ESG & IMPACT REPORT 2025

I&P Afrique Entrepreneurs 2

INVESTISSEURS & PARTENAIRES

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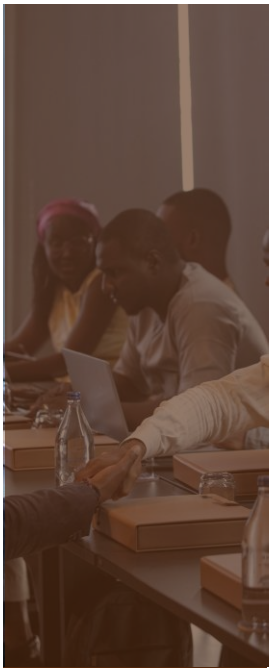

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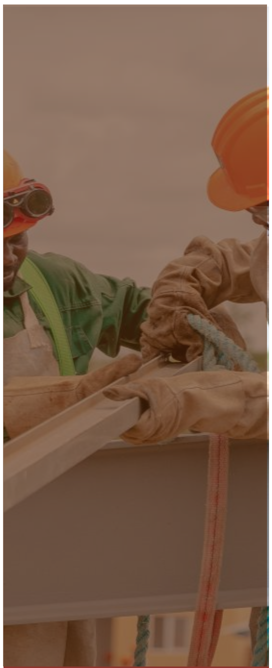

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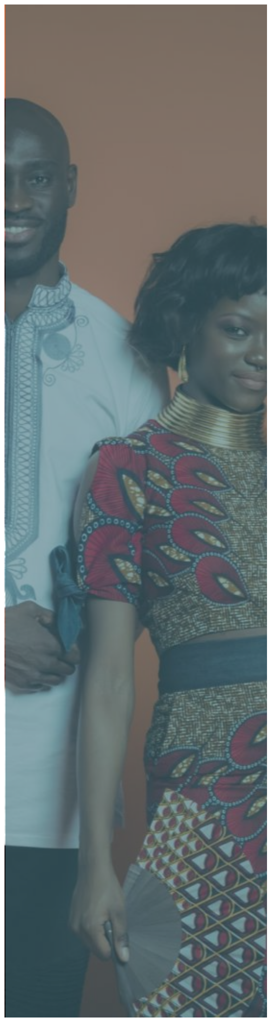


01. Overview

Foreword

From our CEOs

Sébastien Boyé
Co-CEO

Jérémy Hajdenberg
Co-CEO

With the divestment phase of IPAE 2 well underway, we take a moment to reflect on a strategy whose relevance has only grown over time. The fund's investment thesis—supporting responsible African entrepreneurs in fragile and underserved markets—directly responds to the continent's pressing challenges: constrained public budgets, unmet essential needs, high climate vulnerability, and a persistent financing gap for small and medium-sized enterprises.

IPAE 2 has demonstrated strong impact and additionality. 88% of portfolio companies report that the fund's investment was critical to launching or scaling their project. For every euro invested by IPAE 2, €2.2 were mobilized from other public and private partners—an important leverage effect that amplifies our reach. The portfolio also reflects our core priorities: 69% of companies are women-led or have women in senior leadership; 85% offer social protection to employees; 85% contribute directly to the SDGs by addressing essential needs such as healthcare, education, clean energy, or food security; and 58% have launched green initiatives.

Beyond capital, we have worked closely with companies to embed ESG into their practices. Progress is visible: most portfolio companies have formalized ESG governance, and their Environmental & Social Action Plans show a 65% average implementation rate. These efforts strengthen business resilience and prepare the ground for sustainable value creation.

With a fully deployed portfolio, we are shifting our focus to deepening operational and financial performance, enhancing ESG integration, and preparing successful exits. These next years are critical to fully realizing the fund's impact ambitions—and to delivering long-term value for all stakeholders.

From our team director

Mialy Ranaivoson
IPAE Investment and ESG Impact Director

It is possible to build a business by focusing solely on financial performance. But at I&P, we believe in another way of doing business—one that is rooted in the mission of IPAE2: **Promote local entrepreneurship to foster inclusive growth and stability in Africa**.

Through a €92 million fund dedicated to this mission, we support entrepreneurs who not only create value but do so with a clear understanding of their responsibilities toward people and the planet. This means acknowledging that risks to performance don't come only from market fluctuations or competition, but also from ESG failures—unsafe working conditions, lack of climate adaptation, weak governance or supply chain opacity. Our work with portfolio companies helps anticipate and mitigate these risks before they compromise business continuity.

But our approach also strengthens opportunity. When a company like HERi provides solar lamps to rural families in Madagascar, when Procréa expands access to fertility care, or when Afrikrea enables African artisans to reach global markets, they are not just delivering impact—they are reinforcing their own market relevance and long-term viability.

This report reflects the journey undertaken in 2024 by IPAE2's portfolio companies, and the support provided by I&P. It documents concrete progress across our five core dimensions of impact: support to local **entrepreneurship**, promotion of **gender inclusion**, creation of **decent jobs**, development of **green initiatives**, and improved **access to essential goods and services**. Together, they illustrate a way of doing business that serves both performance and purpose.

2024 highlights

IPAE2, a **€ 92 Millions fund**, to promote entrepreneurship

27 SMES IN PORTFOLIO

73% of entrepreneurs rooted in Africa

Strong additionality:

88% of companies would have had to carry out their investment project at a smaller scale without IPAE2's funding

€2.2 mobilized from other investors for every €1 invested by IPAE2

69% located in LDCs and fragile countries

AN IMPORTANT GENDER LENS INVESTMENT

96%	Satisfy at least one 2X challenge* direct criterion	Δ 2023 **+8pts**
69%	of women-led enterprises or with more than 30% women among senior leadership positions	Δ 2023 **+4pts**
27%	of women-owned enterprises	Δ 2023 **+0pts**

*For more information, see page 25

DECENT WORK–DRIVEN JOB CREATION

40% direct employment growth since investment

53 vs 92 employees per company before vs after IPAE2 investment (median)

ENVIRONMENTAL FRIENDLY DEVELOPMENT

+8% GHG emission < **+11%** portfolio revenue growth

PROVIDING ESSENTIAL GOODS AND SERVICES

85%	of SMEs address the SDGs	Δ 2023 **+4pts**
88%	of SMEs address the needs of African population or African companies	Δ 2023 **+0pts**

HEALTH AND SAFETY AT WORK

85%	of SMEs provide a complementary health insurance	Δ 2023 **+0pts**

ENVIRONMENTAL FRIENDLY DEVELOPMENT

58%	of the companies have implemented a green project in 2024	Δ 2023 **+12pts**

FOSTERING GOOD GOVERNANCE

46%	of companies addressed ESG and Impact during board meetings	Δ 2023 **+15pts**
50%	Of IPAE2 companies developing environmental, social or quality certifications in 2024	Δ 2023 **+0pts**

About us

Investisseurs & Partenaires

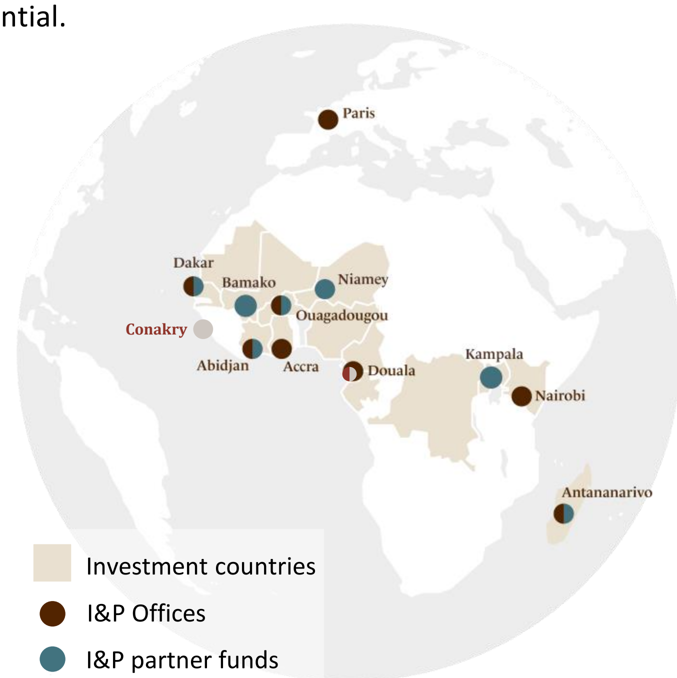
Investisseurs & Partenaires (I&P) is a **pioneering impact investor**, committed for over 20 years to financing, supporting, and **promoting entrepreneurs and SMEs who are transforming Africa**, often overlooked by investors despite their immense growth and impact potential.

A network of 200 people

- The I&P team is made up of 80 people in 8 offices (Cameroon, Côte d'Ivoire, France, Ghana, Kenya, Madagascar, Senegal, and Uganda).
- I&P works closely with the network of 9 teams financed through the I&P Développement range (over 100 people in 10 African countries).

350+ investee companies

- 100+ SMEs funded with equity, 200 companies benefiting from acceleration programs
- 50 new companies funded each year
- 25 funds financed and supported by I&P



What we do

I&P's activities are structured around three key pillars to facilitate access to financing for African entrepreneurs: directly financing and supporting entrepreneurs (seed funding, private equity), supporting and developing African investment teams, and strengthening the entrepreneurial ecosystem.

FINANCING AND SUPPORTING ENTREPRENEURS

- **I&P ACCELERATION** – Scaling-up young businesses through seed-funding
- **I&P EXPANSION** – Supporting and financing growth-phase SMEs and start-ups through equity or quasi-equity investments

FINANCING AND SUPPORTING INVESTMENT TEAMS

- **I&P DEVELOPMENT** – Sponsoring African first-time Fund managers and their teams
- **I&P FUND-OF-FUNDS** – Financing a wide range of African investment vehicles

STRENGTHENING ECOSYSTEMS

- **I&P ECOSYSTEMS** – Creating a conductive environment for SMEs by bolstering entrepreneurial ecosystems and launching high-impact projects.

A comprehensive financing continuum for African SMEs – Through its various activities, I&P provides direct and indirect financing to SMEs with funding needs ranging from €10,000 to €5 million.

€10 000 | **I&P Acceleration** | €100 000 | **I&P Development Funds** | €500 000 | **I&P Expansion** | €5M

I&P Fund-of-Funds

I&P Afrique Entrepreneurs 2

I&P Afrique Entrepreneurs 2 aims to pursue and deepen the impact mission of the I&P group and **promote the emergence of a new generation of responsible African entrepreneurs** by consolidating the achievements of IPAE 1 and deepening its impact in a complex African context.

Calendar	2017-2027
Status	Divestment period (1st year)
Size	€92 million
Sectors	Generalist (all sectors)
Portfolio	27 companies
Tickets	€300,000 - €3 million

Equity investing: IPAE 2 invests in SMEs as a minority shareholder, in equity or quasi-equity. The shareholding is operated through a capital increase, with an investment amount that ranges between €300,000 and €3 million.

Technical assistance: I&P deploys technical assistance's resources to improve the skills, knowledge transfer and training of entrepreneurs and their teams.

Impact-oriented portfolio management:

IPAE 2's carried interest is linked to the achievement of several impact objectives (African entrepreneurs, Least Developed or fragile countries, companies led by women, providing essential goods and services).

Geographic focus: IPAE 2 is deployed in Western and Central Africa, East Africa (focus on Kenya), and in Madagascar.


02.
Our
Approach
Trianon © Yvan GabonPictures

Introduction

IPAE2's Mission in an African environment : Permitting resilience amid ongoing uncertainty

Africa faces a complex set of interconnected challenges. Political instability, economic and fiscal pressures, dependence on foreign aid, and the accelerating effects of climate change continue to slow progress toward long-term development. These issues make it difficult for governments to invest adequately in essential sectors such as education, healthcare, infrastructure, and the transition to clean energy.

Since the 2008 global financial crisis, public debt levels in Africa have risen sharply by more than 39 percentage points between 2008 and 2020. By 2023, the continent's average debt-to-GDP ratio reached 68.6%. While this ratio is expected to stabilize in 2024 and begin a gradual decline (Afreximbank Research, 2024)[1], many countries remain fiscally constrained. Governments are often forced to choose between servicing debt and funding critical public services. This fiscal pressure also affects the private sector through increased taxation and reduced public support.

On the economic front, inflation had started to ease by mid-2024 across most of Sub-Saharan Africa. Out of 43 countries, 30 were experiencing lower and more stable inflation. However, 13 countries continue to grapple with persistently high inflation—particularly in food and basic goods (World Bank, 2024)[2]. Exchange rate regimes play a key role: countries with floating currencies tend to experience more volatile prices, while those in monetary unions such as WAEMU and CEMAC, which use fixed exchange rates, have seen greater price stability.

Climate change presents both a pressing challenge and a major opportunity. The African Development Bank estimates that the continent will need $3 trillion in climate investment by 2030 to meet its environmental goals—75% of which must come from the private sector. Yet in 2022, private capital accounted for only 14% of climate finance in Africa, far below levels seen in other regions (UNDP, 2024) [3].

This financing gap offers a significant opportunity for impact-driven investors. The private sector is already gaining ground in areas like clean energy, which was valued at $83 billion in 2023 (IEA, 2024)[4]. However, investors must also manage growing climate-related risks—both physical and economic.

Despite the challenges, Africa's outlook remains hopeful. In 2025, the continent is projected to be the world's second-fastest-growing region after Asia, with a forecasted growth rate of 4.3% (AfDB, 2024) [5]. This recovery is expected to be supported by easing inflation, improved access to financing, and renewed investor interest. With over 1.2 billion people and rising demand for goods and services, Africa offers strong potential in sectors such as retail, telecoms, banking, and manufacturing.

In this context, Investisseurs & Partenaires (I&P) remains committed to supporting African small and medium-sized enterprises (SMEs) and local entrepreneurs. Traditional investment models are often not adapted to the realities of African markets, which are marked by limited scale, macroeconomic volatility, and elevated political risk. As a result, many countries in Sub-Saharan Africa remain outside the scope of conventional investors.

That's why IPAE 2's mission is to foster inclusive growth in high-potential sectors, strengthen business resilience to crises, and contribute to meeting essential needs and long-term development challenges. Our approach is rooted in the three core principles of impact investing: **intentionality**, **additionality**, and **measuring what matters**.

[1] *African Export-Import Bank (Afreximbank), African Trade and Economic Outlook Report 2024, 2024.*
[2] *World Bank, Africa's Pulse: An Analysis of Issues Shaping Africa's Economic Future, Avril 2024.*
[3] *United Nations Development Programme (UNDP), Climate Finance for Africa: Trends, Gaps, and Opportunities, 2024.*
[5] *African Development Bank (AfDB), African Economic Outlook 2024: Driving Inclusive Growth Through Smart Financing, 2024.*
[4] *International Energy Agency (IEA), Africa Energy Outlook 2024, 2024.*

Impact Investing

A Tailored Response to Africa's Challenges

"SMEs in Africa represent around 90 per cent of all businesses and contribute up to 33 per cent of Africa's Gross Domestic Product (GDP). small and medium enterprises also account for about 40 per cent of the total employment in Africa, making them a crucial source of jobs on the continent."
The African Development Bank Group, Unlocking the Potential of SMEs for Sustainable Development in Africa (2024)

ACCESS TO FINANCING

50% of SMEs cite access to finance as a major constraint to their growth as they do not meet the criteria of traditional financial institutions (microfinance, commercial banks, etc.). To address this:*

- ➔ I&P provides **equity and quasi-equity financing** and seed funding.
- ➔ I&P's financing creates a significant, **leverage effect** making it easier for them to attract additional funding.

ACCESS TO SKILLS

SMEs also face difficulty recruiting key personnel, especially at the middle management level. To improve access to skills:

- ➔ I&P offers **tailored management support** to its portfolio companies in various areas (strategy, accounting, finance, etc.)

**Data from the annual ESG and Impact Questionnaire completed by portfolio companies (2024)*

Why focusing on SMEs?

CREATE STABLE AND DECENT JOBS : Formal SMEs are the pillars of job creation in Africa. These formal jobs offer higher and regular wages, which allows families to plan for the future, save money, and thus improve their access to credit, housing and education. Jobs also provide access to training opportunities and social security benefits.

STRUCTURE LOCAL ECONOMIES : SMEs, which are generally created and led by African managers, stimulate local growth. They tend to source locally - more than multinationals, which rely on international networks. SMEs structure local value chains; beyond the ripple effect they may have on their suppliers and distributors.

IMPROVE LOCAL ACCESS TO ESSENTIAL GOODS AND SERVICES : In Africa, many essential products and services are unavailable locally or difficult to access. Mainly focused on domestic markets, many African SMEs are trying to fill in these market gaps. SMEs address a wide variety of local needs, some of which are essential: water, health, housing, education, energy, and financial services.

PRESENT SIGNIFICANT GROWTH POTENTIAL : When they are financed and supported, SMEs have high growth potential. Financing early-stage development can lead to exceptional growth rates.

Delivering Impact with Accountability

The Extra-financial Committee : Independent Members Challenging Us to Excel

Composed of **independent members**, the Extra-financial committee is **consulted at least annually** (with the most recent meeting held on June 14th, 2024). Their insights and feedback have been invaluable in helping us improve and evolve our annual reports over time. In the second half of the year, as we launched the audit of our Key Impact Targets, the Committee was also consulted for input on the terms of reference and the selection of the auditor.

The committee's **roles and responsibilities** include:

- ❑ Reviewing the extra-financial policy and specific goals
- ❑ Reviewing the fund's annual ESG and Impact report
- ❑ Discussing the ESG action plans of our partner companies
- ❑ Verifying our alignment with IFC Operating Principles for Impact Management

Natou BAMBA COLON
Founder and CEO,
ICG consulting

Mariam DJIBO
Executive Director,
Advans (Côte d'Ivoire)

I&P, AMONG THE EARLY ADOPTERS OF IFC'S OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

The Operating Principles for Impact Management provide a framework for investors to ensure that impact considerations are integrated throughout an investment lifecycle. It is a market standard designed to bring greater transparency, credibility, and discipline to the impact investment market. The Impact Principles were developed by IFC in collaboration with private and public sector asset owners and asset managers.

Operating Principles for Impact Management

Discover our disclosure statement

I&P is among the early adopters of the Principles. Our disclosure statement has been reviewed by the members of the Extra-Financial committee to confirm the compliance of the impact management system described in I&P's policies and procedures in regard to the Principles.

ESG And Impact Management on IPAE2

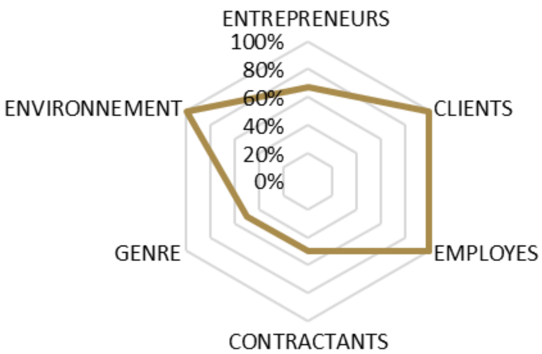
From screening to exit

Screening

Assessing prospective impacts

I&P employs **Impact Screening Scorecards** to align with the fund's core impact objectives and identify opportunities for enhancing overall impact:

+ on **local entrepreneurship**
+ on **women empowerment**
+ on **employees**
+ on **clients**
+on **suppliers and distributors**
+on the **environment**



Due diligence

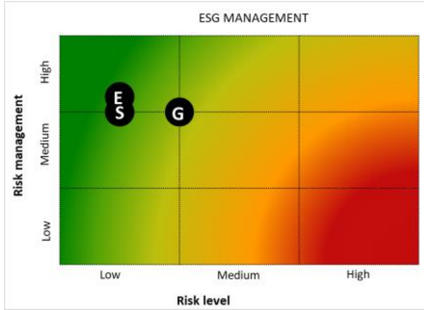
Conducting ESG due diligence

I&P conducts **in-depth analysis of ESG risks** based on IFC Performance Standards:

Social: working conditions and HR management, occupational health and safety and impact on local communities...

Environmental: carbon footprint, water and waste management, biodiversity, etc.

Governance: business integrity, corporate governance framework...



Monitoring

Implementing ESG action plans and measuring impact

ESG action plans are devised by investee companies and I&P, with the appointment of an ESG point of contact within the company.

Regular **progress assessments and updates** to the action plan are conducted, along with **an annual collection and analysis of impact indicators** using an in-house IM tool based on IRIS metrics. **ESG site visits** are also organized to assess companies' activities directly.

Previous Impact reports available on our website.

Exit

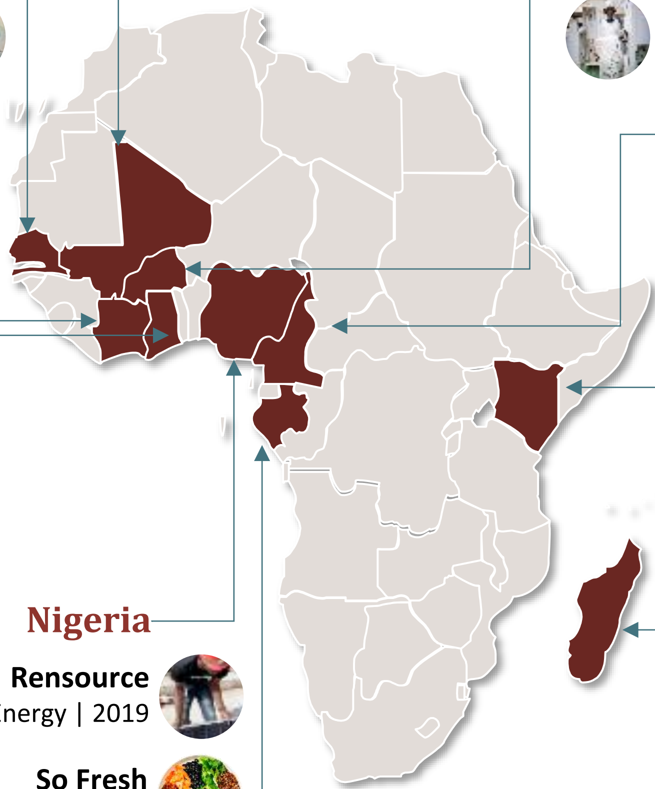
Ensuring good impact management after exit

I&P will identify buyers who **support the sustainability of the company's impacts** and uphold strong ESG practices.

These topics will be integrated from the start into the discussions with potential buyers.

Potential buyers will be required to present an ESG strategy in their offer, and this will be considered into the scoring.

IPAE2 Portfolio Overview



Senegal
Delta SA
Water / Sanitation | 2021

Win Industries
Beverage | 2023

Mali
MaliShi
Agribusiness | 2024

Burkina Faso
ICONA
Agribusiness |2019

Agroserv
Agribusiness | 2022

Ivory coast
Afrikrea
Tech | 2021

PROCREA
Health | 2018

Go Africa Online
Tech | 2021

Novago
Leasing | 2023

Cameroon
PIGIER
Education | 2021

Kenya
iProcure
Agribusiness | 2021

EdPartners
Education/IMF | 2021

Ghana
XpressGas
Energy | 2021

New Crystal
Health | 2019

Zeepay
Tech | 2021

Nigeria
Rensource
Energy | 2019

So Fresh
Restaurant | 2022

Gabon
Trianon
BTP | 2023

Madagascar
Soafiary
Agribusiness | 2020

HERi
Energy | 2022

AerialMetric
Logistics | 2023

Multi-country
Afribon
Agribusiness | 2018

AMI
Education | 2018

Lapaire
Distribution | 2023

Starnews
Media | 2020

Coin Afrique
Tech | 2018

Size of portfolio companies

Medium	75%
Small	14%
Very small	12%

Maturity

Expansion	91%
Start-up	9%

69%[2]
of funds committed in Least Developed and/or Fragile Countries[1]

Very Small SME : Turnover < €1M   **Small SME :** €1M < Turnover < €3M€   **Medium SME :** €3M < Turnover

Note: The percentages in each category are calculated according to the level of IPAE 2's financial commitment in each company.
[1]As defined by the United Nations and the World Bank.
[2] The methodology for calculating this indicator is based on counting the number of countries classified as Least Developed Countries (LDCs) or fragile states throughout the entire investment period (2018–2023), namely: Madagascar, Côte d'Ivoire, Burkina Faso, Senegal, Mali, Cameroon, and Nigeria.

External ESG Standards & Certifications (1)

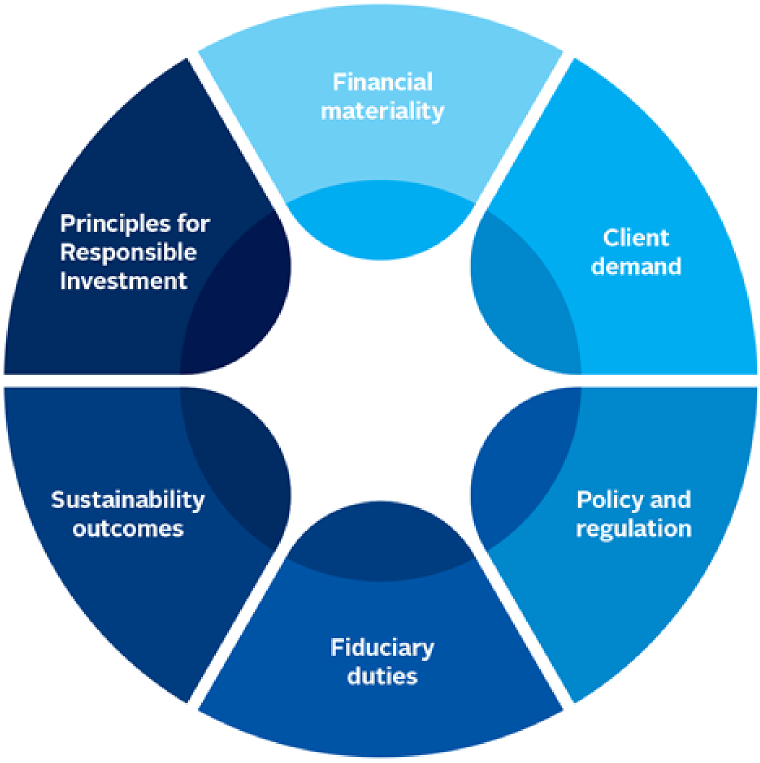
Demonstrating commitment through PRI & B Corp performance

Principles for Responsible Investment (PRI)

Signatory since 2013

I&P demonstrates its leadership in responsible investment through third-party assessments, confirming the robustness of both its ESG integration (PRI) and company-wide sustainability performance (B Corp).

The Principles for Responsible Investment (PRI) is a United Nations-supported initiative that defines global standards for responsible investing. It encourages institutional investors to incorporate environmental, social, and governance (ESG) factors into investment decision-making and ownership practices. As a PRI signatory, I&P publicly commits to aligning its investment process with six core principles covering ESG integration, stewardship, transparency, and collaboration.



Module	I&P score	PRI Median	Performance	Explanation
INVESTMENT AND STEWARDSHIP POLICY	64/100	53/100	Above median	Evaluates how ESG is embedded into the organization's overall investment policy and decision-making processes.
PRIVATE EQUITY	78/100	62/100	Among top performers in the category	Assesses how ESG is operationalized in private equity: from sourcing and due diligence to monitoring and exits.

External ESG Standards & Certifications (2)

Demonstrating commitment through PRI & B Corp performance

B Corp Certification

The B Corp Certification is an independent global standard that evaluates companies based on their social and environmental performance, accountability, and transparency. Certified B Corporations use business as a force for good, balancing purpose and profit. The certification process reviews company practices across five pillars: governance, workers, community, environment, and customers.

- Scores are calculated on a 0 to 200+ scale, tailored to company size, sector, and geography
- Companies must score at least 80 out of 200 on the B Impact Assessment (BIA) to qualify for certification
- Among already certified B Corp companies, the average (verified) score is roughly 91 points (e.g. 90.9 in version 6) (Bcorp, 2020)

SUMMARY OF B CORP SCORE RANGES

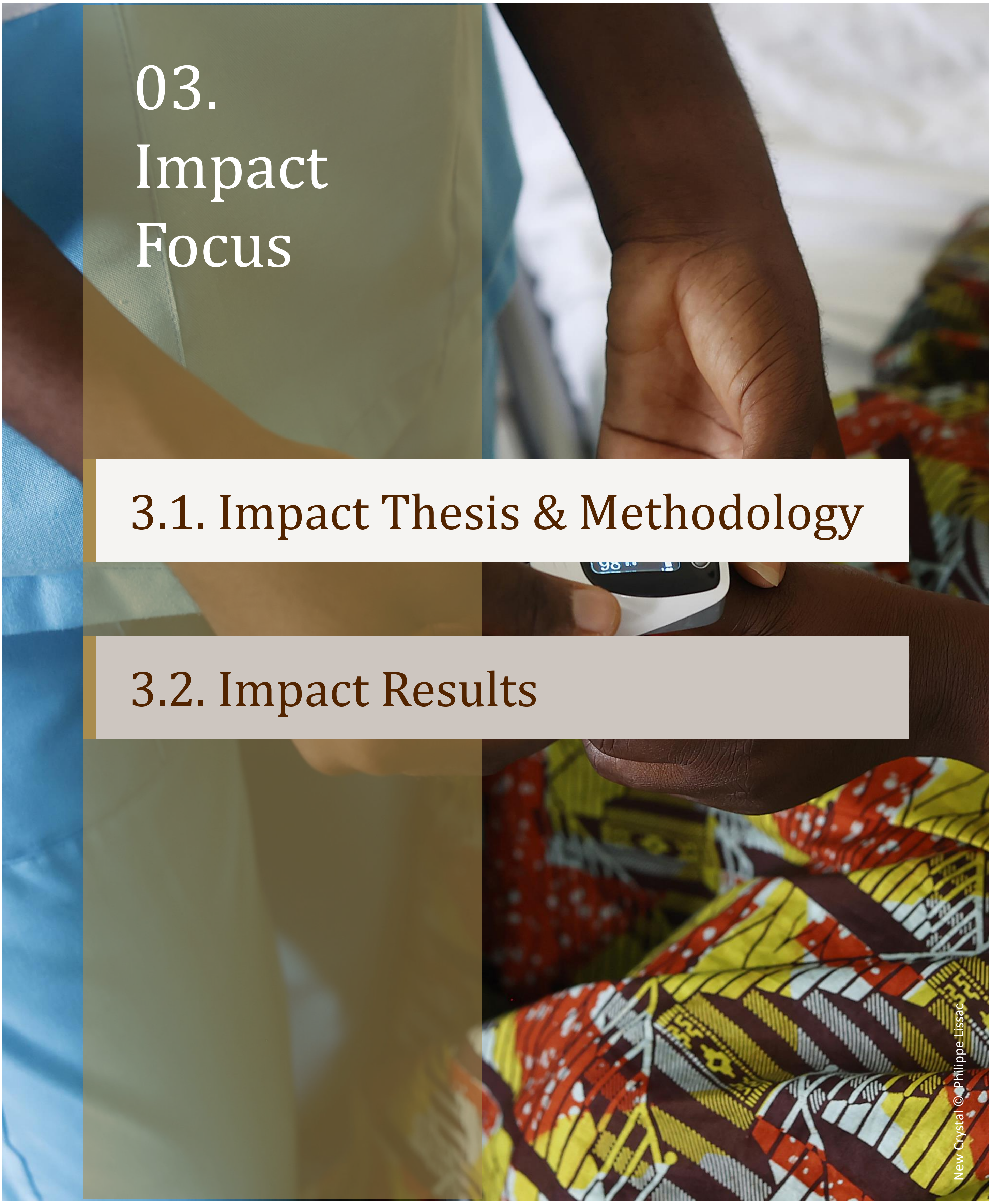
0–79 points: *Below certification threshold*
≥ 80 points: *Eligible for certification*
~91 points: *Average certified B Corps, signifying strong ESG practices*

Scored 97/200

03. Impact Focus

3.1. Impact Thesis & Methodology

3.2. Impact Results



New Crystal © Philippe Lissac

Impact thesis

Promote local entrepreneurship to foster inclusive growth and stability in Africa

At the heart of our investment strategy lies a strong impact-driven approach, designed to tackle Africa's most pressing development challenges. By supporting high-potential SMEs, especially in underserved markets, we aim to catalyse inclusive economic growth, create quality jobs, and foster resilient, sustainable ecosystems. Each impact objective reflects our commitment to driving long-term, measurable change across social, environmental, and economic dimensions.

ENTREPRENEURSHIP

Accompanying the emergence of **new generation of African entrepreneurs**, particularly in Fragile and Least Developed Countries

Empowering African entrepreneurs, especially in fragile and underserved regions, is essential to fostering inclusive growth, stability and addressing development gaps where formal jobs and institutions are lacking. These entrepreneurs are closely connected to local realities and more likely to invest in vital sectors like education, healthcare, and infrastructure[1]. By directing investment toward African-led businesses, our fund helps build resilient, locally grounded economies and ensures value created stays within the continent.

GENDER

Promoting **gender equality** in African SMEs: leadership, governance, employees

While women lead over 40% of entrepreneurial activity in Africa (GEM, 2021), they remain underrepresented in SME leadership and decision-making. Promoting gender equality in governance, leadership, and employment closes critical equity gaps while boosting performance, innovation, and impact.

[1] Capacity4Dev (2021), "Entrepreneurship in Africa: Supporting SMEs to Ensure Sustainable Growth". Click here to read

JOBS

Creating **decent jobs** and **training opportunities**

With 12 million youth entering the workforce annually but only 3 million formal jobs created (AfDB, 2022), SME-driven job creation and skills development are essential to harness Africa's demographic dividend and fight poverty.

LOCAL ECONOMIC FABRICS & ACCESS

Creating opportunities for **local suppliers and distributors;**
Meeting unmet demand for **essential goods and services**

Strengthening local supply and distribution networks is key to building resilient economies, especially in underserved areas. By supporting SMEs that meet essential needs, like food, health, and infrastructure, we reduce reliance on imports, improve market access, and stimulate inclusive local value chains.

ENVIRONMENT

Promoting **sustainable growth** and developing **innovative energy solutions**

Driving sustainable growth and energy innovation supports climate-resilient economies, reduces environmental harm, and expands access to reliable, affordable energy where infrastructure remains weak.

A mission anchored in the impact carried

Rationale

We seek to maximize impacts through proactive management of the portfolio, based on **7 measurable targets**, aggregated at the portfolio level. The fund's final impact performance will be assessed against these 7 key impact targets, which would be fully achieved in a **best-case scenario**.

The **impact performance is reflected in the fund's incentive structure.** This structure is expected to reward the team to the extent to which impact targets are met (or not).

If the financial hurdle rate is achieved (IRR > 5%), the carried interest percentage for the investment manager (within a range of 10% to 17%) will be adapted according to the achievement of the key impact targets.

Calculation of the extra carry

The **final carry will range between 10% and 17%** for the fund manager, depending on the level of achievement of key impact targets, as presented below. To ensure impact data reliability, impact figures will be audited two or three times in the fund's life.

Static Impact Targets audit at the end of investment period

At the end of the Investment Period, the ESG & Impact Committee **assesses whether Targets 1, 2, 3, and 6 are met**, with confirmation by an independent ESG Auditor and approval from the Advisory Committee.

→ Targets 1, 2, 3, 6: assessed at investment, periodically, and at the end of period.
→ Targets 4, 5, 7: assessed periodically and at final review.

Audit objectives
- Measure definitive value as of September 12, 2023
- Extra carry indicators 1, 2, 3, and 6

Audit process
- Conduct verifications based on ESG data and IPAE2 fund impact
- Remote data verification via written confirmations

10% base carry for achieving financial hurdles	+	7% share of impact targets achieved	=	10% - 17% final GP carry

IPAE2 Key Impact Areas : Targets & Achievements

Our investment strategy is grounded in the belief that small and medium-sized enterprises (SMEs) are key drivers of inclusive, sustainable development in Africa, especially when support reaches underserved regions and sectors. To turn this ambition into measurable outcomes, **IPAE2 defined seven impact targets to guide strategic and portfolio decisions**.

As of 2024, **five out of seven impact targets have been met**. An independent audit[1] conducted at the end of the investment period confirmed that targets on African ownership (96%), gender inclusion (69%), and access to essential goods and services (85%) were achieved, while the LDC/fragile states target (62%) was not met. These results validate the effectiveness of IPAE2's impact approach and inform the final impact-linked carry. Meanwhile, 58% of companies now implement green initiatives (up from 46% in 2023), and most maintained or grew their workforce despite the iProcure liquidation.

ENTREPRENEURSHIP

Accompanying the emergence of a **new generation of African entrepreneurs** particularly in fragile and least developed countries

1. **Key impact target: 70% +** of companies owned or led by leaders rooted in Africa over the long term — **96% (audited)**
2. **Key impact target: 70% +** of companies operating in Least Developed Countries or Fragile Countries — **62%[2] (audited)**

JOBS

Creating **decent jobs** and **training opportunities**

4. **Key impact target: 50% +** of direct employment growth during the holding period (at the portfolio level), provided that jobs created have decent conditions — **40% (-6pts)**
5. **Key impact target: 50% +** of companies improving health and safety in the workplace or social protection for employees during the holding period — **85% (+0 pts)**

GENDER

Promoting **gender equality** in African SMEs: leadership, governance, employees

3. **Key impact target: 35% +** of companies owned or led by a woman or with more than 30% of women in senior leadership positions

69% (audited)

LOCAL ECONOMIC FABRIC

Creating opportunities for **local suppliers and distributors.**

ACCESS

Meeting unmet demand for **essential goods and services**

6. **Key impact target: 50% +** of companies providing local goods or services that address essential needs and the new United Nations SDGs

85% (audited)

ENVIRONMENT

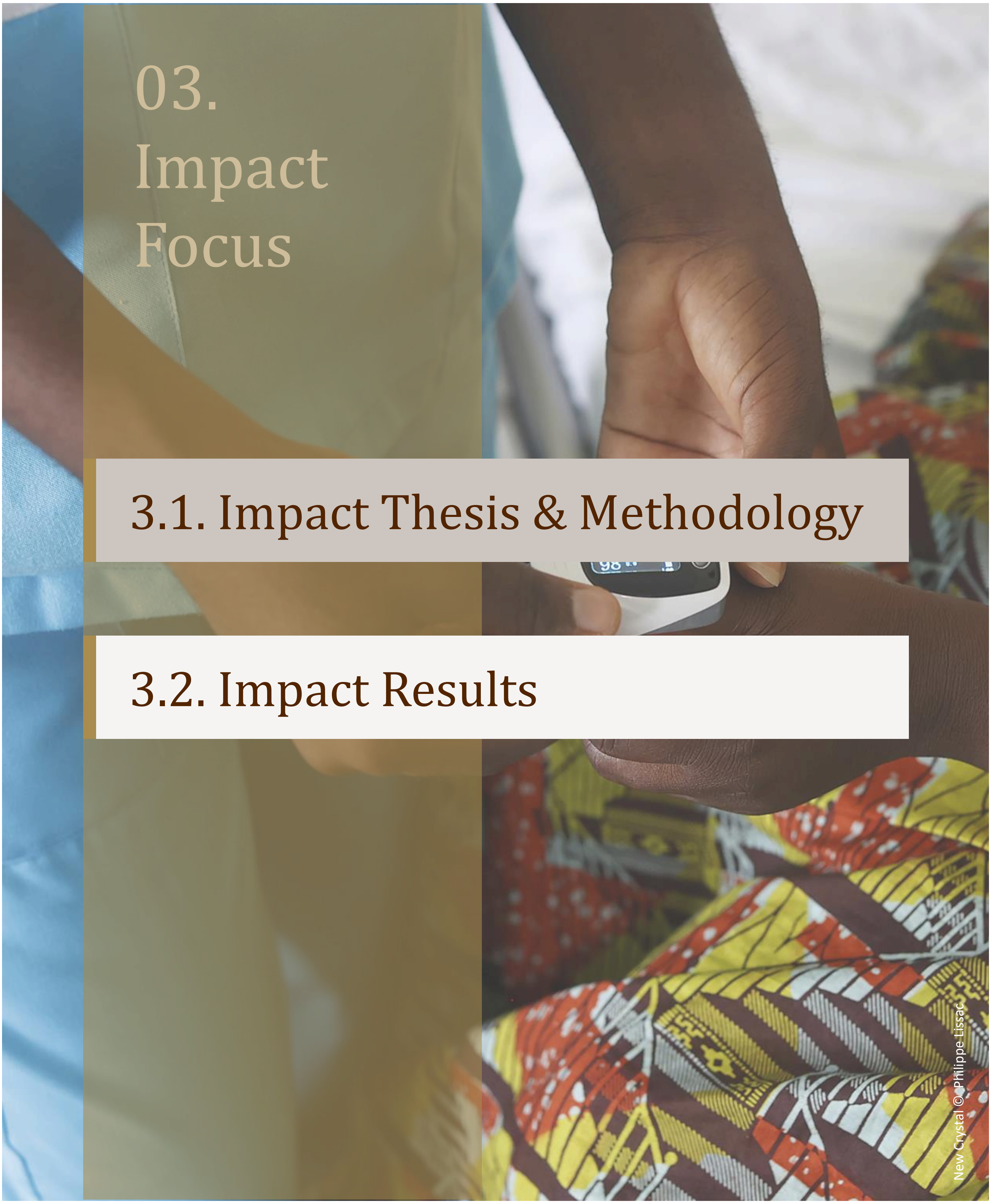
Promoting **sustainable growth** and developing **innovative energy solutions**

7. **Key impact Target: 50% +** of companies implementing "green" projects[3] (renewable energy, energy efficiency, CO2 capture or offset, waste or effluent management, sustainable agro-business, etc.)

58% (+12 pts)

1 Differences may exist between the figures presented in this report and the final audit results due to specific calculation methodologies applied on a case-by-case basis. In some instances, corrections were made where data could not be independently verified during the audit process.
2 During the audit of the key impact targets, the methodology adopted was to consider only the countries listed as LDCs or fragile states at the time of the fund's first closing (in 2017), in which Nigeria and Cameroon were not included. However, if the methodology for calculating this indicator is based on counting the number of countries classified as Least Developed Countries (LDCs) or fragile states throughout the entire investment period (2018–2023), namely: Madagascar, Côte d'Ivoire, Burkina Faso, Senegal, Mali, Cameroon, and Nigeria, the rate climbs to 69%.
3 Green projects are intentional activities, carried out by companies, that have a positive impact on the environment, such as the use of renewable energy, waste management, energy efficiency projects, etc.

03. Impact Focus



New Crystal © Philippe Lissac

3.1. Impact Thesis & Methodology

3.2. Impact Results

Supporting responsible entrepreneurship

IPAE 2's impact strategy is grounded in a core belief: businesses led by local leaders are best positioned to deliver sustainable responses to the economic and social needs of African territories—especially in the most fragile contexts. By investing in SMEs rooted in local economies and driven by leaders with long-term commitment to their regions, IPAE 2 aims to foster inclusive, resilient, and responsible growth in environments often marked by institutional weakness and instability. This commitment has been central to the fund's approach since its inception, and remains a key driver of its impact.

IPAE 2 pursues two impact objectives regarding the companies in portfolio:

- 70% (or more) of companies **should be owned or led by leaders rooted-in Africa on the long term**
- 70% (or more) of companies **should be operating in Least Developed Countries or Fragile Countries**

With the investment period now closed, IPAE 2 has successfully met one of its two flagship objectives in responsible entrepreneurship: 73% of portfolio companies are led by entrepreneurs with strong local roots. While 69% of companies operate in countries classified among the poorest or most fragile—according to UNDP and World Bank lists.

These outcomes demonstrate the fund's tangible contribution to strengthening a local entrepreneurial ecosystem across Africa—even in the most challenging contexts.

73% of entrepreneurs in our portfolio are **rooted in Africa over the long term**

69%[1] of our partner entrepreneurs operating in **Least Developed Countries** or **Fragile Countries***

*As per UNDCP list of Least Developed Countries and the WB list of fragile and conflict-affected Nations.

[1]The methodology for calculating this indicator is based on counting the number of countries classified as Least Developed Countries (LDCs) or fragile states throughout the entire investment period (2018–2023), namely: Madagascar, Côte d'Ivoire, Burkina Faso, Senegal, Mali, Cameroon, and Nigeria. However, during the audit of the key impact targets, the methodology adopted was to consider only the countries listed as LDCs or fragile states at the time of the fund's first closing (in 2017), in which Nigeria and Cameroon were not included—thus bringing the rate down to 56%.

Supporting entrepreneurship underserved by traditional financing

SDG 17.3
Mobilize additional financial resources

17 PARTNERSHIPS FOR THE GOALS

IPAE 2 was designed to respond to a financing gap that continues to hinder the growth of African SMEs—especially in fragile and underserved markets. By providing risk-taking capital and long-term support where few others invest, IPAE 2 plays a key additionality role in the ecosystem. Its presence not only fills a critical funding gap but also enhances the credibility and visibility of investees, paving the way for further capital inflows. This catalytic role is instrumental in mobilizing additional resources and delivering on SDG 17.3.

Strong additionality of IPAE 2's investment

88% of portfolio companies reported that IPAE 2's investment was **additional**, meaning it would not have occurred—or would have had to carry out their investment project at a smaller scale without IPAE2's funding. This is particularly significant in contexts where access to finance is repeatedly cited as the top barrier to growth. In fact, **54%** of our portfolio companies identified **access to investment financing** as a key constraint, followed by **cash flow challenges (38%)** and competition from the **informal sector.** This confirms the value of our differentiated positioning and proactive approach in de-risking early-stage or underfunded ventures.

Among them, **65%** would not have been able to carry out their investment without IPAE2, and **31%** would have been but at a smaller scale or a slower pace.

Leverage effect of IPAE2's investment

SMEs face significant difficulty securing external financing from local commercial banks and other traditional financiers. We assist our entrepreneurs in their negotiations with other local or international financial institutions or by participating in the search for new shareholders, using our networks.

IPAE2's investment creates a strong leverage effect by **improving the company's equity base,** thus increasing its borrowing capacity. Our early involvement, combined with rigorous due diligence, signals credibility and encourages other investors to follow.

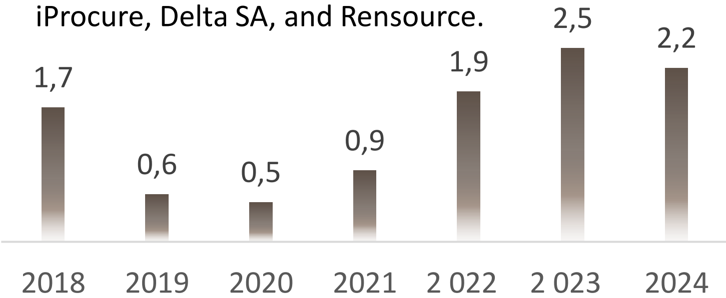
Our reputation, active monitoring, negotiation support, and risk-sharing further reassure financial partners, making it easier for investees to mobilize additional funding.

For every €1 invested by IPAE 2, an **additional €2.2** was mobilized from other investors—bringing the total capital deployed per euro to €3.2. This significant multiplier effect highlights the fund's role as a trusted anchor investor, capable of crowding in both private and public co-investors across equity, debt, and blended finance instruments.

€1 IPAE2 + **€2.2** Other investors* = **€3.2** Invested in total

(*) This figure is computed by dividing the amount invested (equity, debt, and subsidies) by investors other than IPAE2, by the amount of IPAE2's investment (equity and debt).

Since 2018, IPAE 2 has mobilized approximately **€103 million in co-investments** from other partners, demonstrating the fund's strong catalytic role in the ecosystem. A notable decline was observed between 2019 and 2020, largely due to the COVID-19 pandemic. However, a clear rebound began in 2022, with significant capital mobilized for several portfolio companies such as EdPartners, iProcure, Delta SA, and Rensource.



Total investments contributed by co-investors per 1 euro invested by IPAE2

Support from the Technical Assistance program

IPAE2 builds strong partnerships with its investee companies by providing them with both financing and managerial support. In a context where access to human and financial resources remain limited, IPAE2's technical assistance (TA) program is critical to fostering capacity building, skills transfer and training in partner companies and is complementary to IPAE2's general strategic and management mentoring. The TA program is funded by grants from the EIB, IFC, DGGF and FISEA (€2.3m) and co-finances a great variety of support missions being carried out by independent specialists.

Main figures

79 missions have been conducted and **29** are still in progress.

A total budget of **€1,780K** financed by IFC (€289k), EIB (€750k), FISEA (€168k), DGGF (€189k), and investee companies (€387k).

6744 days of consultancy have been dedicated to TA missions.

77 experts have been involved in TA missions, **53%** of whom are locals, potentially providing insights that better reflect the local context.

Areas of support

EXAMPLE OF A MISSION: HERi Madagascar

HERi Madagascar is a company that distributes and finances solar energy solutions in rural Madagascar through three main channels: (1) a network of kiosks managed by franchised entrepreneurs offering lamp rentals in rural areas, (2) partnerships with MFIs who buy products upfront and resell them on credit to clients, and (3) a network of agents using the PAY-As-You-Go (PAYGo) model targeting peri-urban and rural populations.

Type of TA: Post-investment

Objectives:

- Strengthen the Sales Director's ability to implement changes in compensation and team coordination to boost performance and stabilize the sales team.
- Improve collaboration with leadership by leveraging team strengths and fostering a healthier workplace climate through actionable communication strategies.
- Clarify the Sales Director's development goals, outlining key milestones and required resources for the coming years.

Assessment and results:

- Improved communication and coordination between the sales team and back office, enhancing the Sales Director's ability to supervise agents.
- Support was provided to the newly appointed Sales Director (formerly Operations Director) through a structured leadership development plan led by Hystra (the expert appointed for the assignment) .
- Outcomes of the mission include: A 51% increase in agent productivity: PAYGO sales rose from 3,644 units in Q3 2023 to 5,503 units in Q2 2024.
- A decline in fraud cases.
- Non-payment rates significantly decreased, with repayment rates above 90% for six-month payment plans (as of the October 2024 HERi monthly review).

Empowering women

IPAE 2 promotes gender equality by supporting African SMEs that are committed to inclusive practices in governance, leadership, and employment—and by actively helping them put those commitments into action. We are pursuing gender-specific targets across our portfolio to empower women at every level.

Performance on Key Impact Target

69% of IPAE2's portfolio companies are either women-owned or led, or have over 30% of women in senior leadership roles—exceeding the 35% target.

IN LEADERSHIP

27% of companies are women-owned or led—nearly four times the **African average of 7%**[1].

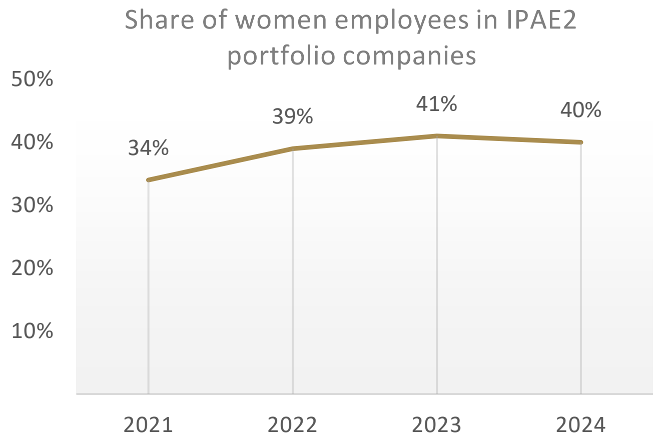
36% of senior leadership roles are held by women, far surpassing the **regional benchmark of 22%**[2].

5 GENDER EQUALITY

SDG 5.5
Ensure women's full participation in leadership

AMONG EMPLOYEES

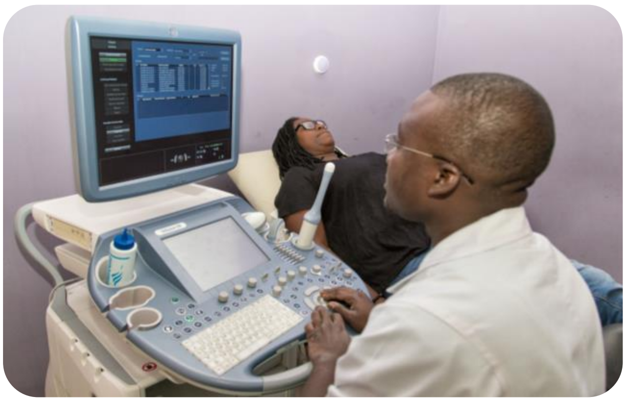
As of 2024, women make up **40%** of the workforce across companies in the IPAE2 portfolio.



Over the past four years, despite minor fluctuations, the overall trend shows progress in workforce diversity, with a net increase of six percentage points between 2021 and 2024. MFIs accounted for the highest proportion of women employees in the portfolio in 2024, with 51%, ahead of services (46%) and manufacturing (33%).

Impact Beyond Employment

Several IPAE 2 companies provide products and services specifically designed to improve women's well-being and daily lives. These initiatives help broaden the reach of our gender lens, empowering women not only as employees and leaders, but also as consumers, caregivers, and community members.



Zoom in on PROCRÉA

Among other maternity services, Procréa provides **Medically Assisted Reproduction (MAR)**. In 2024, the clinic delivered:

- **632** MAR consultations (medical/psychological)
- **428** MAR procedures (embryo transfers)

These services enhance access to fertility care and expand reproductive health options for women, helping to address fertility challenges.

[1] *World Bank's Africa Region Gender Innovation Lab (GIL) and the Finance Competitiveness & Innovation (FCI) Global Practice, Profiting from Parity Unlocking the Potential of Women's Businesses in Africa, 2019*
[2] *McKinsey Global Institute, The power of parity : Advancing women's equality in Africa, 2019*

GENDER

Taking up the 2X Challenge

Recognizing the vital role women play in driving sustainable economic growth, IPAE2 is deepening its commitment to gender-lens investing (GLI). At the group level, **I&P** has joined **2X Global,** reaffirming our broader dedication to advancing gender equality. Within **IPAE2** specifically, we are embracing the **2X Challenge** and aligning with the **2X criteria**, embedding its principles **throughout the investment cycle** and fully integrating them into our **portfolio management**.

For IPAE2's portfolio companies :

We identify gender-related risks and opportunities that could affect business performance and impact women's participation and empowerment.

We create tailored action plans to mitigate these risks and promote gender equity.

Examples from IPAE2's action plans :

- developing recruitment processes promoting gender diversity
- increasing female representation in staff and management
- incorporating anti-discrimination, and anti-harassment measures into human resource policies.

Learn more about **2X Global** **2X Challenge**

At the I&P level, **gender parity** is well **advanced**, with women representing **57% of employees** and holding **50% of leadership**. **positions** Yet, this balance is uneven across levels. Women make up 40% of the executive committee—significant, albeit short of full parity— and account for only 36% of the IPAE 1 and 2 funds investment teams, while the IPDEV 2 investment team achieves full parity at 50%. These figures highlight I&P's commitment to gender equality at the organizational level, while underscoring the need for continued efforts to achieve similar balance in core investment functions.

Results of management approach

Of IPAE 2 portfolio companies :

92%[1] meet at least one 2X Challenge direct criterion

58%[1] satisfy two or more criteria

Zoom in on EDPARTNERS

In Kenya, where girls face systemic barriers to education — from traditional norms to long commutes and inadequate sanitation that forces many to miss school during menstruation — EdPartners plays a key role in **addressing challenges faced by girls in education**.

Transport Loans → Safer, shorter commutes

School WASH Loans → Safe, private facilities that support girls' attendance

EdPartners has reached **60,313** students, **51%** of whom are girls, and supported **1,590** female teachers, representing **58%** of the total teaching staff. These outcomes reflect real progress toward **SDG 4.5: eliminating gender disparities in education**.

4 QUALITY EDUCATION

SDG 4.5
Eliminate gender disparities and ensure equal access to all levels of education and vocational training for vulnerable populations

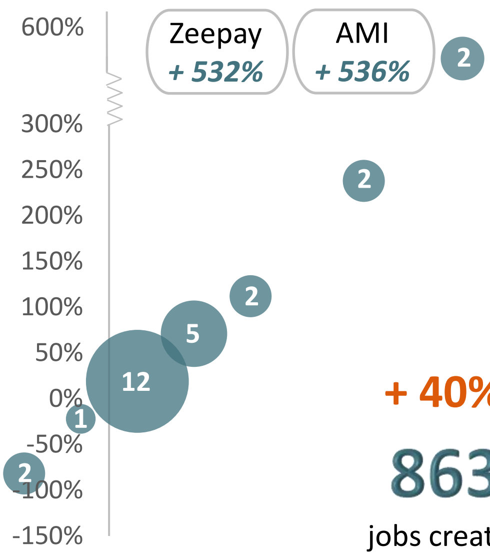
[1] These figures are based on the 2X criteria in place prior to the updates issued in February 2024. Since the updated criteria apply only to new deals from July 1st, 2024, and IPAE2 entered its first year of the divestment period, we have opted to continue reporting based on the previous criteria for consistency.

JOBS

Creating decent jobs

Decent, stable jobs are key to inclusive growth and poverty reduction in emerging and fragile markets. In Sub-Saharan Africa, over 12 million youth enter the workforce annually, but only 3 million formal jobs are created (AfDB, 2022). The gap is wider in fragile countries like Senegal, Mali, Burkina Faso, and Madagascar, where informality exceeds 80% and formal jobs are limited to a few sectors.

DIRECT JOB GROWTH



+ 40%

863

jobs created

Employment growth since investment

IPAE 2 IMPACT OBJECTIVES JOB CREATION

- Achieve ***50%+ direct job growth*** across the portfolio during the holding period, ensuring decent working conditions.
- Ensure ***50%+ of companies*** improve health & safety beyond IFC standards or enhance social protections for employees.

Each bubble represents a group of companies, the size indicates their number. **Twelve companies show moderate growth** (0–50%). **Eleven** stand out for stronger performance : seven **grew between 50% and just over 100%**, with Trianon reaching 115%. **Afrikrea and EdPartners exceeded 240%**, and **Zeepay** and **AMI** led with **exceptional growth above 500%.** Three companies saw negative growth, including **iProcure, which is currently in administration and expected to enter liquidation.**

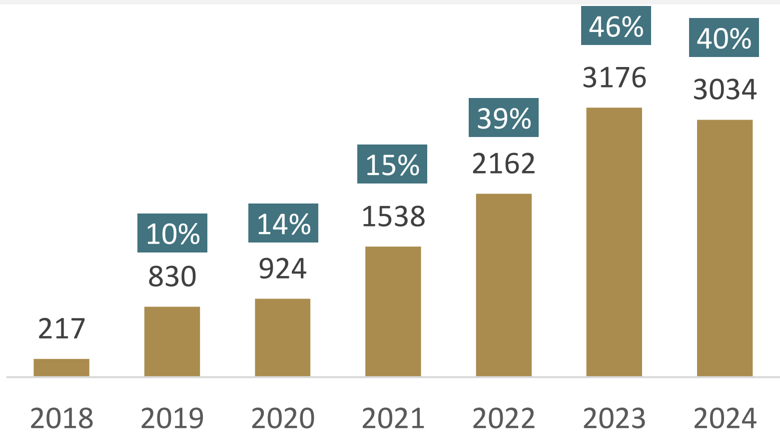
> *Despite 5–7% annual GDP growth in Senegal, Ghana, and Côte d'Ivoire, most jobs remain informal and insecure. In Senegal, 90% of workers are informal and only 6% have social security (ILO, 2023). In Côte d'Ivoire, unemployment is around 3%, but underemployment is widespread, highlighting the need for private investment in quality jobs.*

2,172

jobs maintained since investment

14,711

household members impacted in 2024.
An average household of 5 people impacted for each employee (*)



Employment evolution from 2018 to 2024

By end-2024, IPAE 2 portfolio companies employed **3,034** people, with **863** new jobs created, representing **a 40% increase**. **The 6% year-on-year decrease** is mainly attributed to the 2024 expected **liquidation of iProcure** which had a significant workforce. The median number of employees rose from 53 to 92, highlighting an expanding impact on employment. With an average of 5 household members per employee, almost **15,000** people benefit indirectly. Strong employment gains show how catalytic capital drives inclusive job creation in high-growth sector.

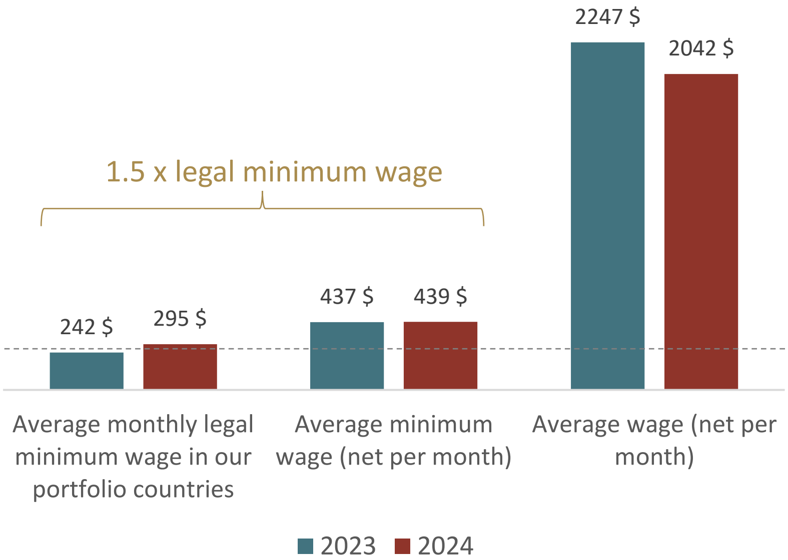
53 vs 92

employees per company before vs after IPAE2 investment *(median)*

(*) This figure is computed by multiplying the number of employees by the average household size in each country, based on GDL data available online: https://globaldatalab.org/areadata/hhsize/

JOBS

Wage level



Evolution of average monthly wages (2023-2024)

Wage Evolution

In 2024, the average monthly legal minimum wage across our portfolio countries has increased by 22%, potentially to address inflation and raise living conditions. However, **our portfolio companies continue to exceed these legal standards**, with the average minimum wage paid remaining stable. Meanwhile, the slight decrease in the average net wage is mainly due to **a shift in workforce structure** at **EdPartners**, following a reduction in higher-paid positions. This isolated change does not indicate a broader portfolio trend, and wage practices of portfolio companies remain aligned with the commitments to decent work, fair pay, and economic inclusion.

We use the Purchasing Power Parity (PPP) conversion rate to control for the variable cost of living in various countries. CEO wages are not taken into account in order to more accurately reflect the reality of salary levels.

43% of companies have average wage at least **1.5X** the legal minimum

64% of companies pay above their country's legal minimum wage.

PROMOTING DECENT WAGES IN PRACTICE

We go beyond paying above legal wage minimums by helping portfolio companies create conditions for decent wages, including better health and safety, training and career development opportunities, establishing employee representation, grievance mechanisms and contributing to long-term security through social protection schemes such as pensions.

Notably, **companies like Mali Shi, Novago, and Trianon** have made substantial progress: the **average wage across these three companies increased by 74%** compared to the previous year. While the drivers of the increase vary, it signals meaningful movement on wage levels and reflects growing attention to compensation practices.

ECONOMIC FABRIC AND ACCESS

Addressing basic needs in Africa (1)

Since the adoption of the UN Sustainable Development Goals (SDGs) in 2015, global awareness has increased. However, as of 2024, Africa remains off-track to achieve most of these goals by 2030. According to the 2024 Africa Sustainable Development Report published by the African Union Commission, UNECA, UNDP and African Development Bank, less than **6% of the 32** measurable SDG targets are on track to be achieved by 2030. Of the remaining measurable targets, 21 need to be achieved, and the negative trends for 8 targets need to be reversed. Overall, major data gaps persist, limiting a full and reliable assessment of the continent's progress.

In this context, the private sector has emerged as a critical lever for SDG acceleration—especially in fragile and underserved markets.

I&P contributes to this agenda by channelling capital, technical support, and governance capacity toward SMEs that provide essential goods and services, create jobs, and strengthen local value chains.

88% of our current partner companies **address the needs of the African population or African companies** (i.e., these companies focus mainly on the local market and not on exports)

85% of our current partner companies improve local access to goods or services that **address essential needs and the UN Sustainable Development Goals***

Main contribution to the SDGs

- **1 No Poverty**: by supporting income-generating opportunities, financial inclusion, and entrepreneurship in low-income regions
- **2 Zero Hunger**: by strengthening local food systems, promoting access to nutritious food, and supporting agricultural productivity
- **3 Good Health and Well-being**: via clinics, diagnostic labs, or health-related products
- **4 Quality Education**: through schools, training centers, and finance
- **5 Gender Equality**: by promoting women's leadership, employment, and inclusion in value chains
- **6 Clean Water and Sanitation**: via local service providers and water distribution
- **7 Affordable and Clean Energy**: through decentralized and solar energy solutions
- **8 Decent Work and Economic Growth**: by creating formal employment and supporting local SMEs
- **10 Reduced Inequalities**: by investing in underserved regions and empowering marginalized populations
- **11 Sustainable Cities and Communities**: by contributing to sustainable urban development through quality housing solutions
- **12 Responsible Consumption and Production**: promoting circular models and sustainable sourcing
- **13 Climate Action**: by supporting climate-smart business models and encouraging environmental risk mitigation
- **17 Partnerships for the Goals**: through collaboration with DFIs, development agencies and ecosystem actors to scale impact

(*) Investment companies can improve local access to essential goods or services, as direct providers or as part of the value chain. Essential goods and services include: food, water, sanitation, energy, land, health, lifelong education and learning, housing, clothes, media and information, new technologies, financial services for underserved populations, and passenger transport.

Addressing basic needs in Africa (2)

Expanding on this impact, the following section highlights how our portfolio companies are intentionally aligned with the UN Sustainable Development Goals (SDGs), making meaningful contributions through their core business activities. By improving access to essential goods and services, such as healthcare, clean energy, agriculture, and education, they address some of the most pressing challenges facing underserved communities. These businesses are not only meeting basic needs; they are actively building pathways to long-term resilience and economic empowerment across the continent. Their activities sparks hope, drives inclusion, and plants the seeds for lasting, sustainable development in places where it's needed most.

GOAL 2
Achieve food security and improved nutrition

Soafiary
Feeds Madagascar's livestock
5,869 Tons of a grains sold in 2024

Agroserv
Industrial unit processing maize into gritz and flour
1,198 Tons of a flour sold in 2024

ICONA
Feeds Burkina Faso's livestock
6,067 Tons of animal feed sold in 2021

So Fresh
A Nigeria's pioneer and market leader in the healthy food Quick Service Restaurant space
180,000 Customers in 2024

GOAL 3
Ensure healthy lives and promote well-being for all at all ages

AerialMetric
Drone-based medical delivery, aerial services in Madagascar.
667 Remote communities served in 2024

LaPaire Glasses
Affordable quality eyewear for middle and working classes
88,512 Pairs of glasses sold in 2024

New Crystal
Quality healthcare focused on urban poor
208,253 Patients in 2024

Procréa
Quality healthcare for women & children
7,345 Gynaecological consultations in 2024

GOAL 4
Ensure inclusive and quality education

EdPartners
Tailored financial solutions for East Africa's education
60,313 Impacted students in 2024

AMI
Offers training for managers and entrepreneurs
3,381 People trained in 2024

Pigier
Private business school for higher education
702 Registered students in 2022

ECONOMIC FABRIC AND ACCESS

Addressing basic needs in Africa (2)

GOAL 6
Ensure availability and sustainable management of water and sanitation for all

Win Industries
Produces and markets "O' Royal" mineral water in five bottle formats, offering a safe alternative to non-potable tap water in Senegal

DELTA SA
Sanitation and public works services in Senegal

4,126 m^3 of waste material processed in 2024

GOAL 7
Ensure access to affordable, reliable, sustainable and modern energy for all

Rensource
Affordable and reliable electricity for SMEs in Nigeria

627.3 TeqCO_2 emissions avoided in 2024

HERi Madagascar
Distributes & finances solar energy in rural Madagascar.

16,296 Solar lamps leased by HERi Madagascar in 2024

GOAL 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Go Africa Online
Professional networking & online business directory

2,324 Offers published on the platform in 2024

Afrikrea
Online marketplace for Africa inspired fashion and crafts

23,326 Vendors subscribed in 2023 on Afrikrea platform

Coin Afrique
A digital peer-to-peer marketplace

983,817 Offers published on the site in 2019

These companies are helping build stronger, more inclusive communities across Africa by addressing needs and advancing sustainable development.

GOAL 11
Make cities and human settlements inclusive, safe, resilient and sustainable

Trianon Homes
Designs and builds mid- to high-end single-family housing, with plans to expand into affordable real estate.

164 Apartments or buildings built in 2024

GOAL 17.3
Mobilize additional financial resources for developing countries from multiple sources

Zeepay
Fintech providing Digital Termination of Remittances

1,347k Zeepay account holders in 2024

Focus on New Crystal

NEW CRYSTAL HEALTH SERVICES LIMITED
We're the Healthcare Warriors

Improving lives and livelihoods through inclusive urban healthcare

- New Crystal Health Services (NCHS), headquartered in Ghana, is a leading private healthcare provider focused on the urban poor
- Founded in 2003 in a modest four-room clinic, NCHS now operates a network of 6 clinics across two regions, reaching over 200,000 patients annually
- The group also includes a diagnostic services company and a wholesale/retail pharmaceutical business
- It offers a wide range of healthcare services including general consultation, surgery, optometry, dental care and more
- NCHS plays a critical role in expanding access to affordable, quality healthcare in underserved urban communities, directly advancing SDG 3

Access to quality healthcare remains a major challenge in sub-Saharan Africa, especially for low-income urban populations. In many countries, public health systems are under-resourced and overburdened, while private options often remain unaffordable or inaccessible to the poor. **Over half the region's population lacks essential health services** (WHO, 2023). New Crystal Health Services helps close this gap by **delivering affordable, comprehensive care, including consultations, surgery, diagnostics, dental, and optical services**, to over **200,000** patients annually in Ghana. By **improving health access for the urban poor**, New Crystal directly supports **SDG 3 (Good Health and Well-being)** and contributes to stronger, more inclusive local economies.

Ensure healthy lives and promote well-being for all at all ages

364 medical staff in 2024

208,253 patients in 2024

EMPLOYEES

672 full-time employees are working for New Crystal in 2024
48% of employees are women
57% of women among the Board

Indirect impacts on local stakeholders

One way to assess the broader effects of IPAE2's investments is by examining their contribution to the local economic fabric. Beyond the performance of individual SMEs, supported companies often generate **ripple effects** across **suppliers, employees, local businesses,** and **market ecosystems**. These indirect effects—such as **formalization**, **supply chain integration**, **job creation**, and **enhanced market competitiveness**—are indicators of the fund's contribution to economic resilience, resource mobilization, and social inclusion in Africa.

How to generate indirect impacts?

Impact on local suppliers

I&P impact measures take into account the impact of our portfolio on local supply chains by promoting firms that are deeply rooted in the local economic fabric.

The effects of SME formalization

SME formalization contributes to the growth and strengthening of local firms by enhancing best governance practices and formalizing employees' status and rights.

Contributing to African countries' resource mobilization

Our portfolio companies directly contribute to the mobilization of national resources through the payment of taxes.

A powerful indirect impact is that of market share gains. Where does the growth of our companies come from? These gains can come from several sources, which we have grouped into three categories: import substitution, informal sector substitution and a fast-growing local market.

26 PORTFOLIO COMPANIES

Ripple effect on local suppliers

- **1 313** suppliers contracted with IPAE2 companies in 2024
- **55%** of these suppliers are local firms
- **€26.7M** in intermediate consumption generated
- **SME** partnerships boost local sourcing and reduce dependence on imports

Market shares and indirect impacts on competitors

- **46%** of SMEs gained market share by substituting imports, helping retain local capital [1]
- **88%** operate in underserved markets with unmet demand [2]
- **50%** are contributing to the formalization of informal sectors, promoting better jobs and access to social protection

- **€99M** in revenue generated in 2024 → **7,400** net indirect employment created [3]
- **1** Job created → **5** people directly impacted within the household[4]

[1] This indicator refers to the share of portfolio companies operating in a local market that substitutes imports.

[2] That is, 88% of companies provide a good or service that meets the demand of the local population.

[3] Indirect employment is estimated from the annual revenue generated by each company, using sector- and country-specific Leontief multipliers. These multipliers reflect how revenue (turnover) flows through the supply chain to create additional jobs in the broader economy.

[4] People indirectly impacted refer to household members benefiting from each job created. Estimates are based on the average household size in each country, using the most recent available data.

Environmental friendly development

I&P's climate policy

I&P wish to establish a "climate policy" to formalize our objectives and approaches to climate-resilient economic growth in Africa through private finance and local entrepreneurship. This policy will be carried out at two levels:

At I&P: in line with our B-Corp certification, we have implemented several actions to **reduce our carbon footprint** at our headquarters (green electricity supplier, offsetting of carbon emissions, implementation of more extensive waste sorting, reduction of plastic packaging for lunch, etc.)

In our partner companies: **environmental risks** are systematically analysed. As explained in our impact monitoring methodology, an environmental impact objective has been set in our Extra Carry, etc.

For the **successor fund, IPAE3**, the impact thesis will have a strong climate focus, with three objectives in particular: companies offering solutions for adapting to or mitigating climate change (i), companies supported in adaptation and mitigation strategies (ii), and decarbonizing the portfolio by decoupling CO2 emissions from company turnover.

Reducing the portfolio's carbon footprint

OUR APPROACH:

- Our partner companies can play an active role in experiencing and sharing **new and replicable energy efficiency and renewable energy solutions.**
- Ultimately, we aim at separating investees' economic growth from their carbon growth.

OUR ACTIONS:

- We assess the portfolio's carbon emissions on a yearly basis to identify the main sources of reduction or offset.
- We try to implement specific actions to promote energy efficiency and renewable energy.

Implementing "green project"

Green projects are intentional activities undertaken by companies that have a positive impact on the environment or aim to mitigate the negative impacts of their activities.

58% of the companies have implemented a green project in 2024

The list of green projects is as follows:

- Renewable energy project
- Energy efficiency projects generating significant energy savings
- Forestry projects
- Biodiversity projects
- Sustainable agribusiness projects (e.g. sustainable fishing, sustainable farming)
- Nature conservation projects
- Provision of environmental services (e.g. environmental impact assessment)

Focus on NOVAGO

- Company specializing in operational vehicle leasing
- Long-term rental contracts with:
  - ✓ Vehicle
  - ✓ Driver (optional)
  - ✓ Insurance, maintenance, replacement vehicle
- First company in sub-Saharan Africa to offer an **electric fleet**
- Implemented a carbon footprint in 2024 following ESG technical assistance
- Aims to raise customer awareness of sustainable mobility and climate change

04. ESG Focus

Soafiary © Vonjy Sunset

ESG Portfolio Overview

Environmental, Social, and Governance (ESG) factors form a foundational pillar of our investment strategy. Unlike impact—which focuses on generating intentional and measurable positive outcomes—ESG is primarily a risk management approach. It involves identifying, assessing, and mitigating environmental, social, and governance risks that may affect the long-term performance and sustainability of our portfolio companies.

Companies with strong ESG performance tend to outperform their peers over the long term: according to a 2020 meta-analysis by NYU Stern[1], 58% of studies showed a positive link between ESG and financial performance, particularly in emerging markets. Moreover, firms with robust ESG risk management are 20% less likely to experience severe operational or reputational crises[2], contributing to greater resilience and investor confidence.

Focus on I&P's risk rating matrix

We conduct an **in-depth analysis of ESG-related matters** based on field visits to investee company head offices and branches and meetings with management and other stakeholders. Using this analysis, we rate potential ESG risks, as well as the quality of the partner company's ESG management system (based on a scoring system upgraded in 2017), and assess the **ESG net risk** that each of our investee companies bears.

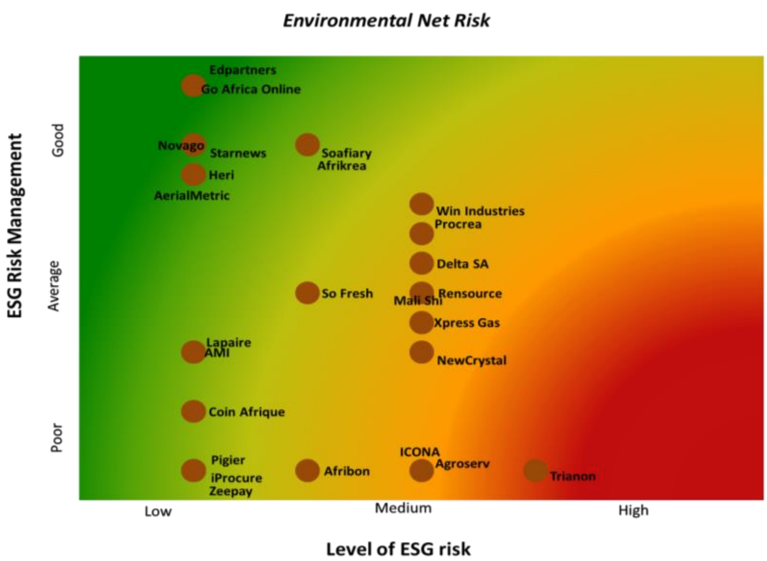
38%

Of the portfolio companies are rated « Medium risk » (B)

62%

Of the portfolio companies are rated « Low risk » (C)

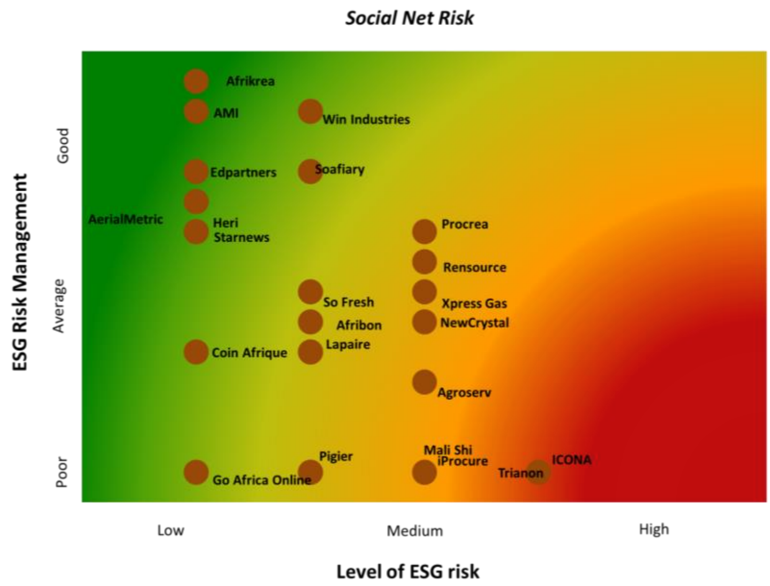
Environmental risk assessment



[1] NYU Stern Center for Sustainable Business. ESG and Financial Performance: Aggregated Evidence from More than 1,000 Studies, 2020.
[2] MSCI ESG Research. Foundations of ESG Investing: How ESG Affects Equity Valuation, Risk and Performance, 2021; McKinsey & Company.

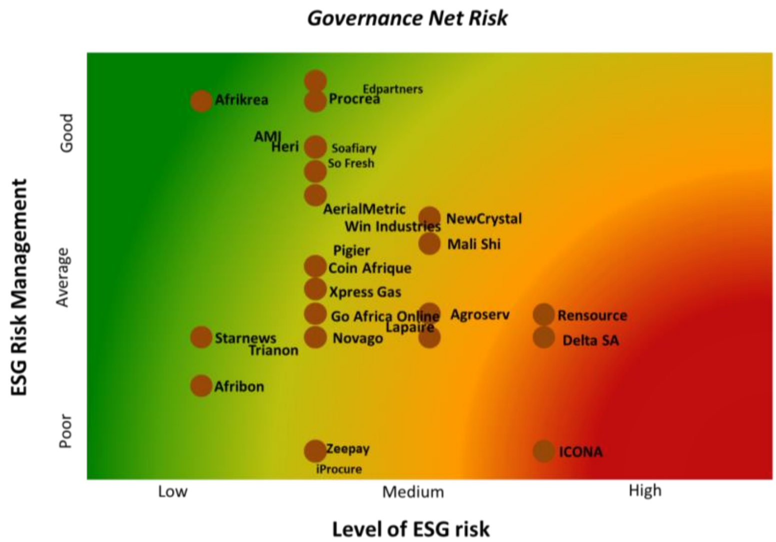
Focus on I&P's risk rating matrix (2)

Social risk assessment



- **Low to high social risk** for IPAE2's partner SMEs.
- **Implementation of ESG action plans to manage and mitigate the inherent risk** of ICONA and Trianon. *See the section focusing on each company.*
- IPAE2's investee companies offer **excellent opportunities** - in terms of job creation (Zeepay), training (AMI), access to is quality education (Pigier), and access to healthcare services (Procréa).

Governance risk assessment



- Governance includes aspects of business integrity, as well as good corporate governance.
- The governance net risk is **medium high for three portfolio companies.** Specific action plans have been implemented.
- **Anti-Money Laundering (AML) and Know Your Customer (KYC) research** is systematically carried out before any of IPAE2's investments to check for potential corruption/money laundering or integrity issues.

Implementing ESG action plans

ESG action plans are devised by investee companies and I&P, with the appointment of an ESG point of contact within the company.

Regular **progress assessments and updates** to the action plan are conducted. **ESG site visits** are also organized to assess companies' activities directly.

65%

Average completion rate for ESAP

Portfolio Carbon Footprint – Monitoring GHG emissions

IPAE2 has stepped up its efforts to **reduce carbon emissions**. Indeed, even if Africa today only contributes 3.8% of global greenhouse gas emissions (compared with 23% for China and 19% for the U.S.), the continent suffers significantly from their impact. Our objective is to **decouple the evolution of carbon emissions from the evolution of companies' sales figures.**

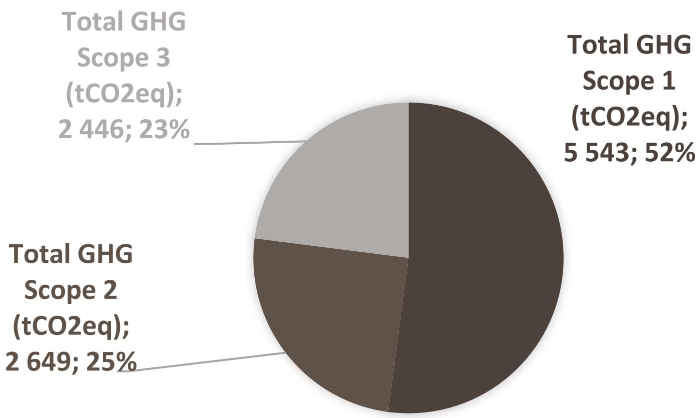
Our actions:

- Strengthening the measurement and monitoring of carbon emissions for each company ;
- Technical assistance (e.g. Novago) and capacity building for companies in data collection and emissions measurement;
- Encouraging the use of renewable energies.

10,411 tCO^{2}eq emitted

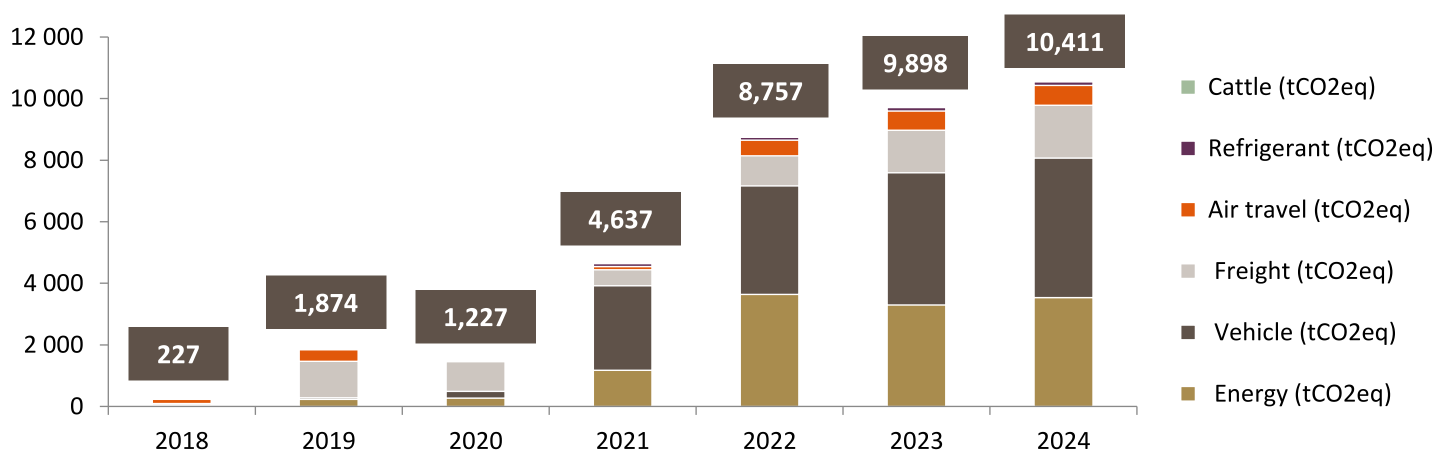
In 2024, IPAE 2's portfolio generated an estimated **10,411 tCO_2eq**, or around **113 tCO_2eq per million euros invested.** This places the fund in a moderate range compared to similar portfolios. According to industry benchmarks, generalist impact funds often report a carbon intensity in the range of 150–300 tCO_2eq/M€, while climate-focused funds tend to perform significantly better, often between 30–80 tCO_2eq/M€, depending on methodology and sector exposure[1]. Given its multi-sector exposure and growing climate focus, IPAE 2 shows a relatively balanced carbon profile.

Between 2018 and 2024, data shows a steady professionalization of carbon accounting practices across the portfolio, including a broader breakdown of emission sources (e.g., transport, energy, refrigerants). This progress lays the foundation for more effective emissions reduction strategies, such as electrifying vehicle fleets, switching to renewable energy sources, and optimizing freight logistics.



Scope 1: Emissions due to the company's direct business activities
Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam
Scope 3: Other indirect emissions (production of purchased materials and fuels, transport-related activities in vehicles not owned by the company, outsourced activities, etc.)

GHG emissions trend



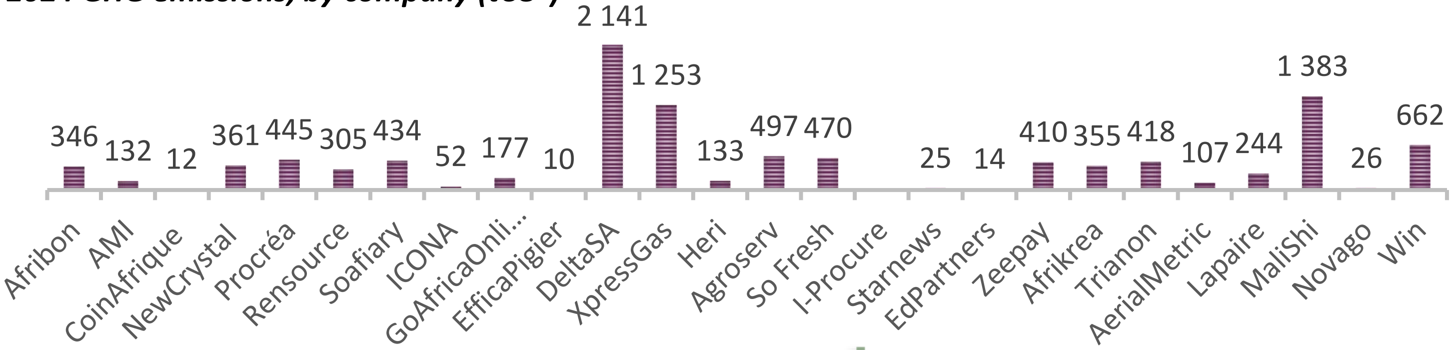
In 2024 : **+8%** GHG emission < **+11%** portfolio revenue growth

[1] *FMO Impact Report 2022; Climate Inequality Report 2023; British International Investment Impact Report 2022responsAbility, Energy Access Fund – Impact Report 2023*

GHG Emissions: Portfolio Insights & Mitigation in Action

Building on the aggregate carbon footprint analysis, this page details the distribution of emissions across companies and highlights specific cases such as Delta SA and Mali Shi. These cases illustrate the complexity of emissions reporting, where companies can simultaneously generate significant emissions and contribute to environmental solutions. The biggest emitters are **Delta SA (with 2,141 tCO2eq emitted**), an urban sanitation company, and **Mali Shi (with 1,383 tCO2eq),** a company that processes shea kernels locally. It should be noted that Delta SA, whose emissions are mainly linked to the consumption of petrol by the trucks, contributes positively to the environment thanks to the treatment of sludge and wastewater. On the other hand, Mali Shi produces high-quality shea butter for the international market as a sustainable and ecological substitute for cocoa butter. According to a joint FAO and Global Shea Alliance study, each ton of shea butter produced offsets 1.04 tons of CO_2, resulting in a net negative carbon footprint.

2024 GHG emissions, by company (tCO²)



TOP EMISSIONS SOURCES

16% from freight: A large majority from Mali Shi and Rensource.

34% from energy: A large majority coming from Win Industries and Agroserv.

43% from vehicles: A large majority coming from Delta SA and MaliShi whose activities rely on frequent truck movements to carry out sanitation work or to make deliveries.

Focus on PROCRÉA

The reproductive health clinic built a state-of-the-art facility in 2022 with IPAE2's support to meet international medical standards, which increased its energy demands.

In 2023, an energy efficiency audit was conducted by APAVE. Following the audit, several **actions** were implemented:

- ✓ Automated air conditioning system installed by ARIC,
- ✓ Promotion of eco-friendly practices among staff,
- ✓ Exploration of solar energy options (currently limited by space).

504 tCO2eq emitted in 2023 → **422 tCO2eq** emitted in 2024 **(-16%)**

These measures resulted in **a 16% reduction in the clinic's electricity consumption**—from 1,120,000 kWh to 940,000 kWh—directly contributing to lower carbon emissions. This improvement in energy efficiency came **alongside strong financial results**, with the clinic's revenue growing by 19%, demonstrating that economic growth can be achieved while reducing carbon emissions.

(1) Bockel, L., Veyrier, M., Gopal, P., Adu, A. et Ouedraogo, A. 2020. Développement de la filière karité - Principal moteur pro-pauvre de fixation du carbone en Afrique de l'Ouest. Accra. FAO et Alliance Globale du Karité.

ENVIRONMENT

Quality Hygiene Security Environment

Africa faces significant challenges in Quality, Health, Safety, and Environment (QHSE) management. Rapid industrialization and urbanization have increased environmental pollution, posing serious health risks. Inadequate infrastructure and regulatory frameworks hinder effective waste management and occupational safety. Additionally, many industries lack stringent quality control measures, leading to substandard products and services. Addressing these issues requires comprehensive policies, robust enforcement mechanisms, and greater investment in QHSE training and infrastructure to ensure sustainable development and safeguard public health and safety.
Source: "Challenges in QHSE Management in Africa," African Development Bank Group, 2023.

OUR RESPONSES

- Technical assistance for Hazard Analysis Critical Control Point (HACCP) and ISO certification
- Supporting companies in setting up quality management and QHSE systems
- Supporting and encouraging companies to systematically train their staff
- Encouraging waste treatment and recycling
- Encouraging rational consumption of resources (energy, water, etc.)

FOCUS ON SO FRESH

Founded in 2010, So Fresh is Nigeria's leading healthy quick service restaurant (QSR), offering fresh, packaged meals like salads, smoothies, sandwiches, fruits, and snacks. Operating a B2C model, the company serves around 1,000 customers daily across 14 outlets in Lagos and Abuja. In 2022, So Fresh underwent an external due diligence by Ibis Consulting and adopted an Environmental and Social Action Plan. The company provides biannual food safety training and follows the SPARKLE: hygiene protocol: *Store appropriately, Proper clothing, Avoid cross-contamination, Right temperature, Keep it clean, Look good, Ensure documentation.*
So Fresh holds certifications including **HACCP, Abuja Sanitary Permits, and Water & Food Handling Licenses**. Its food waste rate is just 2%, thanks to accurate forecasting, efficient procurement, and inventory aligned with customer preferences. In 2024, the company served over 180,000 customers.

2%
Of food waste rate in 2024

180,000
Customers in 2024

Employee Well-Being and Training

Approximately 14% of the population in Sub-Saharan Africa benefits from at least one social protection benefit (ILO, 2022). The high prevalence of informal employment in Africa (around 85.8% of total employment) limits access to formal social protection schemes.
Although job creation is at the heart of IPAE2's strategy, the private sector in Africa also demands quality jobs. Indeed, quality employment through intermediaries enables populations to cope with crises and shocks.

IPAE2 has rethought **social protection in Africa** by implementing the following measures:

- Setting up a social welfare scheme;
- Health insurance for all employees, especially private health insurance;
- Encouraging compensation for sick leave;
- Respect for maternity leave according to the law in force in the country, and compensation for maternity leave.

On the other hand, **IPAE2 also promotes the implementation of a human resources system** to guarantee the management and skills development of each company's employees.

- Setting up a human resources system in each company;
- Encouraging the setting up of a training and staff representation system.

FOCUS ON AGROSERV

ISO 9001

78 Full-time employees in 2024

100% Of employees covered by private insurance

40% Of Women employees in 2024

- Industrial unit processing maize into gritz and flour based in Burkina Faso
- Declaration of all permanent staff as well as day labourers
- Implementation of an employee safety system
- Development of a staff training plan

62% Have set up a social welfare system (+0 pt)

73% Compensation for sick leave (+4 pts)

85% Have taken out private insurance (+0 pt)

92% Respect maternity leave (+7 pts)

85% Have a person in charge of HR (+0 pts)

62% Have a formal HR policy (+4 pts)

4 QUALITY EDUCATION

SDG 4.4 Promote lifelong learning opportunities

IPAE2 current performance

70% of companies have a training policy in 2024	**+€ 245,800** training budget in 2024	**1,254** employees trained in 2024

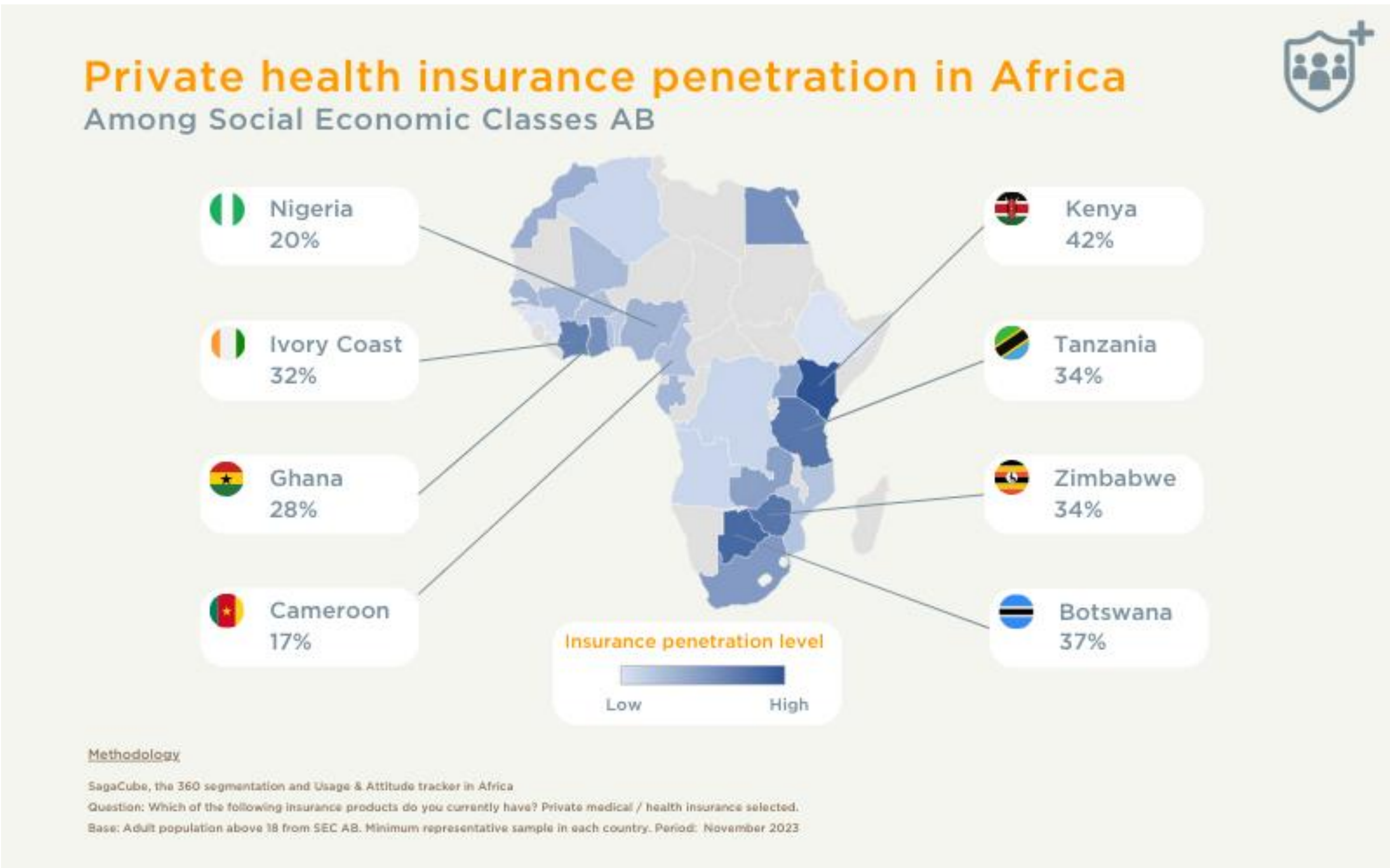
SOCIAL

Health and safety at work

In several countries where the fund operates, **public health insurance schemes remain largely ineffective** in ensuring real access to quality care. In Senegal, for example, community-based health insurance, which forms the backbone of the national Universal Health Coverage (UHC) strategy, struggles to deliver effective coverage: a study found that only 16% of beneficiaries reported being able to access care without difficulties[1]. In Madagascar, public health insurance schemes (such as CNAPS or mutual health organizations) are rarely used and typically limited to under-resourced facilities with low perceived quality[2]. These shortcomings often drive populations toward out-of-pocket payments or private providers, thereby undermining the intended protective role of public health insurance.

Today, **85% of portfolio companies have set up a private health insurance**. At regional level, only 21% of individuals in the highest socioeconomic classes (SEC AB) across Africa are reported having private medical insurance (Sagaci Research Survey, 2023).

85% of the companies have a **private health insurance**



[1] *Sylla, T. (2021). Les défis de la CMU au Sénégal : une analyse des obstacles à l'accès aux soins. Revue Tiers Monde, 246(2), 93–112.*
[2] *World Bank. (2021). Madagascar - Health Sector Diagnostic. Washington, DC.*

Health and safety at work (2)

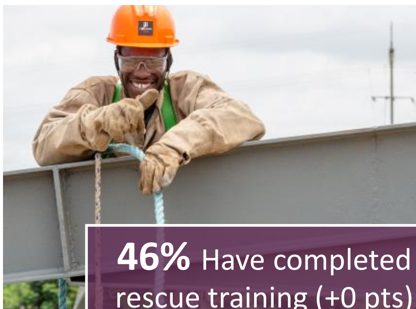
Monitoring safety at work

- During the due diligence phase, impact assessments or technical audits are conducted for all projects involving significant risks.
- Any serious incident is directly reported to our investors. The company completes and submits an accident report (I&P Canvas) to IPAE2 which in turn transmits it to investors.

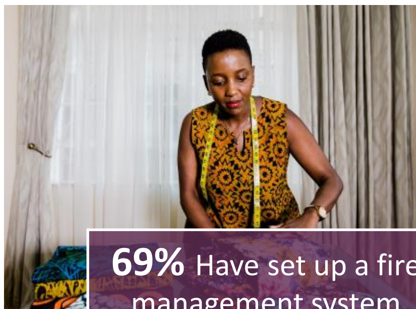
46% Have an occupational health and safety policy (+8 pts)

2,065 people covered by private health insurance

38% Companies recorded at least one accident (minor or serious) in 2024 (+3 pts)



46% Have completed rescue training (+0 pts)



69% Have set up a fire management system (+4%)

Fostering good governance

Decentralized Governance and Strategic Board Involvement

I&P's governance approach is based on the close **involvement of country-based investment teams** with each SME, ensuring effective strategic and operational support. These decentralized teams comprising 2 Regional Investment Directors, 4 Investment Managers, and 4 Investment Officers are responsible for **implementing the fund's investment thesis**, monitoring financial and operational performance, and actively contributing to company governance through board participation. This proximity allows for tailored support to entrepreneurs and facilitates agile decision-making.

They work in close coordination with **I&P's dedicated ESG & Impact team,** which oversees the application of ESG and impact standards throughout the investment cycle: from pre-investment due diligence and action plan design, to regular monitoring, capacity building, and exit evaluations.

Entrepreneur(s) usually hold a majority stake and remain in charge of day-to-day operations. They are provided with strategic guidance, as well as additional skills and networks in a context of difficult access to talent and financing. This also improves the credibility of the business vis-à-vis external partners.

One or two independent directors are included when appropriate and possible, to bring additional expertise with an independent view. In situations of conflict, they can play a useful mediatory role.

One or two IPAE2 members on the investment or strategic advisors' teams, as part of I&P's commitment to providing close support to the entrepreneurs. With respect to ESG, they ensure that **extra-financial considerations are regularly raised and discussed.**

Other minority shareholders might be represented in some cases.

73% of Boards include at least one independent director

3 board meetings held in 2024 on average in each partner company

46% of companies addressed ESG and Impact during board meetings

GOVERNANCE

Fostering good governance

Fund Governance structure

In addition to its decentralized investment model, I&P implements a collegial and transparent internal governance structure that ensures collective ownership of decisions and cross-functional coordination. This structure is articulated through a set of formal committees that bring together investment, ESG & Impact, and strategic teams at various stages of the fund management process:

- **Deal Sourcing Committee:** Brings together the Investment, Finance, and ESG & Impact teams to collectively review and prioritize opportunities during the deal screening phase. This early-stage forum ensures alignment across functions on pipeline companies and fosters internal knowledge-sharing to assess the strategic and impact potential of each deal.
- **Project Committee:** A cross-functional platform to discuss both prospective and ongoing investments. It covers deal structuring, exit preparation, refinancing, governance topics, and resolution of complex portfolio challenges. By broadening participation beyond the lead officer, it promotes shared responsibility and integrates financial, operational, and impact considerations.
- **Steering Committees:** Weekly meetings designed to coordinate internal planning and oversee portfolio-wide performance. They serve to review valuations, monitor value creation plans, update dashboards, and follow up on strategic priorities.
- **Investment Committee:** The final decision-making body for all investments and exits. Proposals are submitted after thorough due diligence, internal discussion, and ESG review, ensuring alignment with financial rigor, strategic relevance, and impact goals
- **Advisory Committee:** Composed of selected Limited Partner representatives, this committee meets quarterly to advise the General Partner on key matters. It is consulted on investment policy changes, key person events, conflicts of interest, valuation methods, exit planning, and budget approvals. It may also recommend governance actions and approve the ESG & Impact Auditor.
- **Annual LP Assemblies:** Gather all Limited Partners to present updates on financial and impact performance and vote on matters requiring consent. Depending on the issue, decisions may require Ordinary, Special, or Extraordinary Consent—such as amendments to fund terms, extensions of duration, or changes to investment policy. These assemblies ensure transparency, accountability, and compliance with the fund's legal framework.

Upgrading of accounting and reporting practices

Our context: IPAE2 invests in fast growing companies, which have an urgent need to strengthen their internal capacities to achieve sustainable growth.

Our actions:

➔ **Audited accounts**: we require that annual accounts be audited by statutory auditors to ensure reliable accounting practices.

➔ **Training seminars:** in 2018, 2019 and 2023, entrepreneur training seminars focused on financial management and change management in SMEs.

➔ **Technical assistance**: customized assistance is provided to several partner companies.

Anti-bribery and anti-corruption policy

Good governance involves impeccable integrity at all levels of the company. I&P assists its portfolio companies to improve their KYC practices, to elaborate ethical codes and to fight against corruption.

Fiscal compliance

€7,478,800+

paid in taxes to the local authorities in 2024

Promoting traceability and best E&S standards/practices

GOVERNANCE

Access to certifications, skills and new technologies

Achieving environmental, social, or quality certifications is a key lever for SME professionalization and credibility in Africa. **While only 10% of African SMEs pursue certification (WBES), 50% of IPAE2 companies did so** in 2024. Certifications like ISO 9001, HACCP, or ISO 45001 help strengthen internal systems, improve traceability, and build trust with clients and investors—especially in underserved markets. They also unlock access to new markets, technical assistance, and responsible growth aligned with global standards.

50% Of IPAE2 companies developing environmental, social or quality certifications in 2024

FOCUS: Agro-food HACCP & ISO 22000

Mali Shi (Mali) and **Soafiary** (Madagascar) are agro-processing SMEs working toward **HACCP certification** (food hygiene & risk prevention)

Mali Shi also targets **ISO 22000:2018** (food safety & quality management)

Aims

- Enable access to export markets
- Meet increasing buyer requirements
- Improve process discipline and traceability

Food certifications remain rare among African agro-SMEs

CERTIFIED COMPANIES	Quality	Environment	Health & Safety		Food safety		Data	Other standards
	ISO 9001	ISO 14001	ISO 45001	MASE	ISO 22000	HACCP	ISO 27000	
AerialMetric	✓[1]							
Delta SA	✓	✓	✓	✓				
AMI	✓							
iProcure	✓							
EdPartners	✓							
Agroserv	✓					✓		
New Crystal	✓		✓				✓	EPA[2]
So Fresh	✓					✓		ASP[3], WF handling[4]
Mali Shi					✓	✓		
Procrea	✓							GIERAF[5]
Rensource			✓[1]					
Xpress Gas								EPA

[1] *New certifications in 2024*
[2] *EPA Permit : certifies that the business operates in a responsible manner*
[3] Abuja Sanitary Permits
[4] Water & Food Handling Licenses
[5] *GIERAF : recognizes fertility clinics in West Africa for meeting high standards in reproduction health care, ethics, and clinical performance*

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