

Purchasing policy. Beyond mere adherence to International Labour Organization (ILO) conventions and anti-corruption practices, this policy also spurs suppliers to embrace these ethical standards, magnifying positive ripples throughout the ecosystem.

Championing a fair and inclusive work environment is a hallmark of the group. They have set forth policies that actively combat employment discrimination and place a premium on employee well-being by ensuring access to quality healthcare. Their Corporate Social Responsibility (CSR) approach is both broad and impactful, interweaving social, economic, and environmental strategies to augment the positive footprints of their operations.

After joining the United Nations Global Compact in 2021 and solidifying their dedication to its core principles, Spengler Group has since released a Communication on Progress (CoP), formulated an Ethics Charter, and devised a mission roadmap aligned with key UN Sustainable Development Goals (SDGs). Their unwavering focus is crystallized into three pillars: greenhouse gas (GHG) emissions reduction, comprehensive employee training, and stringent safety protocols, which have culminated in a commendable record of zero accidents.

I Work to date

Commitment to set Science-Based Targets (SBT)

Central to Spengler Group's strategy is a clear goal: attaining validation from the Science Based Targets initiative (SBTi), a testament to aligning with the Paris Agreement's aim to limit global warming to 1.5°C. While Spengler Group is committed to cutting its direct (Scope 1) and energy indirect (Scope 2) emissions by 50%, it places special emphasis on its value chain (Scope 3) emissions, targeting a 61% reduction. Recognizing the critical importance of Scope 3 emissions, they are taking decisive steps toward decarbonization over the next decade. These ambitious objectives arise from a recognition of the profound impact of every gram of carbon

footprint in our shared climate tale.

In alliance with climate specialists, the group is meticulously plotting a ten-year decarbonization path, significantly infusing sustainability into their product life cycle and overall operations. Living by the principle, "If you can't measure it, you can't manage it", Spengler Group not only measure its carbon footprint but also ensures precise strategy execution, complete with rigorous annual assessments. Regular reviews ensure they remain steadfast on their environmental mission.

Additionally, Spengler Group is relocating its factories from Asia to Europe, a significant move to decrease transportation emissions. As they progress, Spengler Group remains proactive, always seeking ways to further mitigate production-related emissions in their sustainability journey.

Heart and Blood Pressure Initiatives

Spengler Group spearheads the "A Story of the Heart" campaign, an initiative addressing the often-silent threat of high blood pressure—a major public health issue. This campaign has two main objectives: to push forward research on arterial hypertension in collaboration with the High Blood Pressure Research Foundation (FRHTA) and to promote the regular use of mobile apps DepistHTA and SuiviHTA. The group introduced the DepistHTA app to encourage regular blood pressure checks—an essential measure for the early identification of heart conditions. The campaign's poignant title, "A Story of the Heart," not only alludes to the vital organ it represents but also reflects the depth of commitment and partnership, as demonstrated by Spengler Group's collaboration with a longstanding ally, the NGO HUMANI CHER. This NGO works in health-related endeavours across sub-Saharan Africa. Through such initiatives, the Spengler Group emphasizes its dedication to health above commercial gain.

Reinforcing its devotion to health, Spengler Group is refining its product designs to enhance the durability of its blood pressure machines, benefiting hospitals and healthcare workers. Moreover, the group has allocated 2.6% of its turnover to research and development (R&D), equipping healthcare professionals with tools to elevate patient care quality.



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About AfricInvest

Who we are

AfricInvest is a pan-African investment platform that manages multiple alternative asset classes including private equity, venture capital, private credit, blended finance and listed equities

We provide financing for companies at various development stages, seeking to deliver value and impact for our investors, portfolio companies, and the communities we serve. With a proven track record spanning 30 years, our team of investment experts has

raised over \$2 billion in funds since inception, providing attractive risk-adjusted returns while generating measurable Environmental, Social and Governance (ESG) value in more than 210 companies including 110 exited investments across 35 countries.






Our mission

At the heart of AfricInvest's vision is recognition of the widespread lack of financing for scalable African enterprises. AfricInvest was founded with a mission to add significant value to its investees' expansion plans and, in turn, positively influence the livelihoods of the communities they serve – culminating in sustainable returns to investors and society. This multiplier effect sits at the core of AfricInvest's strategy to elevate local and regional champions in decent job-creating sectors that will impact African societies the most. By actively supporting aspiring entrepreneurs and successful innovative businesses, we are providing vital services and products to millions of individuals in Africa. Our unique and hands-on approach enables us to combine structured local insights with a global perspective. We support burgeoning entrepreneurs as well as successful, mature businesses to scale into responsible, pan-African firms, poised for successful exits. Our ultimate mission is to empower Africans. Our investments enable entrepreneurs, employees and clients, along with other investors to reap the benefits of a growing market.

“We are more than just a financier. Our private equity model is built on a long-term partnership between investor and entrepreneur, where we also provide non-financial support, such as technical expertise and networking.”

Ann Wyman, Senior Partner - Head of Investor Engagement

Our unique proposition

-  Our deep knowledge of the continent has come from three decades of experience adapting to different regional and global socio-economic challenges.
-  Our homegrown talent and their extensive multi-cultural understanding drive a shared dedication to value and impact.
-  Our local expertise, insight and international network allow us to generate proprietary deals to help create long-term strategies and value in portfolio companies while leading successful exits.
-  AfricInvest has built a culture of unwavering accountability and responsibility to the people we invest in and to the communities we serve.
-  We put Impact & Sustainability at the heart of our investment process. We engage management directly to further their goals of building a sustainable business while creating long-term impact.

Our vision

With a population set to double in size by 2050, we are more determined than ever to continue supporting the African populace in securing financing that meets their needs. Committed to building a sustainable future with the next generation of African entrepreneurs, we are leveraging our legacy while also evolving our capabilities and offerings to develop innovative businesses. Our commitment to sustainability is underscored by our contribution to Just Net Zero, which aims to align our operations with the goal of contributing to global net-zero emissions. In doing so, we are also dedicated to decoupling economic growth from resource consumption, ensuring that our progress contributes positively to both the economy and the environment.

AfricInvest seeks to bridge Africa's funding gap necessary to achieve the United Nations Sustainable Development Goals (SDGs) by connecting globally-based limited partners (LPs) to some of the most promising and innovative companies in Africa – the companies that are driving advancements in technology, value chains, and processes that will spur productivity growth and economic development in their communities.

As pioneers, we will aim to attract exceptional employees committed to imparting expertise for the benefit of African enterprises and the well-being of the communities. As a driving force in the African finance ecosystem, we will continue to play a pivotal role in the evolution of the financial services infrastructure across Africa.



Our history

Founded in the early 90s, AfricInvest has contributed to strengthen the continent's private equity, venture capital and private credit ecosystem by pioneering new products, embedding Impact & Sustainability factors throughout the investment process, demonstrating the success of new investing practices and sharing lessons with other investors.

“Throughout the years, we have shown resilience, perseverance, and intentionality in introducing new products and services in the African market.”

Aziz Mebarek, Founding & Co-Managing Partner

We entered the private equity market in the early 90s and raised in 2000 the first ever fund to focus on Northern Africa. Having demonstrated that the African economy had the potential to provide returns to private equity and, more generally, to investing activities, we expanded our product offering and local presence to better cater to the continent's diverse needs.

“We collaborate with General Partners (GPs) in Africa to empower them. We believe that before working towards getting your share of the market, efforts should be devoted to building an efficient investing ecosystem.”

Ziad Oueslati, Founding & Co-Managing Partner

We are proud to be an integral part of the African financial ecosystem by interacting with different stakeholders to raise the status of African entrepreneurs and industries. Our work has made an impact throughout the years, and we will continue to be focused on empowering African entrepreneurs, workers, users, investors, and the communities in which they operate.

Our history

- Early 90s** ○ AfricInvest was founded
- 2000** ○ Launched first North African fund
- 2004** ○ Expanded to sub-Saharan Africa (SSA) by launching first fund focused on sub-Saharan Africa
- 2006** ○ Launched second North African fund
- 2007** ○ Launched financial inclusion fund
- 2008** ○ Launched second fund focused on sub-Saharan Africa
- 2011** ○ Launched third North African fund
- 2012** ○ Launched fund targeting SME in Morocco
- 2014** ○ Launched third fund focused on sub-saharan Africa and expanded into private debt solutions
- 2016** ○ Expanded our reach to outside Africa by launching first French-African fund and French-Tunisian fund
- 2017** ○ Launched evergreen fund focused on financial inclusion and fourth North African fund
- 2018** ○ Expanded to capital markets by launching listed equities structure
- 2019** ○ Launched first venture capital (VC) fund
- 2020** ○ Launched fourth pan-African fund and second French-Tunisian fund
- 2022** ○ Launched first blended finance fund focused on enhancing quality healthcare for lower-income groups



Our investment approach

We adopt a hands-on monitoring approach through a mix of influential minority stakes, board seats and committee involvement. On top of that, our medium-to-long-term investment holding period allows us to act as a patient investor focused on long term value creation. AfricInvest has built a culture of unwavering accountability and responsibility to the people we invest in and the communities we serve. We put Impact & Sustainability at the heart of our investment process and engage management directly to further their goals of building a sustainable business while creating long-term impact. In tandem, we drive cross functional improvements thereby driving growth, reducing enterprise risk, enhancing resiliency across the institution—especially helpful during the current period of economic volatility—and helping investees keep pace in the quickly changing competitive and macroeconomic landscapes.

“We are strongly involved in our investees and work closely and extensively with their management teams which we proactively contribute to reinforce.”

Aziz Mebarek, Founding & Co-Managing Partner



We generate value and growth by leveraging the breadth of our competencies to enhance our businesses’ operational performance, reinforcing their management practices and improving their financial structuring. Furthermore, thanks to our extensive network of commercial relationships and global partners, we support our companies’ growth strategies by unlocking access to a broader range of expertise and potential partnerships around the continent.

“We only enter markets for which we have knowledge and expertise, and in which we are confident that we can add value.”

Skander Oueslati, Co-Deputy MD/CIO



Our values as a shareholder:

-  Promote strong governance structures and oversight
-  Maintain commitment to Impact & Sustainability
-  Assure long-term sustainability of all stakeholders beyond our holding period

AfricInvest Diversity



22
nationalities
within
AfricInvest



44%
of all employees
are women*

30%
of our investment
team are women

3
women at
partnership
level

*as of June 2023

Our people

Inclusion and diversity are critically important to our culture and make us better investors. At AfricInvest, we believe that without inclusion, the crucial connections that attract diverse talent, encourage participation, give a true sense of belonging, foster creativity and innovation, improve decision-making and lead to success, will not happen. Our homegrown talent with individuals from more than 22 nationalities bringing in their extensive multi-cultural understanding drives a shared dedication to value and impact.

We maintain a multi-regional presence through our 10 local offices, prominently located in the continent's major hubs. This enables us to draw on their different fields of expertise and unique experience to understand our stakeholders' needs. We are proud to have built a family-oriented environment within AfricInvest. As with our investees, we also aim to empower our employees. We are committed to providing our people with opportunities to enhance their skills, acquire new knowledge and pursue a long-term career with continued development. Our employees are our most important resource and we take their well-being and work satisfaction seriously.

Our local expertise and insights help us better understand and adapt to local constraints. This in turn allows us to generate proprietary deals that help create long-term strategies and value in portfolio companies that ultimately lead to successful exits.



AfricInvest Group Presence



North Africa

- ⊕ Algiers, Algeria
- ⊕ Cairo, Egypt
- ⊕ Casablanca, Morocco
- ⊕ Tunis, Tunisia

Sub-Saharan Africa

- ⊕ Abidjan, Côte d'Ivoire
- ⊕ Moka, Mauritius
- ⊕ Lagos, Nigeria
- ⊕ Nairobi, Kenya

Europe

- ⊕ Paris, France

Middle East

- ⊕ Dubai, UAE

AfricInvest, through its subsidiaries, is an indirect shareholder of Integra Asset Management Ltd, a DIFC-based investment company focusing on listed equities in MENA and Africa and regulated by the Dubai Financial Services Authority



Our funds

Existing funds

Through our 10 active funds, our investment platform pursues a multi-sector strategy to drive authentic, measurable and sustainable positive change. Our diversified funds target investees at different growth stages ranging from early growth to late stages, providing generalized and specialized investments in the form of private equity and debt, as well as through blended finance and capital markets. Since its inception, AfricInvest has invested

in a variety of high-growth, decent job-creating sectors, including financial services, agribusiness, consumer/retail, education, healthcare, manufacturing, technology and telecommunications. Thanks to our extensive experience in these areas, we have a deep understanding of the unique challenges and opportunities facing companies in key markets throughout Africa.



Funds under management

Early stage

Venture Capital Fund

VC fund which invests in the most promising disruptive tech-enabled products and services



SME Fund

Finance high impact potential SMEs to foster inclusive, equal, and sustainable growth



Fund focused on Moroccan SMEs

Invests in Moroccan SMEs in the developmental phase or in succession transactions



Private debt solutions

Supports SMEs with tailor-made debt financing solutions to sustainably grow their businesses



Blended finance fund focused on enhancing quality healthcare for lower-income groups

Provides tailored financial solutions to scale innovative business models, creating access to affordable quality healthcare for underserved populations in Africa.



Investee size

Funds focused on France and Africa

Invests in profitable, growing French SMEs pursuing expertise and insights to support international long-term growth strategies, particularly in Africa



Fund focused on France and Tunisia

Invests in mid-cap companies in both Tunisia and France



Funds focused on North Africa

Provides growth capital to North African small and mid-cap companies to expand regionally and across the continent, spurring productivity growth and sustainable job creation



Evergreen pan-African financial inclusion fund

Invests in established African mid-size financial institutions with a strategy to expand into the unbanked retail and SME segments; and early-stage to mature disruptors (including pure Fintech companies)



Financial pan-African inclusion fund

Invests in banks, non-banking financial institutions with a focus on leasing, insurance companies and microfinance, including greenfield projects



Pan-African funds

Invests in African mid-cap companies across diverse sectors to accelerate their regional growth, delivering attractive risk-adjusted returns and supporting inclusive and sustainable development



Fund focused on listed equities

Independent boutique fund manager based in Dubai, focused on listed equity markets in the Middle East and North Africa (MENA) with a solid track record in the region



Mid to large cap

*Funds are placed on an investee size spectrum based on the target investee size as per the fund's mandate but this is subject to change as the strategy of the fund evolves.

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Inquiries

Contact

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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. We have received this data from our portfolio companies. Data may be from different points in time but was requested to relate as closely as possible to Sep 2023. Employment data may sometimes include contract workers and other non-permanent workers. This data should be read as being indicative of magnitude rather than exact figures.
