

# MERGING PURPOSE AND PROFITS

ANNUAL REPORT 2021



# ADOLF H. LUNDIN CHARITABLE FOUNDATION (AHLCF)

Established in 2007, the Adolf H. Lundin Charitable Foundation (AHLCF), duly constituted under the laws of Liechtenstein, began its work in **sub-Saharan Africa**. It began making grants and charitable donations to support poverty alleviation and education programs.

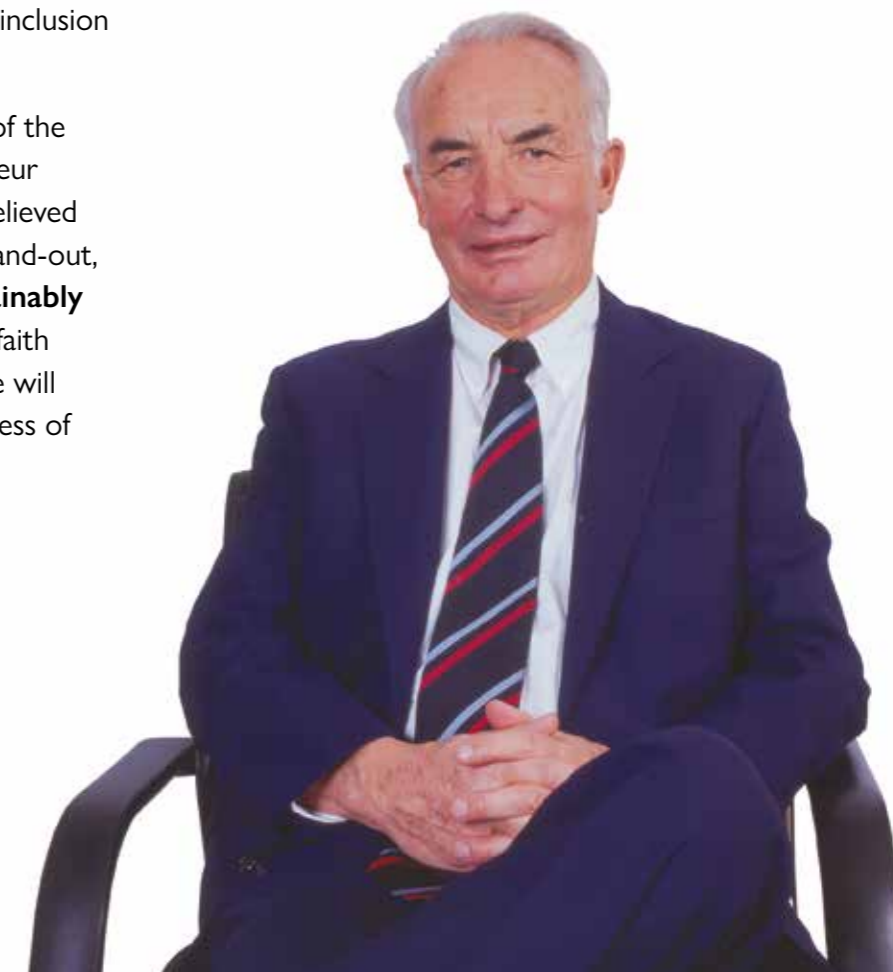
In 2010, the Foundation revised its strategy to focus on the then nascent field of **impact investing**, providing financial and technical support to Small and Medium Enterprises (SMEs), which form the backbone of developing economies. The strategy aims to help established SMEs grow their businesses to become fully sustainable, providing job security and important services and products to low-income portions of society. The Foundation aims to improve food security as well as access to financial services and energy access, while instilling good environmental, social and governance (ESG) practices and gender inclusion in companies within its portfolio.

This strategy is aligned with the **vision** of the Foundation's patron, Swedish entrepreneur and business leader, Adolf Lundin. He believed strongly that a hand-up, rather than a hand-out, was needed to **alleviate poverty sustainably and responsibly**, and had tremendous faith in the human spirit. He believed that the will to succeed exists in **everybody**, regardless of gender or race.

Adolf Lundin was born on December 19th, 1932, in Bromma Sweden, and died in Switzerland on September 30th 2006 after a long illness. As an entrepreneur, he founded and managed a number of natural resource companies collectively known today as the Lundin Group of Companies.

He graduated as a mining engineer from the Royal School of Mines in Stockholm and was trained as a Petroleum Engineer by Shell Oil. He also obtained an MBA from the Centre d'Etude Industrielle in Geneva Switzerland (currently IMD Lausanne).

He is survived by his wife, 4 children, 14 grandchildren and 8 great grandchildren.



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# LETTER FROM THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

2021 has been an exceptional year of - global economic recovery in the aftermath of the pandemic's peak, high levels of optimism in the listed equities markets and globally low interest rates. Together these factors, along with strong demographic and economic fundamentals in the African continent and the continued emergence of exceptional entrepreneurs developing scalable and inclusive businesses, has led to unprecedented inflows of investment capital in 2021. According to the Africa Venture Capital Association (AVCA), **2021 saw investment capital amounting to \$5bn, a 2x increase on 2020.** Despite the many challenges facing the continent, and the ongoing disruptions caused by covid, there is great scope for optimism with regards to investing in Africa and using investment as a conduit to build inclusive and thriving economies.

Through 2021, our direct portfolio has experienced significant growth, growing **combined revenues by more than 30% to \$327m+ and increasing the number of jobs to 19,843.** Since inception, our portfolio of companies and funds have **supported over 10 million individuals with access to improved financial services, clean energy and enhanced agricultural services and improved nutritional foods.**

**We committed a further \$8m in 2021,** in both new investments and follow-on investments. Kentaste joins AHLCF as our newest investment, and they are a coconut manufacturing and marketing business, that source coconuts from 2,800 smallholder farmers. Since 2010, this brings the Foundation's committed capital to **USD 75.5 million into 36 impacted investments** in our three thematic

areas – access to energy, financial inclusion, and food and agriculture.

2021 also sees us **continue our partnership with Value for Women and G-Search,<sup>1</sup>** highlighted by two technical assistance interventions with Java Foods and PowerGen, to deepen the role of gender inclusion in their businesses, while building the business case for gender mainstreaming. We worked closely with Burn Manufacturing through our **Technical Assistance facility** to support their carbon credit strategy, which is yielding exciting results and contributing to the decarbonising ambitions of the 2050 Paris Agreement. We further launched the **Accelerating Talent program in partnership with IMD leading Business School, to support 20 managers** with leadership training to become the future leaders of their companies and their communities.

Looking ahead, whilst we recognise the ongoing challenges of the pandemic and global political instability, **we have ambitious growth plans in the coming years,** focused on ensuring the long-term sustainability, impact and professionalism of the Foundation. The aim and vision of the Foundation is to support small and medium enterprises which in turn should have a long-term impact on society as a whole. This is at the heart of everything we do and in line the entrepreneurial spirit that was so ingrained in my father Adolf Lundin.

Yours sincerely,

**Mona Hamilton**

Chairperson, Finance and Advisory Committee

**Rosanne Whalley**

Chief Executive Officer

1. The Gender Smart Enterprise Assistance Research Coalition (G-SEARCH) comprises a group of six, like-minded, impact investors committed to investing with a gender

# ABOUT US



# WHAT DOES AHLCF DO?

The Adolf. H Lundin Charitable Foundation (AHLCF), managed by AHL Venture Partners in Nairobi, Kenya, provides fit-for-purpose capital in the form of equity and venture debt, and technical assistance, to help high growth Small- and Medium-sized Enterprises (SMEs) and fund managers at various stages achieve scale. These investments are made into businesses and funds with the explicit intent to generate positive social and environmental impact, alongside financial returns.

# FINANCING SCALABLE SOLUTIONS TO AFRICA'S CHALLENGES

SMEs are catalysts for inclusive job and wealth creation. They offer scalable solutions to hundreds of millions of people living in abject poverty. Across sub-Saharan Africa, the growth of SMEs remains limited by a lack of patient capital, technical constraints and management capacity deficits.

AHL Venture Partners believes that supporting the growth of innovative SMEs offers the most promising pathway to strengthening local economic foundations and improving livelihood outcomes, in areas such as health and education, on a sustained basis.









# STRENGTHENING SMES ACROSS AFRICA



# CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

## OUR THEORY OF CHANGE:

At AHLCF, we seek to align our investments and associated impact with the SDGs. Through direct investing, fund investments and hands-on technical support, we seek to create tangible outputs and outcomes, to create meaningful impact aligned with the SDGs.

Investments	Outputs & outcomes	Impact aligned with SDG
 <p><b>FOOD AND AGRICULTURE</b></p>	<ul style="list-style-type: none"> <li>Higher crop yields; lower crop losses</li> <li>Increased farmer margin and income stability</li> <li>Improved access to affordable nutritious foods</li> <li>Jobs created</li> </ul>	
 <p><b>ENERGY ACCESS</b></p>	<ul style="list-style-type: none"> <li>Increased households with reliable access to energy</li> <li>Reduced CO<sub>2</sub> emissions</li> <li>Reliable and clean power supply to SMEs</li> <li>Jobs created</li> </ul>	
 <p><b>FINANCIAL INCLUSION</b></p>	<ul style="list-style-type: none"> <li>Access to financial services, particularly for women</li> <li>Improved financial resiliency</li> <li>Increased firm or household incomes</li> <li>Jobs created</li> </ul>	
 <p><b>FRONTIER MARKETS SME FUNDS</b></p>	<ul style="list-style-type: none"> <li>Increased access to patient capital in frontier markets</li> <li>Improved access to quality healthcare</li> <li>Improved access to quality education</li> <li>Improved local manufacturing capacity</li> <li>Jobs created</li> </ul>	

# OUR PRIORITIES: FOCUSING ON KEY SECTORS

AHLCF invests in SMEs operating in sectors demonstratively linked to households at, or near, the base of the economic pyramid.



Caption

Sectors	Overview	Active Portfolio
 <p><b>FOOD AND AGRICULTURE</b></p>	<p>Approximately 75% of people living in Africa rely on agriculture. Yet according to UNICEF, nearly half of all deaths in children under the age of five are attributed to undernutrition. Increased agricultural productivity and improved integration of smallholder farmers into agricultural value chains, along with innovation around nutritional foods, are needed to improve food security, nutritional outcomes and incomes for millions of people.</p>	<p><a href="#">Cropnuts</a></p> <p><a href="#">EthioChicken/Uzima Chicken</a></p> <p><a href="#">Injaro Agricultural Capital Holdings</a></p> <p><a href="#">Java Foods</a></p> <p><a href="#">Root Capital</a></p> <p><a href="#">Sidai Africa</a></p> <p><a href="#">Twiga Foods</a></p>
 <p><b>ENERGY ACCESS</b></p>	<p>Africa's energy sector faces four inter-related challenges: insufficient installed capacity; limited last mile distribution; poor reliability; and high costs. Only 14% of Africans living in rural areas have access to electricity, leaving more than 500 million people without access. Building commercially viable models that expand access to affordable and clean off-grid energy is critical.</p>	<p><a href="#">BURN Manufacturing</a></p> <p><a href="#">PowerGen Renewable Energy</a></p> <p><a href="#">responsAbility Access to Clean Power Fund</a></p>
 <p><b>FINANCIAL INCLUSION</b></p>	<p>Only 10% of the world's poor can access vital financial services. This makes them vulnerable to sudden, unexpected risks, such as illness or drought. Investing in small enterprises and enabling financial services such as savings, insurance and asset leasing options, tailored to rural markets, can improve the safety net for millions of people.</p>	<p><a href="#">Agriculture and Climate Risk Enterprise Africa (ACRE Africa)</a></p> <p><a href="#">Africa's Talking</a></p> <p><a href="#">AfricInvest Financial Sector Fund</a></p> <p><a href="#">Equity for Tanzania Africa (EFTA)</a></p> <p><a href="#">M-KOPA Holdings</a></p> <p><a href="#">People's Pension Trust</a></p>
 <p><b>FRONTIER MARKETS SME FUNDS</b></p>	<p>While South Africa, Kenya and Nigeria have recently emerged as key hubs for impact investors, finance is limited for SMEs operating outside of these countries. Investing in frontier markets is critical to build a vibrant private sector in underserved regions of Africa.</p>	<p><a href="#">Africa Wildlife Capital</a></p> <p><a href="#">Fanisi</a></p> <p><a href="#">Grofin (Nomou Jordan)</a></p> <p><a href="#">Investisseurs et Partenaires Afrique Entrepreneurs (IPAE)</a></p> <p><a href="#">Investisseurs et Partenaires Développement 2 (IPDEV 2)</a></p> <p><a href="#">Schulze Global Ethiopia Growth and Transformation Fund (now Cerberus)</a></p> <p><a href="#">XSML (African Rivers Fund)</a></p>

# KEY HIGHLIGHTS 2021



## ADDING VALUE TO OUR PORTFOLIO: TURNING THE DIAL

Burn Manufacturing produces high-quality cook stoves that reduce smoke emissions while cooking and improve health outcomes for those who use them. The onset of COVID in 2020 put a significant strain on Burn's cashflows and required significant support from AHLCF.

With the global commitment to reach a net-zero carbon emission by 2025 under the Paris Agreement and the growth in the voluntary carbon credit market, AHLCF extended a Technical Assistance facility to Burn to develop its strategy around carbon credits whereby Burn sells carbon credits to companies and individuals to offset their carbon emissions.

Burn's clean cooking carbon credits are generated by developing zero-emission cook stoves that run on clean combustion technology. Deforestation is responsible for 7% of annual global greenhouse gas (GHG) emissions, more than the transportation sector annually. GHG emissions from deforestation contribute significantly to climate change which has disastrous effects on the environment and millions of people across the globe. By supporting Burn to develop its Carbon Project, AHLCF supported its effort to fight against deforestation and improve the livelihoods of people living in Sub-Saharan Africa through the sale of carbon credits.

Following the development and execution of the carbon credit strategy, Burn has been able to penetrate the carbon credit market by accessing pre-financed working capital through various carbon projects in partnership with major carbon players around the world and expects over 2x revenue growth in 2022 as a result.





# INVESTING IN HIGH-POTENTIAL TALENT ACROSS OUR PORTFOLIO



The success of our portfolio companies is driven by the sum of their incredible talent; they are at the heart of our fast-growing companies. In 2021, AHLCF partnered with IMD Business School, a leading global executive training business school, to launch the Accelerating Talents program that equips managers within our portfolio with leadership training to become the future leaders of their companies and their communities. Selected from a competitive pool of highly qualified applicants, the inaugural cohort of 20 managers represent 9 portfolio companies and have now completed an intensive, customized leadership program.

Rachel Chinku, Finance Manager, and Sally Kabwebwe, Head of Quality Control and Food Safety, of Java Foods, participated in the inaugural cohort of the Accelerating Talents program and recently shared their experience with the program. Rachel and Sally were both happy with the program as it provided enough flexibility to either dive deeper into their areas of expertise or explore a new subject that would support their understanding

of the operations of their business. Further, the program gave them the opportunity to feel more connected to their work, and learn in a practical, experimental process that enabled them to easily translate lessons learned to workplace realities.

**“Engaging with both IMD instructors as well as industry leaders and peers in practical simulated sessions was unbelievably valuable. I was able to bring back so several lessons that have supported my work at Java. One key lesson was the importance of emotional intelligence in understanding and managing my team.”**

**Rachel Chinku, Finance Director at Java Foods**

## MOBILIZING LOCAL CAPITAL TO GROW ECOSYSTEMS

AHLCF believes investing in frontier markets is critical to building a vibrant private sector in underserved regions of Africa. AHLCF invested in Injaro as the anchor investor back in 2010 and played a critical part in the structure of the Fund at the onset.

Fast forward over 10 years later, Injaro manages a portfolio covering 5 countries in West Africa and has recently launched a new SME fund, Injaro Ghana Venture Capital Limited (IGVCF) who's anchor investors are all Ghanaian commercial investors. The fund is denominated in local currency to eliminate the FX pressures will invest primarily in the Food & Agribusiness sectors.

Injaro's successful launch of IGVCF highlights an opportunity to crowd in local commercial investors which is key to deepening Africa's capital markets and leveraging more capital for responsible investing. IGVCF addresses the capital market gaps in developing countries' capital markets and offers investors a way to invest while performing social good by supporting economic growth and creating jobs.

As a first mover investor into Injaro, AHLCF de-risked Injaro as a viable investment and supported Injaro to create a track-record that enabled the fund to raise and launch a new fund in the market.



## FAILING TO WIN: ZOONA'S JOURNEY

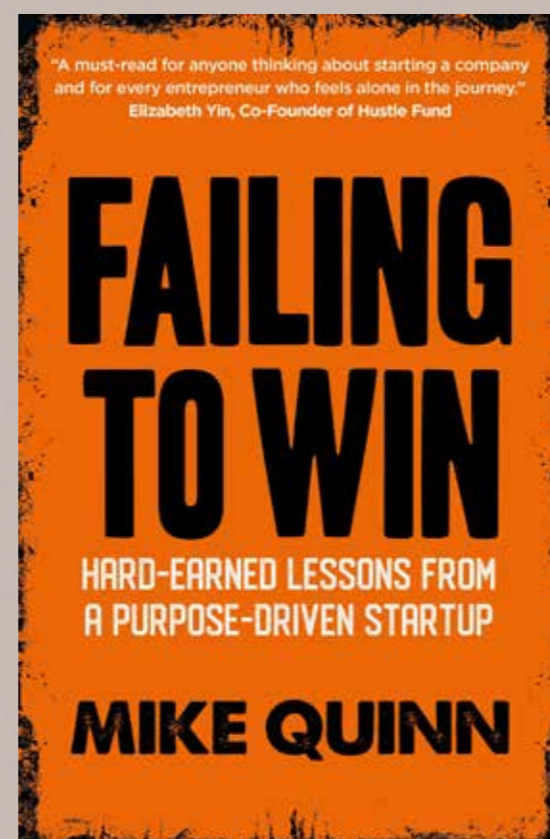
### Impact on Ecosystem

Zoona is a digital financial services platform focusing on underserved communities in Zambia without access to traditional banking. Zoona's mission enables sustainable economic growth in emerging economies by powering the next wave of digital financial services.

Financial inclusion in Zambia increased from 8% to 80% from Zoona starting to the peak of its operations. The Central Bank of Zambia has attributed the transformational impact of Zoona to being a critical success factor in the exponential improvement of unbanked and underserved consumers in Zambia. Further, the Mobile Money Agent Model that Zoona pioneered, and Mobile Network Operators (MNOs) replicated, has created over 50,000 jobs in Zambia.

The lessons learnt scaling an African Fintech has meant that former Zoona employees are leading Fintech business and agent operations across the continent. Former staff from Zoona have spun off multiple start-ups generating impact and traction across the continent with Boost, Kuunda and Tilt leading the way.

Zoona's journey demonstrates the transformative impact of innovative start-ups to enable economic growth and development in Sub-Saharan Africa. While Zoona has made a clear contribution in this regard, there is still a long way to go to bring financial services to 'the underserved'. Stories such as Zoona's enable entrepreneurs and investors to continually learn as they build the African Entrepreneurial Ecosystem.



AHLCF invested in Zoona in 2014 and exited its investment in 2021. In 2018, Zoona experienced a series of major shocks, that forced the company to downsize and pivot into a new B2B fintech spin-off called Tilt.

## COMMERCIALLY FOCUSED GENDER SUPPORT

Over the two years, AHLCF has prioritized interventions that support opportunities for improved gender outcomes. To that end, AHLCF participated in the Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH), a consortium of like-minded impact investors – **AlphaMundi Foundation, Acumen, SEAF, Root Capital, Shell Foundation** and **AHLCF**. The consortium aimed to collate and analyse data gathered from targeted gender-smart Technical Assistance (TA) interventions across more than 15 SMEs to reduce the knowledge gap of the effectiveness of TA and measure the business and social benefits of gender focused TA support.

Some of the key results observed are:

### Business Benefits

- **76%** improved workplace culture with respect to gender
- **57%** leadership formalized a gender commitment
- **38%** reported TA support contributed to increased sales or customers
- **38%** used TA to attract interest of new funders or funding opportunities



### Social Benefits

- **71%** increased pride for organization among stakeholders
- **62%** improved social capital of stakeholders
- **57%** increased income or work productivity among employees
- **48%** improved mental health among employees

While it's still too early to tell how the TA support translates to business performance, there is a clear indication from the data that advancing and promoting gender equality has proven business and social benefits. As such, the data does demonstrate a business case for incorporating gender-smart interventions across early-growth stage SMEs in emerging markets to better inform investment decisions.

# OUR 2021 IMPACT PERFORMANCE

MERGING PURPOSE AND PROFITS

**\$75.5M**  
**COMMITTED CAPITAL**  
excluding grants

**24**  
**INVESTEE COMPANIES AND FUNDS**  
12 exits to date

**19,843**  
**JOBS**  
(30% women)

**6.3M**  
**CLIENTS**  
accessing enhanced agricultural services and improved nutritional foods  
(41% women)

**0.8M**  
**CLIENTS**  
accessing improved financial services  
(44% women)

**\$41.9M**  
**TAXES PAID**  
to governments

**1.5M**  
**CLIENTS**  
accessing renewable energy

Note: AHLCF captures only our pro-rata funding share of the impact generated by our fund investments, so as not to overstate our impact



## STRENGTHENING FOOD SECURITY AND IMPROVING NUTRITION

### Food and agriculture portfolio

Approximately 75% of people living in Africa rely on agriculture. African agriculture requires a shift from the highly diversified, subsistence-oriented farming activity towards a more commercially-oriented agriculture with improved access to markets and agro-industry. Increased agricultural productivity and improved integration of smallholder farmers into agricultural value chains is needed to improve food security and incomes for millions of people.

Investment	Impact Objective	Year of Initial Investment	Year of Exit
<b>Comaco</b>	Support wildlife conservation and small-scale farmers in Zambia	2012	2020
<b>Cropnuts</b>	Enables access to agricultural testing laboratory and agronomy advisory services	2012	
<b>Esoko</b>	Enables enhanced access to market information for smallholder farmers via SMS.	2014	2022
<b>EthioChicken/ Uzima Chicken</b>	Enables access to affordable poultry products across Ethiopia and Uganda	2016	
<b>Injaro Agricultural Capital</b>	Invests in SMEs along the agricultural value-chain in West Africa	2010	
<b>Java Foods</b>	High-quality, affordable, nutritious foods sourced locally	2018	
<b>Kentaste Products</b>	High-quality, affordable, locally sourced nutritious foods.	2021	
<b>Root Capital</b>	Innovative finance to support agricultural food chains	2011	2021
<b>Sidai</b>	Enhanced access to quality livestock products and services	2014	
<b>Tulaa</b>	Use mobile technology and artificial intelligence to smartly connect farmers, input suppliers, and buyers in a digital marketplace.	2017	2020
<b>Twiga Foods</b>	A mobile-based supply chain platform to improve farmer and vendor incomes and access to quality products	2017	
<b>Victory Farms</b>	Enables access to affordable and nutritious fish products across Kenya.	2020	2021
<b>Total Commitments (excluding grants)</b>		<b>USD 25.1M</b>	

## POWERING SUSTAINABLE GROWTH

### Energy access portfolio

Africa's energy sector faces four inter-related challenges: insufficient installed capacity; limited last mile distribution; poor reliability; and high costs. Only 14% of Africans living in rural areas have access to electricity, leaving more than 500 million people without access. It is therefore imperative for Africa to step up its efforts to generate significant investments and business opportunities to boost the growth of renewable energy in the continent.

Investment	Impact Objective	Year of Initial Investment	Year of Exit
<b>BURN</b>	Providing a range of fuel efficient, affordable cook stoves	2016	
<b>responsAbility Access to Clean Power</b>	Provides debt to companies supporting increased access to energy with a strong focus on Sub-Saharan Africa and South and Southeast Asia.	2020	
<b>PowerGen Renewable Energy</b>	Community-based off-grid power solutions	2015	
<b>Total Commitments (excluding grants)</b>		<b>USD 4.5M</b>	



## FINANCING BRIGHTER FUTURES

### Financial inclusion portfolio

Less than a quarter of adults in sub-Saharan Africa have access to formal financial services, including a place to save money securely; a safe and efficient means of transferring money and access to credit and insurance. This prevents the majority of people on the continent from making productive investments in their families and businesses.

Investment	Impact Objective	Year of Initial Investment	Year of Exit
<b>ACRE Africa</b>	Affordable micro-insurance for smallholder farmers.	2014	
<b>Africa's Talking</b>	Unlocking the potential of mobile communication networks across Africa.	2020	
<b>AfricInvest Financial Sector Fund</b>	Enhanced access to, and affordability of, financial services.	2012	
<b>Equity for Tanzania Africa (EFTA)</b>	Improved access to productive assets through leasing.	2012	
<b>M-KOPA</b>	Clean, affordable, residential power systems and consumer financing.	2012	
<b>People's Pension Trust</b>	Helping the informal sector save for retirement.	2015	
<b>Rent to Own</b>	Innovative asset leasing platform for rural households	2011	2021
<b>Umati</b>	Innovative supply chain finance for traders and processors	2015	2019
<b>Zoona</b>	An agent-networked money transfer platform.	2014	2021
<b>Total Commitments (excluding grants)</b>		<b>USD 28.1M</b>	



## BUILDING AFRICA'S NEXT GENERATION OF ENTREPRENEURS

### Frontier market SME portfolio

The need for risk capital is enormous in frontier markets. Acute development needs are often compounded by the devastating impacts of natural disaster or conflict. SMEs in these countries have the potential to drive much-needed job creation and economic growth – but they have little access to the capital they need to grow. SMEs are typically too large to be served by microfinance institutions, yet too small and too recently established to be served by commercial banks. People also face other challenges to growing their firms, such as a lack of management skills or industry knowledge.

Investment	Impact Objective	Year of Initial Investment	Year of Exit
<b>Africa Wildlife Capital</b>	Access to capital for SMEs within primarily agriculture and conservation tourism.	2015	
<b>Energy Access Fund</b>	Accelerating access to off-grid energy solutions	2015	2020
<b>Fanisi</b>	Invests in agriculture, livestock and ecotourism enterprises with strong conservation covenants	2012	2022
<b>Grofin (Nomou Jordan)</b>	Access to capital and value-adding business support for SMEs in the Middle East and North Africa.	2013	
<b>Investisseurs et Partenaires Afrique Entrepreneurs (IPAE)</b>	Access to capital and technical assistance for SMEs in West Africa.	2012	
<b>Investisseurs et Partenaires Développement 2 (IPDEV 2)</b>	Access to capital and technical assistance.	2015	
<b>Schulze Global Ethiopia Growth and Transformation Fund</b>	Access to capital and value-adding business support for SMEs in Ethiopia.	2013	
<b>XSML (African Rivers Fund)</b>	Access to capital and technical assistance for SMEs in Central Africa.	2015	
<b>Total Commitments (excluding grants)</b>		<b>USD 17.8M</b>	

Africa's  
Talking

# THE TEAM





**Rosanne**  
CEO



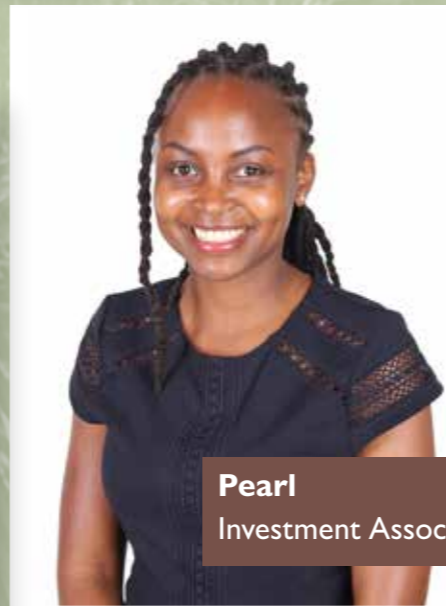
**Keith**  
CFO



**Evi**  
Investment Manager



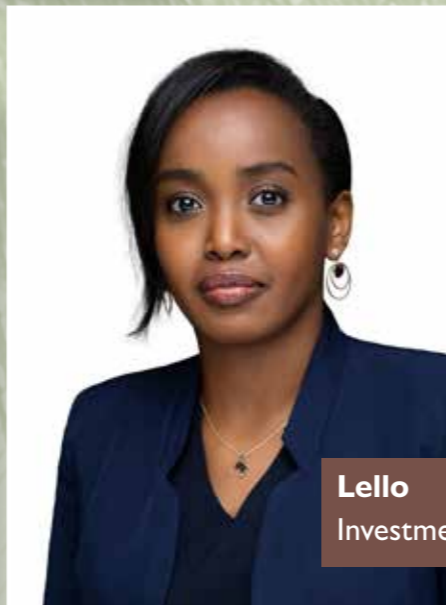
**Evi**  
Investment Manager



**Pearl**  
Investment Associate



**Maureen**  
Investment Associate



**Lello**  
Investment Associate

## HIGH PERFORMANCE

We are intentional in everything we do, going above and beyond to consistently deliver on our stretch commitments

## ENTREPRENEURIAL

**PORTFOLIO:** We focus on creating value by being flexible and responsive to our portfolio and designing innovative products that help them grow and exit

**TEAM:** We take personal and team ownership and accountability of the end outcomes that we commit to

## INTEGRITY

We set and hold ourselves accountable to clear standards. We are true to self, and true to team and regardless of circumstances: we do the right thing in service of purpose and profit

## COLLABORATION

**TEAM:** We listen, engage, support, and learn with an open and beginner's mindset. Exceptional performance is achieved by great teams

**ECOSYSTEM:** We are open and transparent about our learnings and experiences, in service to transforming Africa's Investment and Impact Ecosystem



# SUMMARY FINANCIAL INFORMATION

## Statement of Financial Position

As at 31 December 2021

	2021 CHF	2020 CHF
<b>Assets</b>		
Cash in banks	7'053'808.12	579'577.88
Short-term investments	0.00	1'856'282.40
Securities	5'339'600.31	1'972'791.94
Accrued income	626'493.00	449'159.00
Impact Investments	43'789'261.00	37'301'408.83
Other investments	280'799.17	30'602.26
	<b>57'089'961.60</b>	<b>42'189'822.31</b>
<b>Liabilities</b>		
Bank debts	0.00	(93.06)
Payables	( 76'065.12)	(76'863.68)
Accrued expenses	(316'672.00)	(383'336.20)
<b>Net assets</b>	<b>56'697'224.48</b>	<b>41'729'529.37</b>
<b>Composition of the net assets</b>		
Foundation capital	100'000.00	100'000.00
Capital account	68'423'449.57	64'857'047.30
Capital gains account	(11'970'229.77)	(22'112'248.55)
Income account	144'004.68	(1'115'269.38)
	<b>56'697'224.48</b>	<b>41'729'529.37</b>

## Capital Account Statement

As at 31 December 2021

	2021 CHF	2020 CHF
<b>Balance brought forward</b>	<b>64'857'047.30</b>	<b>62'566'591.20</b>
<b>Endowments</b>	-	-
24.04.2020 The Alumbera Trust, USD 1'250'000.00	-	1'216'125.00
05.08.2020 The Alumbera Trust, USD 1'250'000.00	-	1'135'087.50
31.03.2021 The Alumbera Trust, USD 4'000'000.00	3'774'900.00	-
<b>Total endowments</b>	<b>3'774'900.00</b>	<b>2'351'212.50</b>
<b>Distributions and grants</b>		
06.07.2020 HM Drottning Silvia Stiftelse, SEK 400'000.00		(40'756.40)
23.10.2020 Bodhan Hawrylyshyn Family Charitable Foundation		(20'000.00)
26.02.2021 Bodhan Hawrylyshyn Family Charitable Foundation	(130'000.00)	
02.03.2021 Sidai Africa (Kenya) Limited, USD 3'072.00	(2'810.88)	
01.04.2021 HM Drottning Silvia Stiftelse, SEK 400'000.00	(43'247.60)	
14.04.2021 Value for Women Limited, USD 14'280.00	(13'175.66)	
12.07.2021 Powergen, USD 1'046.14	(957.32)	
16.09.2021 Burn Manufacturing Co., USD 19'750.00	(18'306.27)	
<b>Total distributions and grants</b>	<b>(208'497.73)</b>	<b>(60'756.40)</b>
<b>Balance carry forward</b>	<b>68'423'449.57</b>	<b>64'857'047.30</b>

## Statement of Capital Gains

For the period from 1 January to 31 December 2021)

	2021 CHF	2020 CHF
<b>Balance brought forward</b>	<b>(22'112'248.55)</b>	<b>(18'854'087.11)</b>
Realised losses on securities	(122'242.35)	(171'154.65)
Non-realised gains/losses on securities	4'133'489.94	(625'268.00)
Non-realised gains/losses on impact investments	5'953'344.08	(2'385'329.24)
Currency losses	177'427.11	(76'409.55)
<b>Total capital gains/losses</b>	<b>10'142'018.78</b>	<b>(3'258'161.44)</b>
<b>Balance carry forward</b>	<b>(11'970'229.77)</b>	<b>(22'112'248.55)</b>

## Statement of Income and Changes in Financial Position

(for the period from 1 January to 31 December 2021)

	2021 CHF	2020 CHF
<b>Balance brought forward</b>	<b>(1'115'269.38)</b>	<b>(880'932.19)</b>
<b>Income</b>	-	-
Interest on short-term investments	573.46	8'050.77
Income from impact investments	2'326'472.67	671'944.21
<b>Total income</b>	<b>2'327'046.13</b>	<b>679'994.98</b>
<b>Expenses</b>	-	-
Duties and fees	450.00	500.00
Administrative expenses	206'148.66	163'097.93
Expenses for pursuance of the charitable object	857'573.83	726'800.49
Interest expenses	224.45	103.82
Interest on loan	0.00	21.21
Bank charges	3'375.13	5'168.04
Extraordinary expenses	0.00	18'640.68
<b>Total expenses</b>	<b>1'067'772.07</b>	<b>914'332.17</b>
<b>Profit/Loss for the year</b>	<b>1'259'274.06</b>	<b>(234'337.19)</b>
<b>Balance carry forward</b>	<b>144'004.68</b>	<b>(1'115'269.38)</b>

## Notes to the Financial Statements 2021

### Balance sheet reporting and valuation methods

The accounting records and financial statements comply with the provisions of Liechtenstein law and the foundation documents. The ultimate goal of the accounting is to give a true and fair view of the assets, the financial position and the earning situation of the foundation.

Securities are recorded at fair value on initial recognition. Securities that are quoted in an active market are subsequently measured at fair value. All other impact investments are subsequently recorded at cost or amortized cost, unless management has elected to carry the impact investments at fair value. The foundation has not elected to carry any such impact investments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, management determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the foundation expects to realize by exercising its right to any collateral. If events and circumstances improve in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### Foreign currency translation

The accounting records of the foundation are kept in CHF. Foreign currency transactions are converted into CHF at the exchange rate of the day of transaction. Balances of cash and in bank in foreign currencies are recorded at the year-end rate. Assets (except for impact investments) and liabilities nominated in foreign currencies are translated into CHF at the official year-end rates.

### Distributions

The foundation pursues its objectives using its funds for granting distributions and making impact investments. In 2021 the foundation granted distributions of total CHF 176'058 (2020: CHF 208'497.73) and the net increase of the impact investments amounted to CHF 6'487'852 (2020: CHF 2'448'568).

### Disclosure requirements

No further items exist which are required to be disclosed.



The **Adolf H. Lundin Charitable Foundation** is a foundation duly constituted under the laws of Liechtenstein, with registered office at Marxer & Partner Rechtsanwälte Heiligkreuz 6, 9490 Vaduz, Liechtenstein

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**FOUNDATION COUNCIL MEMBERS**

Dr Peter Andreas Eugen Goop

Thorborg Eva Maria Lundin (Replaced by Mona Lundin Hamilton 1st Jan 2022)

lic.iur. Jesus Cortes Nogales

**AUDITORS**

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