



# Merging Purpose and Profits

Annual Report 2022



**AHL** VENTURE  
PARTNERS

# Adolf H. Lundin Charitable Foundation (AHL)

Established in 2007, the Adolf H. Lundin Charitable Foundation (AHL), 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.

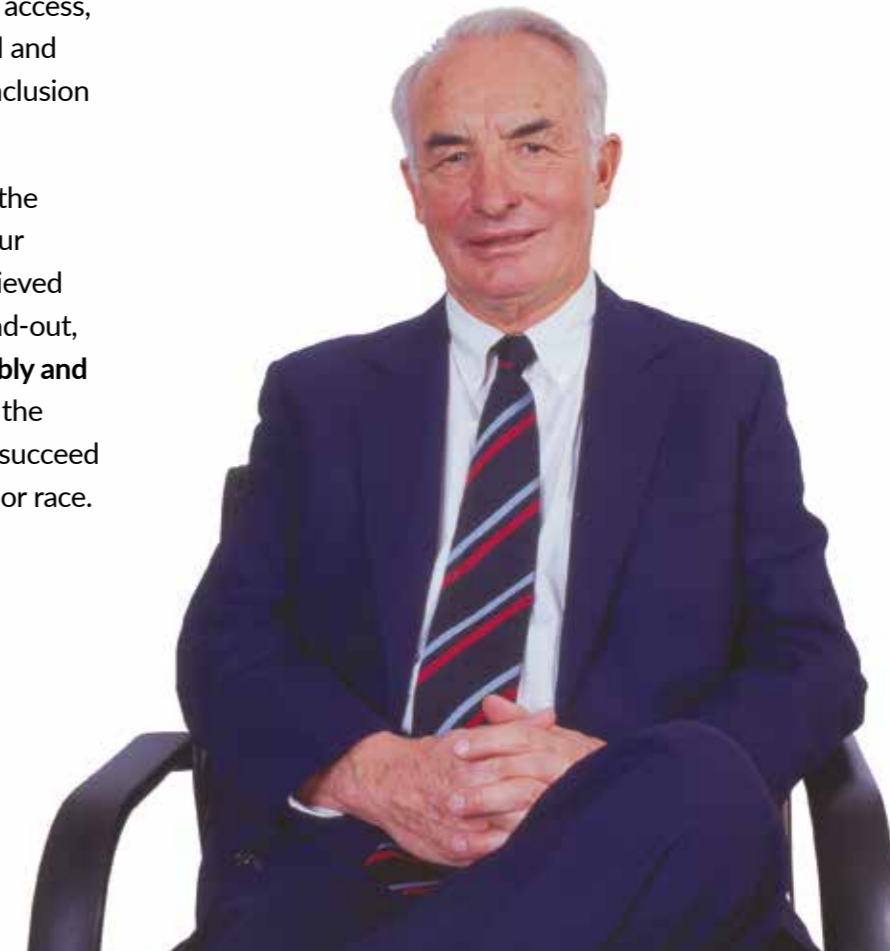
In 2010, the Foundation revised its strategy to focus on the then nascent field of **impact investing** – *investing in companies with the intention to generate a positive social and environmental impact alongside financial returns* – providing financial and technical support to Small and Medium Enterprises (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 3 children, 14 grandchildren and 13 great grandchildren. His wife, Eva Lundin, was born February 11, 1934, and died on December 25, 2021. His eldest son, Lukas Lundin, was born on July 3, 1958, and died on July 26, 2022, after a brave battle with glioblastoma.



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## Letter From The Chair and Ceo

Following incredibly buoyant years through 2020, 2021, and H1 2022 where investments in Africa were rapidly increasing, economic growth tailed off in 2022. Investment levels dropped considerably in the African markets. Factors contributing to this deceleration include a decline in global growth, increasing inflation worsened by the conflict in Ukraine, food insecurity, and a growing likelihood of debt distress. In light of the deceleration, we deprioritised equity deals and our venture bridge product, to focus on debt deployment and portfolio management, while we wait for the market to recalibrate. Despite the many challenges facing the continent, and the ongoing disruptions caused by the market shift, there is great scope for optimism with regards to investing in Africa and using investment as a conduit to build inclusive and thriving economies.

In addition to pivoting our equity strategy to focus more on debt, 2022 was the year of expansion for AHL. We had numerous talented and experienced people join our team. As AHL expands, we hope to continue to expand our impact.

Through 2022, our direct portfolio has experienced significant growth, growing **combined revenues by more than 100% to \$790m+ and increasing the number of jobs to 25k**. Since inception, our portfolio of companies and funds have **supported over 15.9 million individuals with access to improved financial services, clean energy and enhanced agricultural services and improved nutritional foods**. We committed a further **\$11.9m in 2022**, in both new investments and follow-on

**AHL supported over 15.9 million individuals with access to improved financial services, clean energy and enhanced agricultural services and improved nutritional foods**

While being cognizant of our goal of self-sustainability, we also had to be mindful of our different portfolio companies that were being impacted hardest by the shift in market. For example, Java Foods, an African company that uses locally sourced ingredients at an affordable price, braced for major disruptions in the global food supply chain because of the war in Ukraine, which saw prices in fertilizer and wheat exponentially increase. To mitigate that exposure, we put in a working capital facility to Java Foods so they could do forward contracts on wheat. We are proud to invest in businesses that increase agricultural productivity and improve food security here in Africa.

investments. Wasoko, Watu and CIM join AHL as our newest investments, and they are all businesses that have impact at the core of what they do and are aligned with our approach of scale, profitability and positive impact.

Yours sincerely,

**Mona Hamilton**  
Chairperson, Finance and Advisory Committee  
**Rosanne Whalley**  
Chief Executive Officer





# About Us

## What does AHL do?

The Adolf H Lundin Charitable Foundation, better known as AHL, makes catalytic impact-focused venture investments across Africa.

We believe in the power of entrepreneurs to drive African development forward. We invest in innovative entrepreneurs building scalable businesses to solve Africa's pressing social and environmental challenges.

We invest across three thematic's creating meaningful impact and returns across Africa. These are: financial inclusion, climate action, and sustainable food and agriculture.

## What is Impact Investing?

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

What sets it apart from pure philanthropy (like cash donations) is that impact investing includes an expectation of financial returns that are (at least) comparable to market returns.

## Why is it important?

\*Traditional aid alone, has fallen short of delivering the economic development and poverty reduction so desperately needed in Africa.

The United Nations estimates a funding gap of USD 200 billion per year needs to be filled if African countries are to meet the SDG targets by 2030.

\* Source: Dambisa Moyo, Dead Aid: Why aid is not working and how there is another way for Africa

As a pioneering venture and impact investor, AHL has helped catalyze this African success story.

## Impact Investing in Action: M-Kopa

AHL's investment in M-KOPA is a great example of the marriage of profit and purpose. Since 2012, when AHL first invested in M-KOPA, the business has grown from strength to strength, aligning commercial successes along with significant impact.

To date, AHL has invested in eight funding rounds, providing over \$12m in patient capital, to support M-KOPA throughout its journey. The long-term nature of AHL's capital, coupled with our flexible and engaged role as a partner, has been critical to supporting M-KOPA's successes, pivots, and tough times.

M-KOPA has achieved the following milestones and impact to date:

### Key Milestones (Outputs):

- **3.4m** products sold to date (1m smart phones sold in 2022)
- **\$878m** of credit unlocked
- **3.5m** loans issued
- **2.1m** solar homes systems sold to date (1m in 2022)
- **\$260m** revenue in 2022

### Impact (Outcomes):

- **13k** jobs created
- **2.2m** customers earning additional income of \$183m
- **2m MT** CO2 emissions avoided
- **289 MT** electric waste recycled
- **3.8m** lives impacted with clean energy and health services

Contributing towards to the following SDG's:



## Our Investment Strategy

We deploy investment capital at portfolio company level through our thematic strategy focused on financial inclusion, sustainable food and agriculture and climate action. In parallel, we invest through our wider strategy focused on provision of venture debt and fund level investment.

### Thematic Strategy



#### Financial inclusion

- Access
- Quality
- Markets



#### Sustainable food & agriculture

- Supply chain
- Nutritious foods
- Yield



#### Climate action

- Clean energy production
- Clean energy access
- GHGe reduction

Direct equity and working capital investment

### Wider Strategy



#### Venture debt

- Eco-system support
- On-ramp to new equity or debt deals
- Income generation potential from existing portfolio
- Market differentiation



#### Funds

- Portfolio Diversification
- Co-Investments
- Learning
- Networking
- Low touch investment



## Key Highlights 2022

# Our approach to delivering the SDGs



## Our impact strategy and the SDGs

Investments deployed through our thematic strategy and wider strategy are made alongside the provision of portfolio management and advisory services, and combined alongside the foundation activities contribute to the SDGs.

The heart of our activities are designed to target poverty reduction, enabling decent work and economic growth, and gender inclusion – contributing to directly to SDGs 1, 5 and 8 across all investment.

Additionally, we deliver SDGs 2, 3, 4, 7, 9, 12, 13 at a thematic and wider strategy level.

## Our thematic strategy

### Direct Equity and Working Capital



## Our wider strategy

### Venture Debt & Fund Investments



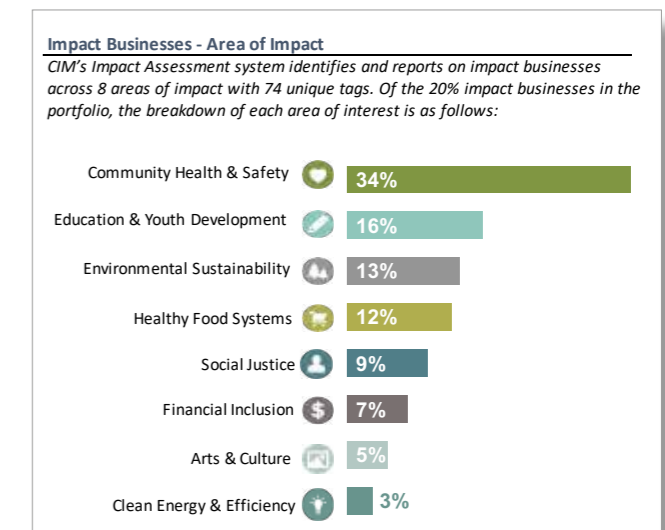
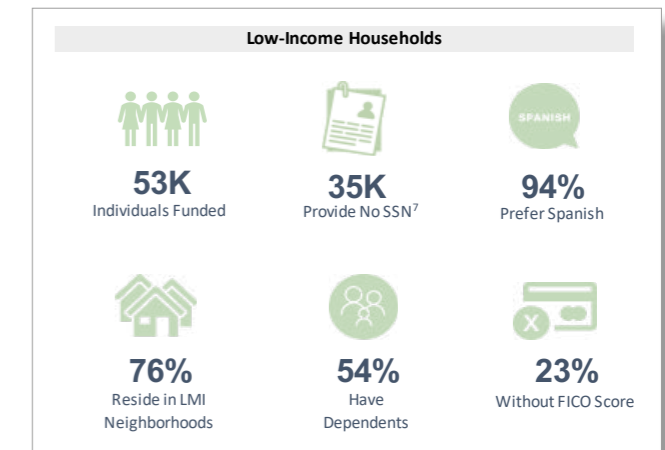
## Portfolios in the spotlight: Paving the road to financial inclusion and accessibility for all

One sector AHL invests in is financial inclusion. Community Investment Management (CIM) aligns with AHL's overall mission as we invest in businesses that create the infrastructure to scale financial products and services for underserved populations.

CIM is an impact investment firm that provides strategic debt capital to mission-driven small businesses. The firm partners with innovative credit providers that offer financial solutions to communities underserved by traditional financial institutions. CIM's lending focuses on sectors with a positive social and environmental impact, such as affordable housing, clean energy, and healthcare.

*"CIM's support has helped Salary Finance work toward our mission of helping move working Americans out of high-cost debt and into saving by providing us the ability to provide access to credit at affordable rates. The flexibility of our funding arrangement helps us scale efficiently and continue to launch new clients and partners."*

**ASESH SARKAR CEO, SALARY FINANCE"**



Source: CIM's 2022 Annual Report

## Portfolios in the spotlight: Transforming financial inclusivity through widespread access to transportation

Watu is a non-deposit taking asset financing company that is revolutionizing financial inclusion in Africa for the tens of thousands of people who make a living as boda boda (motorcycle) riders. They are building a mobility ecosystem that drives financial inclusion to the unbanked and underserved, while promoting digital payments, financial literacy, and increased regulatory and safety compliance for motorcycle riders. Watu has disrupted the market for financing motorcycle purchases which used to take many weeks to complete, require a family member or friend to guarantee the loan, and need extensive background checks and documentation. Customers of Watu can now purchase a motorcycle in a few hours and go from having no reliable income in the morning, to owning an asset that enables them to earn a living wage by the afternoon.

So far, Watu has provided over 600,000 loans across 7 countries, employed over 3,000

people and has positively impacted the lives of more than 3.6 million people.

AHL invested USD 5 million in debt in Watu Uganda to support the company's rapidly growing business. In the last three years, Watu has grown its Ugandan operations to 19 branches and 540+ staff, managing a portfolio of over 65,000 two-wheeler motorcycle loans while weathering multiple COVID-19 lockdowns.

The opportunity for impact is transformational as Watu's financing turns informal workers into microenterprises with an income-generating asset with a residual value. Once the loan is fully repaid, clients can either sell the motorcycle to buy land, start a new business, or get financed for a new motorcycle from Watu. Watu is also at the forefront of financing electric motorcycles, which has the potential to transform the climate impact and economics of motorcycle taxis and couriers.



## Portfolios in the spotlight: Building businesses in sub-Saharan Africa



Another sector that AHL invests in to create meaningful impact is sustainable Agriculture & Food. AHL invests in businesses increasing agricultural productivity and strengthening value chains to improve food security.

**Flow Equity LLC** produces and sells day old chicks. The business relies on an agent and village ambassador network who execute different tasks and generate revenue including purchasing day-old chicks, feed, and vaccines as a bundle, and selling these to smallholder farmers. As of December 2022, the company had more than 2,500 active agents across Ethiopia, Rwanda, Uganda, Kenya and Ghana. In addition to the jobs created for the agent themselves, agents typically employ 2 additional people resulting in over 5,000 jobs created through the agent network.

According to the World Bank, sub-Saharan Africa has the highest rate (33%) in the world of children under the age of 5 who face stunting due to food insecurity and protein shortage. By enhancing the productivity of small-scale, backyard poultry producers,

Flow Equity increases protein availability and consumption among children and lactating mothers in rural communities. Surveys by Flow Equity illustrate that families consume ~40% of eggs produced and ~9.5% of their birds for meat. With a median flock size of 5 hens, families consume 12.3 eggs per week (2.5 eggs per capita), representing a 2x increase compared to 1.1 average weekly eggs consumed per capita based on FAO research.

Flow Equity's poultry model also generates a substantial impact on the climate in two important ways. First, it reduces the number of grains required to produce animal protein because dual-purpose chickens typically only consume commercial feed at the agent level as they scavenge in the smallholder farmer's backyard. Second, when poor agricultural harvests occur, Flow Equity has observed an increase in demand for poultry as it is an alternate means to generate income. As climate change results in less predictable weather and harvests, this dual-purpose chicken model increases the resiliency of smallholder farmers.



## 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, AHL 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.

To better prepare our portfolio middle management talent for IMD online programs, we have partnered with AMI and offered pre-programs to widen the pool of opportunity and advancement. Senior leadership across our portfolio can apply to IMD online courses but must meet the IMD selection criteria and standards.

IMD Business School also runs a women's leadership program, 'Strategies for Leadership', which brings senior women leaders from around the world together for a 4 day in-person course. Here, women are encouraged to develop greater influence and impact by revealing their authentic, most effective leadership style. AHL sponsored 3 women to partake in this course.

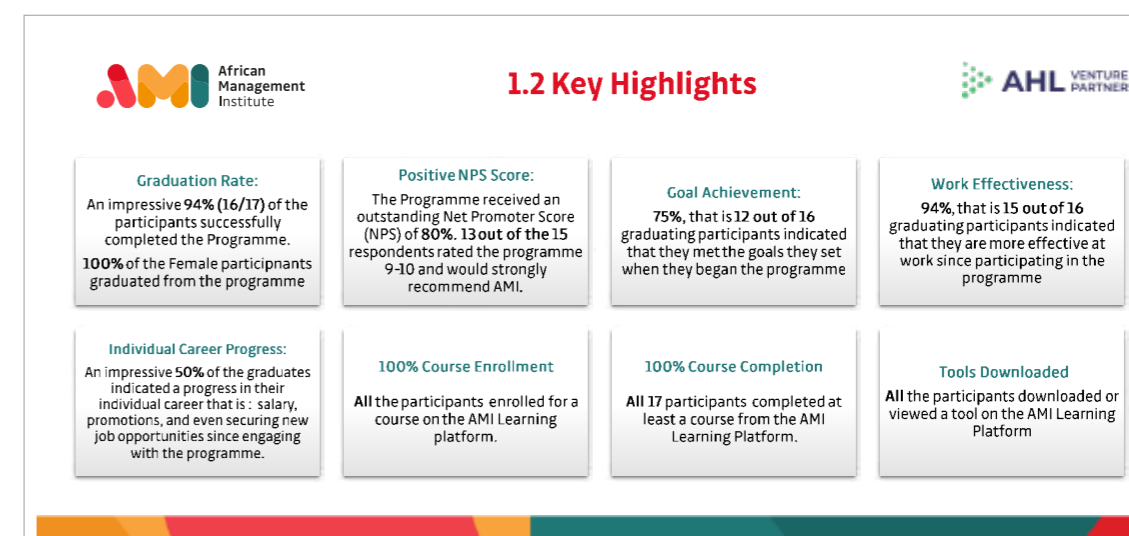
### Programs Available

Accelerating Talents	Strategies for Leadership (Gender program)	IMD Online Courses
In partnership with AMI, this program focuses on equipping managers to effectively manage themselves, empower their teams and take performance to the next level as a trusted mentor and coach.	Brings together senior women leaders from around the world and is designed to enable women to develop greater influence and impact by revealing their authentic, most effective leadership style.	IMD offers an extensive online program portfolio enabling participants to gain competencies and skills in leadership, strategy, digital transformation, sustainability and board governance, as well as in functional topics.

## Investing in high-potential talent across our portfolio

### Accelerating Talents

In partnership with AMI, this program focuses on equipping managers to effectively manage themselves, empower their teams and take performance to the next level as a trusted mentor and coach.



#### Change Challenge:

*I wanted my team to start working and giving feedback within the required time. I have been motivating them and distributing the responsibilities to different individuals and this made a great improvement.*

#### A valuable framework I learned:

*Putting the messages across. Communication.*

#### Changes / impact / results I have seen:

*In this perspective, work has been done with great morale as the team were motivated since I gave responsibilities with deadlines attached. This helped since I have been putting the message in a proper manner, this helped in reducing the production cost.*

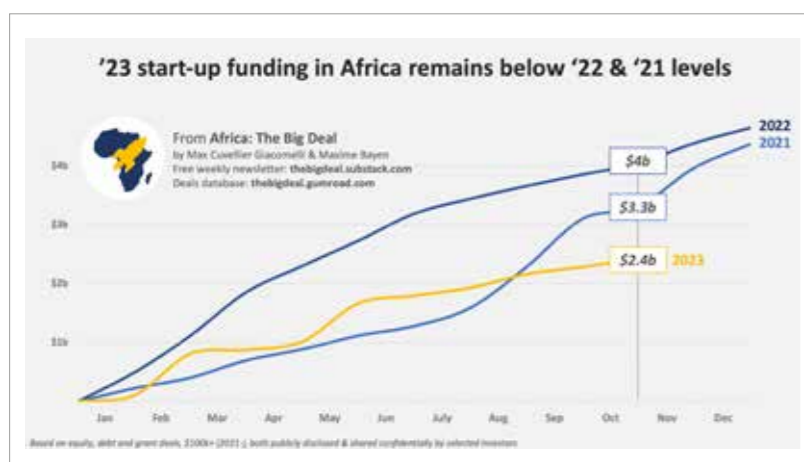
Ambrose Odongo UZIMA CHICKEN LIMITED



## Response to market changes

### Capital markets: Abundance to scarcity

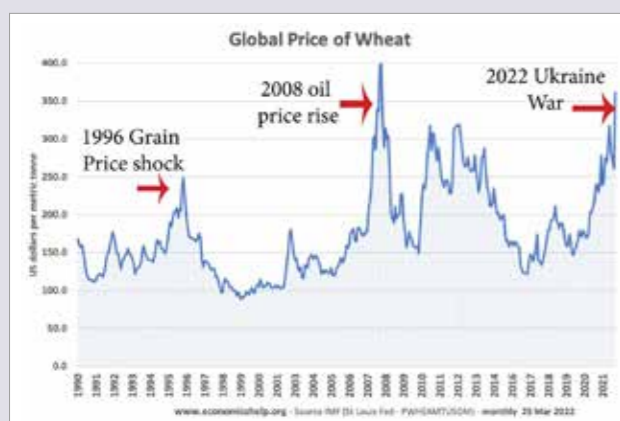
The last four years saw record funding for the African Ecosystem: In H1 2022, the market was raising record levels of cheap capital with a focus on high growth, top-line metrics, and capital-heavy business models. In H2 the market contracted and funding slowed down, and the focus shifted to businesses that could grow profitably.



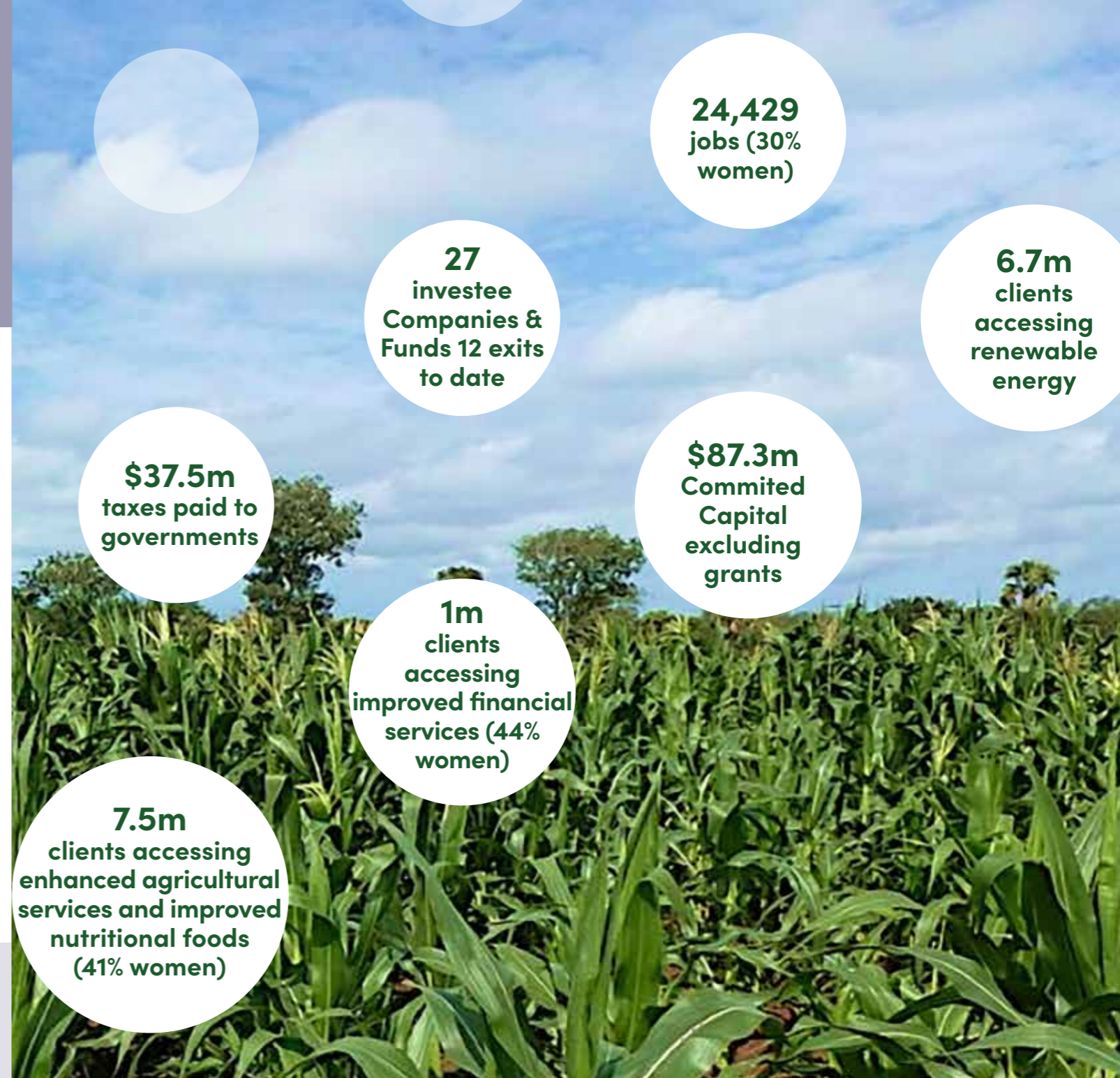
AHL worked actively with our portfolio companies to be both supportive and challenging in understanding their cash runway, cash burn, and how best to future-proof their business models in a world of scarcity.

### Java Foods: Wheat Prices and working capital extension

Java Foods was founded in 2012 with the goal of producing nourishing food items that utilize locally procured ingredients that are affordable. Java Foods relies on products such as wheat, and the price and availability of wheat is critical to their operations.



AHL recognized the market changes (Ukraine War) and modeled the impact this would have on Java Foods. In response, AHL got ahead of the curve and provided a working capital facility of \$400k so that Java could do forward contracts on wheat. This enabled steady inflows of critical inputs at competitive prices and helped the company to grow revenues, protect margins and improve EBITDA.



**24,429**  
jobs (30%  
women)

**27**  
investee  
Companies &  
Funds 12 exits  
to date

**6.7m**  
clients  
accessing  
renewable  
energy

**\$37.5m**  
taxes paid to  
governments

**\$87.3m**  
Committed  
Capital  
excluding  
grants

**1m**  
clients  
accessing  
improved financial  
services (44%  
women)

**7.5m**  
clients accessing  
enhanced agricultural  
services and improved  
nutritional foods  
(41% women)

# Our 2022 Impact Performance

## Merging purpose and profits

Note: AHL 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

Our investments support sustainable access to high quality affordable agricultural products

## Sustainable Food and Agriculture Investment Thematic

► **OUR WHY:** Sustainable food and agricultural growth in low-income economies can reduce poverty by half. The estimated food production waste in Africa is around 37% of the \$1 trillion global food waste estimated, and 3 billion people, including three-quarters of all Africans, cannot afford a healthy diet.

► **OUR WHAT:** AHL invests in three key sustainable food and agriculture solutions 1. enhancing supply chains, 2. increasing local production of safe high-quality nutritious foods and 3. yield enhancements.

► **OUR IMPACT:** AHL investments benefit the high priority needs of the most vulnerable and aim to improve food security, reduce poverty and enhance livelihoods for millions of people. Our investments will enhance supply chains and yields, reduce food waste, create jobs, and support feeding a growing global population with more nutritious and safe foods.

Investment	Impact Objective	Year of Initial Investment	Year of Exit	Committed Amount USD M
Comaco	Support wildlife conservation and small-scale farmers in Zambia	2012	2020	3,543,000
Cropnuts	Enables access to agricultural testing laboratory and agronomy advisory services	2012		1,250,058
Esoko	Enables enhanced access to market information for smallholder farmers via SMS	2014	2022	1,094,937
Flow Equity	Enables access to affordable poultry products across East Africa	2016		3,750,000
Java Foods	High-quality, affordable, nutritious foods sourced locally	2018		2,550,762
Kentaste Products	High-quality, affordable, locally sourced coconut products	2021		750,000
Sidai	Enhanced access to quality livestock products and services	2014		3,463,609
Tulaa	Use mobile technology to smartly connect farmers, input suppliers, and buyers in a digital marketplace	2017	2020	1,610,153
Twiga Foods	Supply chain platform to improve farmer and vendor incomes and access to quality products	2017		4,991,203
Victory Farms	Enables access to affordable and nutritious fish products across Kenya	2020	2021	600,000
Wasoko	Supply chain platform to improve farmer and vendor incomes and access to quality products	2022		1,000,000
<b>Total Commitments</b>				<b>24,603,722</b>

# Powering sustainable growth

Business solutions that limit and adapt to climate change

## Climate Action Investment Thematic

► **OUR WHY:** Climate change is severely affecting livelihoods and negatively impacting inclusive sustainable economic growth. Only 14% of Africans living in rural areas have access to electricity. Investment in clean energy production and access solutions are key to address the challenges involved in expanding clean energy production, whilst addressing the growing climate crisis.

► **OUR WHAT:** AHL invests in three key climate action solutions 1. affordable scalable clean energy production 2. affordable scalable energy access and usage models and 3. GHGe reduction innovations. AHL is aligned with the goals of the Paris agreement and will invest to contribute towards net zero emissions.

► **OUR IMPACT** AHL's Climate Action investment approach enables reductions in emissions, access to clean energy and improved living conditions for low income households. AHL's investments also aim at developing the wider ecosystem contributing to net zero emissions by 2050 and limiting global warming well below 2, preferably to 1.5 degrees Celsius.

Investment	Impact Objective	Year of Initial Investment	Year of Exit	Committed Amount USD M
BURN	Providing a range of fuel efficient, affordable cook stoves and carbon credits	2016		1,772,500
PowerGen Renewable Energy	Community-based off-grid power solutions	2015		1,267,408
<b>Total Commitments</b>				<b>3,039,908</b>

## Financing brighter futures

Supporting the development of and inclusion in a fair and transparent financial system for low income households

### Financial Inclusion Investment Thematic

► **OUR WHY:** Africa's population has some of the lowest levels of access to formal financial services estimated at 41%. The most underserved are women, youth, and those living in remote areas. Where there is access - quality and usage rates remain low due to high transactions costs, and services can often be insecure and inconvenient.

► **OUR WHAT:** AHL invests in effective financial inclusion models that improve access to and usage of high quality, useful and affordable financial products - that improve lives, provide transparency, fairness, consumer choice and satisfaction. AHL's investments aim to grow and enhance financial inclusion markets in a responsible and sustainable way whilst driving business expansion and increasing employment.

► **OUR IMPACT:** AHL invests in Financial Inclusion business models that will expand access to convenient and affordable high quality financial services for previously underserved demographics. Investment will create a demonstration effect and that will catalyse innovation and investment in the ecosystem for broader economic growth and poverty alleviation.

Investment	Impact Objective	Year of Initial Investment	Year of Exit	Committed Amount USD M
ACRE Africa	Affordable micro-insurance for smallholder farmers	2014		511,136
Africa's Talking	Unlocking the potential of mobile communication networks across Africa	2020		2,000,000
Equity for Tanzania Africa (EFTA)	Improved access to productive assets through leasing	2012		1,000,000
M-KOPA	Fintech platform to enable unbanked consumer to access production assets	2012		12,284,862
People's Pension Trust	Helping the informal sector save for retirement	2015		729,172
Umati	Innovative supply chain finance for traders and processors	2015	2019	375,000
Watu	Finances income-generating boda boda (bikes)	2022		5,000,000
Zoona	An agent-networked money transfer platform	2014	2021	6,342,262
<b>Total Commitments</b>				<b>28,242,432</b>

## Catalysing the ecosystem – fund investments

### SME Fund portfolio

'The United Nations estimates a funding gap of USD 200 billion per year if African countries are to meet the SDG targets by 2030.' Source: SDG Action. There is also a huge deficit of local fund managers, supporting early-stage SMEs. With this in mind, AHL embarked on a strategy to support a range of first-time and second-time local fund managers, to deploy more capital into the ecosystem.

Investment	Impact Objective	Year of Initial Investment	Year of Exit	Committed Amount USD M
Africa Wildlife Capital	Access to capital for SMEs within primarily agriculture and conservation tourism	2015		2,000,000
AfricInvest Financial Sector Fund	Enhanced access to, and affordability of, financial services	2012		4,738,256
CIM	Access to capital for digital lenders funding the underserved market in the US	2022		500,000
Energy Access Fund	Accelerating access to off-grid energy solutions	2015	2020	2,500,000
Fanisi	Invests in agriculture, livestock and ecotourism enterprises with strong conservation covenants	2012	2022	1,500,000
Grofin (Nomou Jordan)	Access to capital and value-adding business support for SMEs in the Middle East and North Africa	2013		1,000,000
Injaro Agricultural Capital	Invests in SMEs along the agricultural value-chain in West Africa	2010		5,000,000
Investisseurs et Partenaires Afrique Entrepreneurs (IPAE)	Access to capital and technical assistance for SMEs in West Africa	2012		1,776,846
Investisseurs et Partenaires Développement 2 (IPDEV 2)	Access to capital and technical assistance to develop first time fund managers	2015		2,861,453
PEAK II	Improved access to productive assets through leasing	2012		645,000
ResponsAbility Access to Clean Power	Provides debt to companies supporting increased access to energy in Africa and S. E Asia	2020		1,500,000
Root Capital	Innovative finance to support agricultural food chains	2011	2021	2,000,000
Schulze Global Ethiopia Growth and Transformation Fund	Access to capital and value-adding business support for SMEs in Ethiopia	2013		3,749,400
XSML (African Rivers Fund)	Access to capital and technical assistance for SMEs in Central Africa	2015		1,725,000
<b>Total Commitments</b>				<b>31,495,955</b>



# The Team



**Alex Hood**  
Head of Finance



**Brad Magrath**  
Head of Portfolio



**Bronwyn Felix**  
Operations & Compliance Officer



**Joseph Indangasi**  
Senior Portfolio & Risk Manager



**Kenneth Ibbett**  
Senior Advisor



**Kerry Nasidai**  
Investment Manager



**Lydia Nyamongo**  
Investment Associate



**Rosanne Whalley**  
CEO



**Sebastian McKinlay**  
Head of New Investments



**Towett Ngetich**  
Analyst



# Summary Financial Information

## Financial Statement

as at 31 December 2022

		2022/CHF	2021/CHF
<b>Assets</b>			
Cash in banks	1)	1'688'898.69	7'053'808.12
Short-term investments	2)	4'376'328.44	0.00
Securities	3)	8'925'087.77	5'339'600.31
Accrued income	4)	103'305.00	626'493.00
Impact Investments	5)	51'445'218.00	43'789'261.00
Other investments	6)	275'617.81	280'799.17
		<b>66'814'455.71</b>	<b>57'089'961.60</b>
<b>Liabilities</b>			
Bank debts	7)	(53.15)	0.00
Payables	8)	(188'088.85)	(76'065.12)
Accrued expenses	9)	(213'905.00)	(316'672.00)
		<b>66'412'408.71</b>	<b>56'697'224.48</b>
<b>Net assets</b>			
<b>Composition of the net assets</b>			
Foundation capital		100'000.00	100'000.00
Capital account		76'383'602.28	68'423'449.57
Capital gains account		(9'837'913.89)	(11'970'229.77)
Income account		(233'279.68)	144'004.68
		<b>66'412'408.71</b>	<b>56'697'224.48</b>

## Capital Gains Account

(for the period from 1 January to 31 December 2022)

	2022/CHF	2021/CHF
Balance brought forward	(11'970'229.77)	(22'112'248.55)
Realised gains/losses on securities	161'300.44	(122'242.35)
Non-realised gains/losses on securities	3'346'180.81	4'133'489.94
Non-realised losses/gains on impact investments	(1'707'510.72)	5'953'344.08
Currency gains/losses	332'345.35	177'427.11
<b>Total capital gains/losses</b>	<b>2'132'315.88</b>	<b>10'142'018.78</b>
<b>Balance carry forward</b>	<b>(9'837'913.89)</b>	<b>(11'970'229.77)</b>

## Income Account

(for the period from 1 January to 31 December 2022)

		2022/CHF	2021/CHF
Balance brought forward		144'004.68	(1'115'269.38)
<b>Income</b>			
Interest on short-term investments	10)	28'483.13	573.46
Income on securities	11)	7'091.11	0.00
Income from impact investments	12)	1'394'579.59	2'326'472.67
<b>Total income</b>		<b>1'430'153.83</b>	<b>2'327'046.13</b>
<b>Expenses</b>			
Duties and fees		0.00	450.00
Administrative expenses	13)	113'068.04	206'148.66
Expenses for pursuance of the charitable object	14)	1'689'048.77	857'573.83
Interest expenses	15)	552.17	224.45
Bank charges	16)	4'769.21	3'375.13
<b>Total expenses</b>		<b>1'807'438.19</b>	<b>1'067'772.07</b>
<b>Loss/Profit for the year</b>		<b>(377'284.36)</b>	<b>1'259'274.06</b>
<b>Balance carry forward</b>		<b>(233'279.68)</b>	<b>144'004.68</b>

# Notes to the Financial Statements 2022

## 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.

## Reporting consistency

Distributions from funds are recorded as repayment of capital in the balance sheet. In the previous year distributions amounting to CHF 743'207 have been reported as "income from impact investments" in the income account and consequently not as "non-realised gains on impact investments" in the capital gains account.

The other amounts in the balance sheet and income statement are comparable to the value from the respective period of the previous year.

## Distributions

The foundation pursues its objectives using its funds for granting distributions and making impact investments. In 2022 the foundation granted distributions of total CHF 181'860 (2021: CHF 208'498) and the net increase of the impact investments amounted to CHF 7'655'957 (2021: CHF 6'487'852).

## 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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**AHL** VENTURE  
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