DEAL BOOK EDITION III

INCLUSIVE & SUSTAINABLE GROWTH

Private capital deal cases across Asia, Latin America, Africa, CEE and the Middle East

GPCA

Global Private Capital Association

The Global Private Capital Association (GPCA) is a non-profit, independent membership organization representing private capital investors who manage more than USD2t in assets across Asia, Latin America, Africa, Central & Eastern Europe and the Middle East.

Our mission is to connect and influence key market participants by promoting the sectors, strategies and deals that will drive investment returns and meet societal needs. With headquarters in New York and Singapore, GPCA includes LAVCA, the Association for Private Capital Investment in Latin America.

GPCA Leadership Circle Members

DEAL BOOK EDITION III

The Investor

Actis is a global investor in sustainable infrastructure, with a focus on investing to accelerate the transition to a Net Zero future and deliver positive impact in the countries and communities where it invests. Headquartered in London, Actis has a track record of investing in growth markets across Africa, Asia and Latin America. Actis has raised USD24b since its founding in 2004 and has a team of approximately 350 people, including over 120 investment professionals, across 19 offices globally. The firm's capital is at work in approximately 100 companies around the world, employing over 120,000 people.

FUND NAME
Actis Energy 4

FUND SIZE
USD2.75b

TOTAL AUM
USD15.3b

The Company

Based in Pune, Sprng Energy was established by Actis in 2017 as a renewable energy platform to deliver clean, reliable energy to electricity distribution companies across India. Sprng is one of India's largest renewable energy companies, encompassing operating and contracted solar and wind assets with a combined capacity of more than 2.2 gigawatts of alternating current power (GWac), as well as another 5GWac+ of projects in the pipeline.

LOCATION
India

SECTOR
Renewable Power

WEBSITE
www.sprngenergy.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE	DATE OF EXIT
JAN '17	USD475M	100%	AUG '22

In 2015, the Indian government set out an ambitious target to grow the country's renewable energy capacity, aiming to increase the proportion of installed energy capacity from non-fossil fuel-based sources from about 13% to 50% by 2030. Actis had expertise in the sector after building five renewable energy platforms across Latin America, Africa and Asia, including the India-focused Ostro Energy wind platform it sold to ReNew Power in 2018. Leveraging the firm's capabilities and extensive local network of suppliers, contractors and lenders, Actis sought to create a second energy platform to contribute to India's energy transition targets.

Through Ostro Energy, Actis had expertise in the wind energy space in India but lacked significant exposure to Indian solar. Actis identified a strong partner in Gaurav Sood, who had built Solaire Direct, a subsidiary of French utility company ENGIE comprising more than 590 megawatts of alternating current power (MWac) of solar assets across four Indian states.

The Deal

Actis set up Sprng Energy in 2017 with a total equity commitment of USD475m, bringing on Sood as CEO of the platform. Through Sprng, Actis aimed to install about 2GWac of renewable power, securing power purchase agreements (PPA) through participation in the Indian government's newly established competitive auction process and strategic acquisitions.

Kicking off with a successful bid for the 250MWac Rewa solar project in Madhya Pradesh in February 2017, Sprng developed a portfolio of solar and wind power through greenfield projects secured in government auctions and select acquisitions. Sprng hired a strong development and construction management team to supervise project execution with support from Actis' operations team. The company leveraged Actis' existing relationships with contractors and manufacturers to secure attractive prices for equipment and development.

Actis successfully scaled the business faster than anticipated. By early 2022, it had developed assets with a combined 2.3GWac capacity against its 2GWac goal, securing PPAs with central and state government off-takers. The platform has further developed an attractive pipeline of projects with an additional 5GWac+ capacity.

Inclusive & Sustainable Growth

Under the leadership of Sprng Energy's ESG Head Amit Gupta, Actis established Sprng as a sustainability leader in the renewable energy space. By the end of 2021, Sprng's assets avoided 4.42m tons of CO_2 emissions by displacing fossil fuel-based power generation. Sprng also planted 2,170 trees, further enhancing its climate impact.

For each project, the operations and sustainability teams conducted a rigorous environmental and social impact assessment and implemented a subsequent environmental and social management plan. For example, Sprng commissioned specialized bird and bat studies to assess potential development sites and avoid eco-sensitive areas and migratory routes. It also insulated power transmission lines to protect wildlife and installed robotic cleaning devices on operational power plants to reduce water use. The team also evaluated potential noise pollution caused by wind turbines, choosing farm sites that were a sufficient distance from local human and animal populations to avoid disruptions. The company achieved ISO 14001 certification in recognition of its strong management of environmental issues on site.

Sprng developed working conditions and labor terms at its construction sites that were far above local industry standards, providing quality labor accommodations, high wages, skills training and social welfare initiatives. As a result, workers at neighboring projects would often seek employment at Sprng.

Ensuring that Actis' ESG standards, particularly workplace safety protocols, were met across the Sprng platform was challenging. Industry norms around environmental health and safety (EHS) in India's construction sector are typically below international good practices, especially at the sub-contractor level. Sprng's operations and sustainability teams organized over 42,000 toolbox talks to ensure workers understood safety hazards ahead of and during construction. They also conducted frequent safety audits, and construction was

temporarily halted whenever necessary to address concerns and ensure good EHS practices were followed.

Road safety was a particular focus for Sprng, since India has among the highest road traffic crash and fatality rates in the world. To address excessive speed and fatigue among bus drivers carrying workers to and from construction sites, Sprng implemented a 'Know your Driver' campaign. Passengers were asked to engage personally with their bus drivers before embarking in order to assess driver attentiveness and to encourage the driver to value safety over speed.

As a result of these efforts, Sprng achieved over 7.5m safe workforce hours over the course of Actis' investment. The company also earned ISO 9001 and ISO 45001 certifications and won several workplace safety awards from entities such as the Sustainable Development Foundation, Apex India Foundation and Greentech Foundation.

Sprng spent over INR33.4m (~USD420k) on community development programs, supporting rural communities with health camps, vocational skills training, women's self-help groups, potable water distribution, health and sanitation awareness programs and the installation of solar streetlamps, security cameras and outdoor playground equipment for government schools. Through the health camp projects, Sprng and its nonprofit organization partner provided healthcare services to over 69,000 individuals, saving workers and community members long trips to the nearest doctor and an estimated INR22.7m (~USD285k) in healthcare fees.

Outcome/Outlook

Shell was drawn to the platform's market-leading position and continued growth potential, combined with its best-in-class non-profit organization and impact credentials. The oil & gas company acquired Sprng in August 2022 at a USD1.55b enterprise value, tripling Shell's renewable energy capacity globally. The deal was reportedly the largest renewable energy acquisition in Indian history in terms of both deal size and energy capacity. ●

The Investor

Amethis is a France-based investment fund manager focused on mid- and small-cap growth opportunities in Africa, with an investment capacity of EUR850m (~USD850m), three-quarters of which comes from private institutional and family investors. Established in 2012, Amethis is a partnership between its two founders, Luc Rigouzzo and Laurent Demey, and Edmond de Rothschild Private Equity. With about 40 employees in Paris, Casablanca, Abidjan, Nairobi, Cairo and Luxembourg, Amethis has invested in over 30 companies and achieved 12 exits to date.

FUND NAME
Amethis Fund II

FUND SIZE
USD390m

TOTAL AUM
USD850m

The Company

Naivas is a supermarket chain in Kenya owned by the Mukuha family. The company has 84 stores in 22 cities and towns and more than 7,800 employees across a network of supermarkets, hypermarkets and express formats. The company sells more than 40,000 different products, including food, clothing and household appliances.

LOCATION
Kenya

SECTOR
Retail

WEBSITE
www.naivas.co.ke

DATE(S) OF INVESTMENT	AMOUNT	STAKE	DATE OF EXIT
FEB '20	~USD60M INCLUDING CO-INVESTMENTS	~32%	AUG '22

Founded in 1990 by Peter Mukuha Kago and his four children, Naivas began as a small family-run market serving the rural village of Rongai in eastern Kenya. Under the management of the second generation of the Mukuha family, the small shop rapidly expanded its retail network to become the fourth-largest supermarket chain in Kenya, with 50 locations by 2018. As international competitors began to enter the Kenyan market, the family sought an external partner to help grow and professionalize the business.

Amethis saw an attractive opportunity in the food retail sector in East Africa, observing that communities outside of major cities were often underserved by major supermarket chains. Given its previous investments in Côte d'Ivoire-based oil and gas retailer Pétro Ivoire, cash-and-carry retailer CDCI and food manufacturers in Côte d'Ivoire, Kenya and Mozambique, food retail represented a natural evolution of Amethis' investment thesis to back essential goods and services for the African consumer. Amethis interviewed four retailers before identifying Naivas as a potential regional champion, given its local brand recognition and the willingness of the Mukuha family to stay on to lend its expertise.

The Deal

After working with the company to develop a strategic growth plan, Amethis, along with its co-investors DEG, MCB Equity and IFC, invested in Naivas in February 2020. Given its deep knowledge of the local market, the Mukuha family led the company's real estate and product strategies. Amethis, on the other hand, spearheaded initiatives to strengthen governance and back-end operations, improving efficiency and profitability by building out the company's IT, e-commerce, category management and procurement departments.

In addition, Amethis supported store renovations to shift public perception of Naivas from a local market to a national supermarket chain competitive with international brands. The firm also helped Naivas to introduce new products and expand strategic product categories. Naivas introduced an in-house meat product line through the construction of a centralized meat distribution facility in Nairobi where the company could hire and train butchers and ensure meat quality and safety. The company also expanded its indoor produce sections to improve quality control and reduce spoilage rates. These initiatives expanded the availability of inexpensive, high-quality fruits and vegetables while reducing food waste.

> "During a time of transformation in the sector, we partnered with a family-owned, iconic Kenyan brand. We helped advance a true national champion against global players."
>
> —Frank-Astère Ndiyo-Butoyi, Investment Director, Amethis

Through its partnership with Amethis, Naivas expanded from 50 stores to 84, adding five new cities to its portfolio, including underserved areas such as Maasailand. Amethis helped drive revenue growth from about EUR400m (~USD448m) in fiscal year 2019 to EUR650m (~USD653m) in 2022, a 15% CAGR. In parallel, EBITDA grew at a 39% CAGR over the same period.

Inclusive & Sustainable Growth

During Amethis' investment, Naivas grew rapidly, hiring about 1,700 new employees and creating additional new jobs through partnerships with its increasing number of suppliers. Amethis implemented a nondiscrimination policy in the hiring process to benefit women, who now represent 25% of the workforce, up from 20.5% at the time of the investment. The firm also helped Naivas join IFC's 'Sourcing2Equal' initiative, a three-year project to advance gender-inclusive sourcing in Kenya. As the workforce expanded, Naivas developed transferable skills amongst its junior-level employees, providing extensive in-house managerial training through its Naivas Academy program.

With Amethis' support, Naivas introduced highly subsidized health insurance, offering coverage to the family members of its employees as well. About half of Naivas' employees have now purchased the new insurance, and the company expects to reach 100% participation by the end of 2022.

During the COVID-19 pandemic, Amethis supported Naivas in guaranteeing employment for its workers and providing them with cost-mitigating vouchers and personal protective equipment (PPE) like masks and sanitizer. This support translated into employee retention, with turnover below 5%, reflecting the morale of its workforce at a time of volatility in the supermarket sector.

In June 2020, at the height of the pandemic, Amethis and its co-investors funded a program in which Naivas distributed over 4,000 food parcels to Kenya's most vulnerable communities in Nairobi, Narok County and the coastal region. Naivas has also supported several community empowerment initiatives, including the payment of school fees and hiring youth from foster homes, as well as sponsorship of its local youth football team and women's sports programs. It also launched a Kenyan writer's project to promote local authors and reading across the country.

Amethis helped Naivas appoint independent directors to the board, as well as establish board subcommittees focused on human resources, strategy and audit/risk. The investor also hired ESG professionals to execute quality control and food safety, labor safety and fire safety initiatives in conjunction with outside experts. The company carried out its first exhaustive energy audit with an external consulting firm to evaluate energy consumption, prompting the company to roll out an energy savings plan that includes close monitoring of energy consumption data, staff training on energy efficiency and the establishment of an energy committee to periodically review the sustainability of its operations.

Outcome/Outlook

The company achieved its growth objectives and operational changes faster than anticipated, accelerated by the COVID-19 pandemic and the bankruptcy of Naivas' main competitors Nakumatt and Tuskys. Naivas and its investors sought a strategic partner for the business that would help expand its supply chain operations, improve logistics and continue operational upgrades. Mauritius-based conglomerate IBL Group acquired a 40% stake in Naivas for about USD140m in August 2022, providing a full exit for Amethis and a partial exit for the founding family. The buyer was another African family-owned company with ambitions to expand on the continent, with holdings in complementary businesses like logistics and energy management that would support Naivas' growth. Amethis exited with a roughly 2x MOIC, representing a 30%+ net IRR in EUR terms. ●

The Investor

Founded in São Paulo in 2009, Aqua Capital is a private equity firm focusing on majority growth investments in mid-market companies throughout the Brazilian, South American and North American agribusiness sector and food value chain. Through its more than 40 investments, the firm has supported the transition of family-owned companies and management teams toward best-in-class operating principles.

FUND NAME
Agrofundo Brasil III Fundo de Investimento em Participações Multiestratégia

FUND SIZE
USD370m

TOTAL AUM
USD900m

The Company

São Paulo-based Puravida, founded in 2015 by Flávio Passos and Adrian Franciscono, is a vertically integrated manufacturer of food and health products, including vitamins, protein bars and powders, granola, seasonings, spreads and lotions. More than 60% of Puravida's sales are made through its B2C e-commerce platform with an omnichannel sales strategy, with the remainder sold in supermarket chains and specialized retail stores. Puravida achieved carbon neutrality in 2022 and is set to become a certified B Corporation by 2023.

LOCATION
Brazil

SECTOR
Food & Beverage

WEBSITE
www.puravida.com.br

DATE(S) OF INVESTMENT	AMOUNT	STAKE	DATE OF EXIT
AUG '20	USD20M+	MAJORITY	SEPT '22

Flávio Passos and Adrian Franciscono founded Puravida in 2015. After struggling with prediabetes and irritable bowel syndrome, Passos studied nutrition and health, launching a business in 2012 offering online wellness courses on topics like food, rest and physical activity. His students had difficulties finding quality healthy food and vitamins, so he and Adrian launched Puravida to fill this gap. The company now sells over 160 food and personal care products, including vitamins, protein bars and powders, granola, seasonings, spreads and lotions.

Aqua Capital identified an opportunity in the USD30b Brazilian health and wellness segment, which was characterized by a 5.8% CAGR in 2015-2020, high levels of fragmentation and tailwinds brought by an increasingly health-conscious population. The onset of COVID-19 further heightened consumer demand for wellness products in the country. Puravida was already expanding at a more than 111% CAGR in 2018-2020, and delivering high margins, at over 20% EBITDA and 60% ROI. Company growth was grounded in a flywheel model of 'innovate, communicate and educate', built on a robust R&D process, social media following and digital content platform Puravida Academy. Aqua saw an opportunity to unlock the company's growth potential through professionalization and sustainability improvements.

The Deal

Aqua acquired Puravida in 2020, working with the founders to transform the entrepreneur-led business into a structured company with a C-level team of nine. The new team professionalized Puravida's operations and decision-making, including product launches, the new product pipeline and the review and elimination of non-performing products. These changes helped Puravida launch over 40 products in 2021, together accounting for over 20% of annual revenue. Through third-party retailers, Puravida increased penetration into the midwest and northeast regions of Brazil. The company also implemented an enterprise resource planning (ERP) system to manage relationships with retailers, as well as a mobile app to reach more customers and introduce data-driven marketing for its online channel.

The company achieved vertical integration through the acquisitions of ingredients supplier Tradal and a social media platform that it renamed Puravida Prime. While Tradal enhanced Puravida's R&D execution and thus shortened the time to market for new products, Puravida Prime boosted customer loyalty and frequency through online content.

By unlocking various growth levels, Puravida's revenue increased by more than 210% inorganically and more than 140% organically, maintaining an EBITDA margin of more than 20%.

Inclusive & Sustainable Growth

Aqua helped the company appoint an executive and manager to design and implement an environmental and social action plan. Puravida prioritized traceability in its supply chain, a feat it achieved partially through acquiring Tradal, the supplier of about 50% of its materials. Puravida implemented the Hazard Analysis of Critical Control Points Principles (HACCP) system to manage ingredient safety across the product lifecycle and achieved IFS Global Markets Food certification.

The company developed a methodology to classify and approve external ingredients suppliers according to socio-environmental risks such as natural habitat conversion and child or forced labor. Suppliers are also assessed to ensure that they equitably compensate communities for the use of products associated with local knowledge or practices.

Puravida introduced sustainable packaging materials, including recycled cardboard boxes, plant-based bottle resins, sugar cane bags and sachets and biodegradable planting pots. In 2021, the company used 91 tons of recycled cardboard, replacing an equivalent amount of primary cardboard products. In the eight tons of pouches and sachets the company used that year, over 50% of the plastic was recyclable and renewably sourced from sugarcane.

To address its outputs, Puravida entered compensation partnerships with reverse logistics operators and recycling programs such as Eu Reciclo. All company production waste is now recycled, representing 145 tons of waste in 2021.

The company supplemented these programs with a carbon offset agreement with Compromisso Com o Clima. In 2021, Puravida acquired 968 certified emission reduction units, each amounting to

one ton of greenhouse gas emissions avoided, to offset its scope 1, 2 and 3 emissions. Through these various initiatives, the company achieved carbon neutrality in 2022.

Puravida created 200 new jobs during Aqua's ownership, growing from only 30 employees at Puravida and close to 70 at Tradal and Puravida Prime. Company employment contributed to over BRL286m (~USD51m) in direct economic value in 2021. All full-time employees receive full benefits including meal and transportation vouchers, as well as medical, dental and life insurance.

Aqua also helped the company change from a traditional shareholder corporate governance model to a stakeholder governance structure, helping to pave the way for B Corp certification. The company has filed for certification and is set to reach this milestone by early 2023.

Outcome/Outlook

Through its partnership with Aqua Capital, Puravida achieved governance standards, high growth and vertical integration that attracted Nestlé as the Swiss multinational was looking to build its international health segment. Puravida's environmental traceability was a key draw for Nestlé, which has launched initiatives to improve the sustainability of its operations, pledging to achieve zero environmental impact by 2030 and net-zero greenhouse gas emissions by 2050. Nestlé's Health Science unit acquired Puravida in September 2022, providing a full exit for Aqua at a more than 5x MOIC.

To fulfill its founders' mission to help Brazilians live healthier lives, Puravida is working to improve the accessibility of its offerings. The company has launched a low-priced fixed monthly subscription model for its digital content and is developing more affordable food and nutritional products. ●

The Investor

DPI Development Partners International

Development Partners International (DPI) is an investment firm focused on Africa that invests in companies benefiting from the fast-growing emerging middle class across the continent. Since its founding in 2007, the firm has invested in 22 portfolio companies across 29 African countries and 17 industries. DPI's portfolio companies employ over 60,000 people, with over 25,000 jobs created during the investment periods. DPI's team is 50% women, and its ADP III fund was the first vehicle to be selected as a 2X Flagship Fund in recognition of its commitment to investing with a gender lens.

FUND NAME
African Development Partners II & III

FUND SIZE
USD725m, USD900m

TOTAL AUM
USD3b (including co-investments)

The Company

mnt | halan

MNT-Halan is an Egyptian fintech serving small businesses and individuals lacking access to traditional financial services. The company's suite of services includes buy-now-pay-later, microloans, SME lending, payroll lending, loan disbursement and collection, peer-to-peer transfers, remittances and bill payments. MNT-Halan has recently expanded into other verticals, including courier, delivery and ride-hailing services, with the goal of evolving into a super app for the financially underserved.

LOCATION
Egypt

SECTOR
Financial Services

WEBSITE
www.mnt-halan.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE
AUG '20, SEPT '21	USD83M	MINORITY

After Egypt passed the Microfinance Law in 2014 allowing private companies to provide SME lending, DPI began to actively look for opportunities in the country's financial services sector. Only about 30% of Egyptians have access to a bank account, and DPI anticipated the pivotal role private lenders would play in financing small businesses and consumers.

The DPI team was introduced to Mounir Nakhla, a serial entrepreneur in the Egyptian microfinance space. After working for his family's microfinance consulting business, Nakhla founded three companies: Mashroey, a seller of utility vehicles to micro-entrepreneurs on credit; Tasaheel, a provider of SME loans; and Halan, a ridesharing, logistics and e-commerce platform. With a special focus on financial inclusion for women, Tasaheel was notably the first private company in Egypt to provide group lending to female entrepreneurs.

By 2018, mobile penetration rates in Egypt exceeded 90%, and Nakhla had ambitions to digitalize his businesses and expand into new financial service areas, creating a broad digital ecosystem serving the underbanked across Africa. Given its experience scaling businesses regionally through tech adoption, DPI represented the ideal partner to help execute his plan. The investor saw an opportunity to roll up Nakhla's businesses to create a single financial inclusion-focused platform.

The Deal

In August 2018, DPI invested USD45m to combine Mashroey and Tasaheel into a single holding company, MNT Investments. The investor later supported the roll-up of Halan into the MNT platform, joining Apis Partners, Lorax Capital Partners and others in the September 2021 USD120m round that established MNT-Halan. In the most recent acquisition, DPI helped the company purchase fast-moving consumer goods (FMCG) supplier Talabeyah in 2022.

Following its first investment, DPI helped the company develop its digital infrastructure by assisting with sourcing and hiring local tech talent to automate the credit approval process through machine learning. MNT's acquisition of Halan's proprietary technology later facilitated the launch of its core banking software and customer-facing app Neuron. This easy-to-integrate software has drawn interest from several Egyptian banks looking to digitalize their own services.

DPI's equity infusions, combined with the technology buildout, have helped MNT-Halan boost its market share in the SME lending space from 9% in 2018 to about 25% to date. Through Neuron, the company has also expanded its credit offerings to include buy-now-pay-later and payroll lending. To cope with a fast-growing loan book, which has now reached USD500m, DPI assisted MNT-Halan in closing a USD150m securitization program with Egypt's Commercial International Bank in June 2022.

DPI also helped the company secure the first electronic wallet license from the Central Bank of Egypt to disburse, collect and transfer money digitally, allowing it to develop services such as bill payments, remittances and peer-to-peer transfers. Through the recent Talabeyah acquisition, MNT-Halan has entered the B2B e-commerce space and now provides over 60,000 merchants with supply chain financing.

Inclusive & Sustainable Growth

Since DPI's initial investment in MNT-Halan, the company has grown from 5,000 to more than 16,000 full-time employees, including about 150 high-skilled software engineering and data analytics professionals. DPI has helped the company develop employee mentorship and training programs that build skills and provide promotion opportunities, with an emphasis on improving female representation in management and high-skilled positions.

Through MNT-Halan's main business line, the company provides critical funding to SMEs in Egypt that would not otherwise have access to capital. The company has served over 4m customers and disbursed over USD2b in loans, with an average loan size of just USD1k. From its roots as a women-focused microfinance company, MNT-Halan continues to prioritize lending to women entrepreneurs, which represent 53% of its customer base as of the end of 2021, thereby increasing their economic participation.

DPI has been instrumental in establishing MNT-Halan's fair lending terms. Prior to signing a lending agreement, the company confirms that prospective borrowers have revenue-generating businesses that can be used to pay back loans, minimizing the personal liability of MNT-Halan's clients. All borrowers are required to sign an easy-to-understand loan agreement laying out all loan terms and the

customer's legal rights, and the company avoids all hidden fees common amongst other lenders, such as origination fees.

To decrease the debt burden on its customers, the company works with borrowers to reschedule payments in the case of a default, as well as capping penalties charged on non-performing loans. MNT-Halan's leadership also helped draft a regulation that came into effect in August 2022, requiring a similar penalty cap for all lenders in the country. In the case of death, the company forgives any outstanding debt held by the deceased, eliminating the debt burden on the deceased person's estate or surviving relatives. As some fintechs globally have come under fire for predatory lending practices, MNT-Halan maintains strong principles centered around transparency and fair treatment of its customers.

Outcome/Outlook

MNT-Halan is executing its plan to provide a comprehensive digital ecosystem for the underbanked, rolling out services such as salary advances, fixed-income lending and physical credit cards. The company is also improving its tech capabilities through features like automatic loan increase approvals and renewals. Given DPI's pan-African footprint, the investor is helping the company evaluate greenfield and M&A expansion opportunities in other African markets, with the vision of promoting financial inclusion across the continent before targeting underbanked markets in Asia. ●

The Investor

Everstone

Headquartered in Singapore, the Everstone Group is a mid-market, control-oriented growth investor, focused on cross-border North America-Asia investments, as well as domestic investments in India and Southeast Asia. The group has over 425 people working across seven offices in India, Singapore, New York, Mauritius and the UAE and manages more than USD7b across five business verticals: private equity, logistics and warehousing, digital infrastructure, climate impact and venture capital.

FUND NAME
Everstone Capital Partners III

FUND SIZE
USD730m

TOTAL AUM
USD7b (Everstone Group aggregate)

The Company

Sahyadri Hospitals

Founded in 1994, Sahyadri is a chain of multi-specialty hospitals primarily catering to the city of Pune. The company operates six tertiary care and two secondary care hospitals, with a total of 921 beds, 550+ doctors, 1,050+ nurses and 1,300+ paramedical and support staff. Sahyadri has strong clinical credentials across neurosciences, cardiac sciences, orthopedics, oncology, transplants and critical care.

LOCATION
India

SECTOR
Healthcare

WEBSITE
www.sahyadrihospital.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE
OCT ’19	~USD105M	MAJORITY

The Indian private healthcare sector is on a swift growth trajectory, driven by population growth, increased disposable income and improved life expectancy resulting in a rising chronic disease burden. Demand for healthcare services still outpaces supply, with only 1.3 hospital beds per 1,000 people in the country compared to the global median of 2.9. Building on over a decade of investment experience in the Indian healthcare sector, Everstone identified an opportunity in Maharashtra, focused on the city of Pune. While Pune has high health insurance penetration rates and purchasing power, healthcare infrastructure is especially insufficient, at only 0.3 quality beds* per 1,000 people, compared to 0.6-0.7 in major cities such as Delhi, Hyderabad and Bangalore.

Founded in 1994 by neurosurgeon Charudutt Apte, Sahyadri had grown into one of the largest hospital chains in Maharashtra by 2019. Aided by private equity funding, the chain had commissioned and scaled eight locations across Pune since its founding, developing strong clinical capabilities and ensuring additional brownfield expansion ability. As the company’s investors neared the end of their holding period, many of Sahyadri’s facilities needed renovations and equipment upgrades. Everstone saw room for the company to grow through modernizing its infrastructure, expanding bed count at key facilities and investing in medical infrastructure and talent to bolster quaternary and higher tertiary capabilities.

* ‘Quality beds’ refers to beds in private hospitals with upgraded infrastructure, a highly rated patient experience and significant experience performing tertiary care procedures.

The Deal

Everstone acquired a majority stake in Sahyadri in October 2019, providing an exit for previous investors. Sahyadri spent INR2.2b (~USD31m), supported by an INR1.5b (~USD21m) equity infusion from Everstone, to renovate its facilities and construct additional floors and wings, increasing the overall bed count from approximately 670 to over 920. The hospital chain secured new medical equipment such as PET CT scanners and neuronavigational technology to expand its treatment and diagnostic capabilities. Through savings initiatives such as renegotiations with Sahyadri's suppliers, Everstone helped the company save over INR100m (~USD1.4m) in annual procurement costs, further supporting facility and equipment upgrades. Everstone also expanded the company's external diagnostics business Sahyadri Labs, which now has 50 collection locations.

The improved infrastructure and resources further attracted top clinicians, expanding Sahyadri's capabilities in key specialty areas like transplants and oncology. An influx of surgical talent drove surgeries as a percentage of total cases from 45% in 2019 to 65% today. In 2021 alone, Sahyadri treated over 251,000 patients and conducted over 23,000 surgeries, including 53 liver transplants.

COVID-19 in Focus

At the onset of the COVID-19 pandemic, Everstone worked closely with Sahyadri to quickly develop pandemic management protocols., Sahyadri was quick to create isolated COVID units to accept and care for infected people, even before these measures were mandated by law. As the pandemic disrupted supply chains, Everstone worked with Sahyadri to forecast medical supply demand, ensuring no patients experienced a delay in care due to supply shortages. In addition, Everstone supported the development of an in-house oxygen plant to reduce dependence on external suppliers.

To support its healthcare workers at the forefront of the pandemic, Sahyadri granted a bonus to all medical and non-medical employees. The company also increased salaries by 25-30% for doctors and nurses across all units, as well as all workers in the ICU. Sahyadri established a 50-bed unit for COVID-infected employees and employee family members, all of whom were treated free of cost.

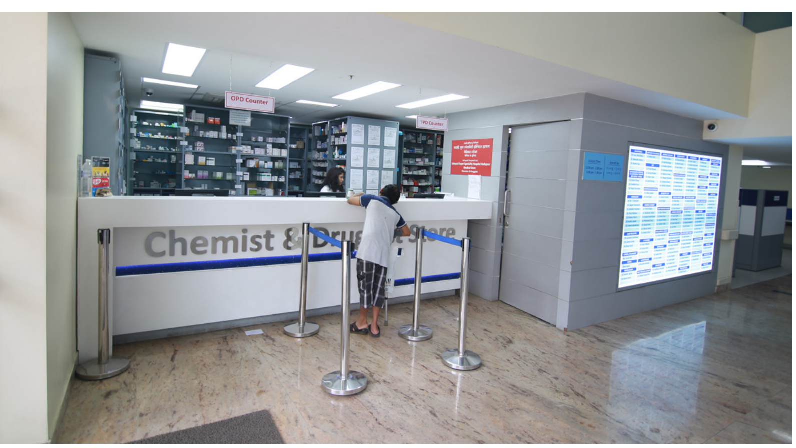
Despite pandemic-induced disruptions, Sahyadri's revenue and EBITDA grew at a CAGR of 21% and 42%, respectively, between 2019 and 2022. The company's EBITDA grew 2.8x during Everstone's investment and now stands at INR1.8b (~USD22m).

Inclusive & Sustainable Growth

Under Everstone's three-year ownership, Sahyadri was able to grow its workforce by 58% to 4,022 employees as of September 2022. All employees receive healthcare and retirement benefits and are paid above minimum wage along with bonuses and gratuity. Women represent 52% of company employees, and there is no gender pay gap. To develop the company's human capital, Everstone approved USD1.5m in spending towards employee training in 2021 alone.

Under Everstone's leadership, Sahyadri spent INR170m (~USD2m) to bring its facilities up to international fire safety standards, installing ventilators and widening staircases. The investor helped develop the company's standard operating procedures for bio-medical and hazardous waste disposal, as well as earn accreditations for all Sahyadri facilities from the National Accreditation Boards.

To reduce its climate impact, Sahyadri partnered with Radiance Renewables, a portfolio company of Everstone's green infrastructure arm EverSource, to replace grid electricity at three of its hospitals with solar panel systems. This switch avoided 529 tons of CO_2 emissions and resulted in cost savings of ~USD450k in 2021. The company installed effluent treatment plants at six of its locations to process and reuse gray water, saving an annual average of 75,000 cubic meters of fresh water. Its Path Lab facility also installed a Variable Refrigerant Volume-based air conditioning system, saving approximately 186MW hours of electricity per year.



Sahyadri became the first private hospital in India to dedicate a facility to provide free or low-cost treatments to patients below the poverty line, treating over 16,000 patients to date. The company also earmarks 2% of revenues from its Deccan Gymkhana location for initiatives supporting underserved populations. Using these funds, Sahyadri has conducted cancer screenings for more than 17,000 low-income women and subsidized healthcare services for over 80,000 senior citizens.

Outcome/Outlook

In October 2022, Ontario Teachers' Pension Plan (OTPP) acquired Sahyadri Hospitals. Everstone and its co-investors have maintained a 10% stake in the business, with a plan to complete a full exit in the next 12 months. Building on the organic growth achieved under Everstone's leadership, Sahyadri is poised to continue its expansion in partnership with OTPP, entering other parts of Maharashtra through acquisitions. The company also continues to build its specialty healthcare capabilities, with a focus on transplant and oncology units. ●

The Investor

HELIOS Investment Partners

Established in 2004, Helios Investment Partners is an African private investment firm based in London, Paris, Lagos and Nairobi. Managing funds totaling USD3.6b, the firm's portfolio companies operate in over 30 countries across the continent. In January 2020, Helios became the largest emerging markets-focused private equity firm globally to achieve B Corp certification.

FUND NAME
Helios Investors III

FUND SIZE
USD1.1b

TOTAL AUM
USD3.6b

The Company

GB FOODS Africa

Based in Ghana, GBfoods Africa (GBFA) is a pan-African culinary products platform with a portfolio of low-cost, staple food categories, including tomato paste, mayonnaise and bouillon cubes. The company was established as a joint venture between Spanish fast-moving consumer goods (FMCG) holding company Agrolimen and Helios Investment Partners, acquiring assets from leading African food brands. Through direct import and local production in seven factories across Africa, GBFA is one of Africa's largest FMCG businesses, with distribution in over 30 African countries.

LOCATION
Ghana

SECTOR
Food & Beverage

WEBSITE
www.thegbfoods.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE	DATE OF EXIT
MAY '17	USD100M+	49%	SEPT '21

GBfoods, a global culinary products manufacturer operated by Barcelona-based holding company Agrolimen, has been selling its seasoning products in Francophone Africa since 1973. The company was looking to expand its African operations into other product categories and markets, particularly in Anglophone countries like Nigeria and Ghana.

Impressed by the company's global product expertise and track record on the continent, Helios saw an opportunity to create an integrated buy-and-build culinary platform. Comprising non-discretionary products that constitute only 3-5% of money spent on an average meal, the portfolio of seasoning and condiment brands would be resilient to macroeconomic conditions. Helios would focus on shifting the brands away from export-heavy business models and towards local production, thereby insulating the business from supply chain challenges, increasing profit margins and contributing to local economies and food systems.

The Deal

In 2017, Helios and Agrolimen invested to establish the joint venture GBfoods Africa (GBFA), consisting of GBfoods' existing Africa business. Helios first assisted GBFA in localizing its operations, establishing a headquarters in Ghana and building a senior executive team with a mix of Spanish and African talent.

The firm's initial capital infusion was used to acquire the assets of Watanmal, an importer and trader of tomato paste brands Gino and Pomo. Tomato paste is essential to the Nigerian diet, and the country is the world's largest importer of the staple product. Despite the availability of arable land close to African consumers, tomato paste ingredients and finished products are nearly all imported from China, the United States, Europe and Latin America. Previous efforts by Nigerian agribusinesses to localize the production of tomato paste had failed, either because local tomato varieties were not suited to paste products or because storage and other logistics infrastructure was inadequate.

Leveraging Agrolimen's experience cultivating tomatoes in Spain, Helios helped GBFA combine global agricultural best practices with local expertise and experimentation to find the right land, growing practices and irrigation process to produce a successful tomato crop for its paste products. Key to this success, the company introduced a new tomato varietal that can be grown during the dry season to optimize land use, boosting the average yield of local farmers by up to 10x.

Downstream, Helios helped GBFA to innovate tomato paste packaging from traditional tins to smaller-volume sachets, making the product more affordable for consumers. The sachets also created a competitive edge because they are harder to import by international competitors.

> "Identifying ways to domesticate production of some of the product categories was a major focus for us."
>
> —Nimit Shah, Partner, Helios Investment Partners

Helios also helped GBFA with the backward integration of its mayonnaise and bouillon cubes products by localizing the manufacturing processes. Its new bouillon cube factory in Nigeria now produces millions of cubes per day that are sold under the Jumbo brand. Prior to Helios' investment, the company sourced all of its mayonnaise products from a producer in Richmond, Virginia, in the United States. Helios helped GBFA acquire the Bama mayonnaise brand from the US manufacturer and set up the most advanced mayonnaise manufacturing facility in the world. The company now produces 100% of its mayonnaise products sold in Nigeria in two factories in Sango Ota, outside of Lagos. After the acquisition, GBFA also adapted its mayonnaise products for the local palate by incorporating flavorings, boosting its market share.

Vertical integration helped increase company profit margins and insulate the business from foreign exchange fluctuations and regulatory changes. Meanwhile, new product innovations and launches, combined with cross-selling products across complementary markets, improved gross sales. As a result, during the four-and-a-half-year investment period, GBFA consistently registered annual operating profit growth in the mid-teens.

Inclusive & Sustainable Growth

About 60% of raw materials for GBFA products are now sourced on the continent, up from less than 30% prior to Helios' investment. Approximately 10% of the tomato paste input is now produced locally, and the company aims to increase this percentage. Through localizing food production, GBFA created over 1,000 new jobs for people who were previously unemployed and had limited job prospects, keeping high-value skills and jobs in agriculture and manufacturing on the continent. The local tomato-growing operations alone have created new jobs for 700 tomato harvesters, 80% of which are women. For many families, these jobs provide for the first time a second source of income, which surveys indicate is used to buy clothing, mattresses and mosquito nets and to pay children's school fees.

Local production also limits price increases for local consumers that would result from currency depreciation and supply chain disruptions like those seen during the COVID-19 pandemic, as well as reducing carbon emissions associated with previous long-haul shipping.

Outcome/Outlook

In September 2021, Helios sold its 49% stake in GBFA back to its joint venture partner GBfoods at a more than 2x MOIC. GBFA and its parent company remain committed to expanding the platform's local production and suite of brands, fostering an African champion in the culinary space. ●

The Investor

Horizon Capital

Based in Kyiv, Ukraine, Horizon Capital is a private equity firm in emerging Europe, backed by over 40 institutional investors. With a tenure of over 28 years in the region, the firm manages six funds focused on Ukraine and Moldova. Horizon focuses on fast-growing, export-oriented companies that leverage CEE's cost competitive advantage to generate global revenues and select new economy champions.

FUND NAME
Emerging Europe Growth Fund III

FUND SIZE
USD200m

TOTAL AUM
USD1.2b

The Company

АВРОРА МУЛЬТИМАРКЕТ

Headquartered in Poltava, Ukraine, Avrora is a dollar store chain operating over 800 locations, with products ranging from home and hygiene supplies to food and clothing. The company was founded in 2011 with a commitment to support local Ukrainian manufacturers, which today represent 68% of company sales, while providing accessible goods to all Ukrainians irrespective of income. During the Russian invasion of Ukraine, the company has maintained strong revenue growth while supplying Ukrainians with essential, inexpensive goods.

LOCATION
Ukraine

SECTOR
Retail

WEBSITE
www.avrora.ua

DATE(S) OF INVESTMENT	AMOUNT	STAKE
JULY '21	USD20.2M	MINORITY

In 2011, Lev Zhydenko, Taras Panasenko and Lesya Klimenko set up a small discount retail outlet in the Poltava region of Ukraine before quickly expanding the brand to new locations. From 2014 to mid-2021, the company grew from 54 to over 600 storefronts and increased its revenue at an 80% CAGR, all while maintaining an 11-16% EBITDA margin despite local currency depreciation and an economic recession. Since its founding, the company has been committed to sourcing products from Ukrainian producers to support local manufacturing and insulate consumers from FX-related price increases.

In 2021, the Horizon Capital team was deploying its third fund, dedicated to Ukrainian export-heavy businesses. Witnessing Avrora's speedy growth, Horizon recognized an opportunity to build a CEE regional champion in the recession-proof discount retailer segment.

The Deal

Horizon Capital invested in Avrora in July 2021, leading the company on key strategic initiatives. In response to heightened consumer demand for e-commerce options, Horizon led the development of Avrora's digital strategy and helped assemble a technology team to build out its digital ecosystem. Horizon also helped assess neighboring markets for expansion, identifying Romania as the first target. The company is actively pursuing entry into Romania despite the ongoing Russian invasion of Ukraine.

To deepen Avrora's supply of locally produced goods, Horizon assisted in forming a committee to source and manage relationships with domestic manufacturers. The investor also introduced the company to the CEE leadership at Procter & Gamble, which manufactures several products in Ukraine. Local producers now represent about 68% of Avrora's sales, compared to 59% before the investment.

Inclusive & Sustainable Growth

Horizon spearheaded an initiative to change Avrora workers from private contractors to full-time employees, requiring the company to pay a social contribution tax that covers retirement and medical benefits. Over 90% of Avrora's 6,900 workers are now full-time employees. The investor also helped create an audit committee and organized an annual financial audit.

Horizon organized an ESG audit and helped establish an ESG committee to implement an environmental and social management system. As a result, the company developed a program to minimize waste and recycle all packaging and defective goods in Avrora's warehouses. In the first half of 2022, Avrora sorted and recycled 318 tons of waste.

Horizon has supported Avrora in executing emissions reduction incentives for company employees. Through the Bla Bla Car Avrora program, employees receive bonuses for providing carpool rides to and from work for colleagues, resulting in 250-500 carpooled trips per month. Employees can also purchase a bicycle in installments with funds provided by the company.

Outcome/Outlook

Despite the enormous challenges of the Russian invasion, Horizon and Avrora's leadership remain committed to growing the business. In addition to reopening closed stores, the company plans to open 300 new locations in 2023. Horizon and Avrora are preparing to launch the company's international expansion, first in Romania, with the goal of generating at least one-third of company revenue from outside of Ukraine by 2025. The company will also focus on building out its e-commerce channel and digital ecosystem, with intentions to list on a European exchange by 2026. ●

The War in Focus

Horizon Capital played an instrumental role in Avrora's crisis management following the Russian invasion of Ukraine in February 2022. Over 100 of Avrora's 863 stores were destroyed or closed in areas occupied by Russian forces. The company helped evacuate employees from highly affected areas like Kharkiv, the country's second-largest city, which has been a major target for Russian air and missile strikes.

The company has leveraged its logistics infrastructure for humanitarian relief efforts. In collaboration with aid organizations, Avrora launched the Vinnytsia Humanitarian Hub, which has processed over 1,100 tons of aid supplies from 16 countries so far. The company helped organize donation boxes in stores, as well as the delivery of goods to severely affected areas. Avrora partnered with the Red Cross to distribute vouchers for essential goods to the most vulnerable segments of the population.

Avrora's employee wellbeing initiatives have included an emergency hotline to connect employees with relatives, twice-weekly town halls where safety information is disseminated and employees can discuss concerns, aid packages for workers that have lost relatives and equipment such as backpacks and night vision devices for employees in the armed forces.

In its Poltava headquarters, the company has organized a bomb shelter and free psychological services for workers. After schools closed in the city, Avrora opened a kindergarten for children of employees that teaches an average of 40 attendees per day. The company also offers a stipend for office workers opting to relocate to western Ukraine.

Avrora is a vital source of food and hygiene supplies for hundreds of thousands of Ukrainians, so the company has prioritized keeping stores open and reopening closed locations after territory is reclaimed. As supply chains were disrupted, the company identified alternative suppliers in key categories like food. It also established new logistics routes, rerouting Chinese imports through a port in Gdansk, Poland.

> "People depend on our products, so we are operating as many locations as we can without collaborating with occupiers. When we closed a store less than two miles from the front line in Pechenihy, the community organized a letter-writing campaign calling for us to reopen it, so we did."
>
> —Taras Panasenko, CEO & Co-Founder, Avrora

Despite store closings, disrupted supply chains and increased logistics costs, Avrora has maintained a ~15% EBITDA margin during the invasion. The company grew its revenue by 51% in USD terms and nearly tripled its EBITDA in Q1-Q3 2022 compared to the same period in 2021.

The Investor

Founded in 2009, Insitor Partners backs entrepreneurs building solutions for low-income consumers across South and Southeast Asia, where over 650m people are excluded from access to basic services such as education, healthcare, drinking water and housing. The firm is based in Singapore with country offices in Cambodia, Myanmar, India and Pakistan. Across its three funds, Insitor has invested in 29 companies serving 51m low-income consumers.

FUND NAME
Insitor Impact Asia Fund

FUND SIZE
USD33.5m

TOTAL AUM
USD92m

The Company

Khmer Water Supply Holding (KWSH) is a piped-water utility company expanding access to safe and affordable water across rural Cambodia. Launched in 2013 as a greenfield company with core funding from Insitor Seed Fund and initial project management from Devenco, the company offers treated water to households in licensed geographies by using a piped-water system. It aims to address the exclusion of rural households from the market by acquiring rural private water stations with unrealized potential and increasing their production and distribution capacities.

LOCATION
Cambodia

SECTOR
Water

WEBSITE
www.kwsh.com.kh

DATE(S) OF INVESTMENT	AMOUNT	STAKE
JULY '18, JUNE '21	USD1.7M	14%

Khmer Water Supply Holding (KWSH) was launched in 2013 with seed funding from Insitor Seed Fund and initial project management from Devenco as a water utility platform serving Cambodia's rural population of 12m people. In Cambodia's privatized rural water sector, over 400 operators have acquired licenses from the state to build and manage small piped-water utilities serving 2,000-10,000 households each. These operators generally lack the technical capabilities and capital necessary to increase their water station's capacity and provide reliable services at scale. As a result, pipe infrastructure covers only about 45% of households in each license area, and only 50% of those covered households are actually connected to the pipeline. In all, only 17% of Cambodia's rural population has access to piped water. Most rural Cambodians depend upon unreliable, unsafe and labor-intensive water sources like wells, rivers and rainfall, supplementing in the dry season with costly bottled water. KWSH was established to acquire promising but underperforming rural water stations and increase their production capacities and pipe networks.

By 2018, KWSH was operating two water stations, but it had not yet reached sufficient scale to access local bank or DFI financing for additional expansion. At the same time, Insitor was evaluating opportunities in Cambodia for its first institutional vehicle, Insitor Impact Asia Fund (IIAF), and was already deeply familiar with the company through its Seed Fund investment. In addition to a clear social impact from improving water supply services in rural Cambodia, KWSH presented a low-risk commercial opportunity through its yield-generating assets providing low-cost, essential services to an underserved market.

The Deal

IIAF first invested in KWSH in July 2018, facilitating the acquisition of three water stations to bring the company's portfolio to five utilities, each consisting of a treatment plant, water storage tank, pumps and underground piping. In addition to upgrading the existing infrastructure, KWSH has installed over 320,000 meters of new pipe and managed over 400,000 meters as of the end of 2021.

Insitor supported KWSH in refining its marketing strategy and processes, including the development of tactics to increase KWSH's customer base by lowering the barrier to entry for households. Through KWSH's two-fee pricing model, households pay a one-time connection fee of USD35-70, followed by a nominal usage fee averaging USD0.50 per cubic meter. To address households discouraged by the upfront connection cost, Insitor helped KWSH institute frequent sales promotions offering connection fee discounts of up to 50%.

Insitor assisted KWSH in developing a revamped marketing campaign focused on the advantages of piped water that were most attractive to local communities. These selling points include the convenience of on-premise water access and the long-term cost savings of having a steady water source, especially during the dry season. KWSH rescaled the usage fee listed in its marketing materials from a price per cubic meter to a price per equivalent 20L bottle of water, allowing consumers to more easily compare costs.

Through these efforts, KWSH increased the number of connected households from 6,000 at the time of IIAF's initial investment to over 17,000 as of mid-2022. The rate of connection among households with access to KWSH piping is 92% today. KWSH's annual revenue and EBITDA grew at a CAGR of 42% and 41%, respectively, from 2018 to 2021.

> "We set out to build a company with superior engineering and governance practices so that we would have a competitive advantage in raising capital for ongoing expansion. We have begun to see that thesis play out."
>
> —Nicholas Lazos, Co-Founder and CIO, Insitor Partners

KWSH recently closed a USD2.3m debt financing agreement with InfraCo Asia Development to complete the pipe network expansion projects for all of KWSH's existing water stations, a project that is expected to increase the number of households served to 30,000. The company is also about to close a USD7m credit facility from the U.S. International Development Finance Corporation (DFC) to identify and acquire new water stations that will more than double the number of households in KWSH's licensed areas to 85,000.

Inclusive & Sustainable Growth

Since IIAF first invested, KWSH has increased its customer base by more than 3x. The company now provides over 2b liters of clean water annually, serving over 80,000 individuals as of the end of 2021.

Through its core business function, the company reduces the risk of waterborne illnesses and contributes to the economic prospects of

rural populations in Cambodia, especially women. Sanitation-related infections contribute to 11% of maternal mortality worldwide, as well as 26% of neonatal deaths, according to the United Nations. Women and girls are often responsible for collecting water from unregulated sources and traveling long distances to do so, preventing them from exploring other livelihood opportunities. In a 2022 impact field review, Insitor collected testimonials from women customers who reported reduced incidences of illness and an improved ability to effectively run their businesses as a result of KWSH's services.

KWSH and Insitor have also expanded water access to Cambodia's poorest households, which can often afford water usage fees but not the initial connection cost. Insitor has helped KWSH structure deals with grant funders, such as Aqua for All, to subsidize the connection fee for households below the poverty line, bringing it down to an accessible USD10. Aqua for All is also supporting an initiative to help KWSH expand pipelines into extremely remote and commercially unviable areas in order to reach the most vulnerable segments of the population. Insitor continues to help KWSH onboard additional philanthropic partners to double down on these initiatives.

Outcome/Outlook

KWSH is aiming to double the households served over the next two years to about 40,000 through new water station acquisitions and pipe infrastructure buildouts. In the long term, the company anticipates opportunities to expand into other services, leveraging its business model and brand equity to improve service delivery in areas beyond water. ●

The Investor

Lightrock is a global private equity platform that backs companies that pursue scalable and tech-driven business models around the key impact themes of people, planet and productivity/tech for good. Lightrock's portfolio includes more than 85 companies in 14 countries across Europe, the United States, Latin America, Asia and Africa, supported by a team of over 90 professionals based in five offices across these regions, including Lightrock's headquarters in London. Lightrock is backed by LGT, the international private banking and asset management group, and other global institutions.

FUND NAME
Lightrock Growth Fund I

FUND SIZE
USD900m

TOTAL AUM
USD3.3b

The Company

Frete.com, formerly known as CargoX, is a digital freight marketplace that matches supply and demand for freight services. The Fretebras platform allows Brazilian drivers to plot out their pickups and deliveries ahead of time, rather than having to hunt for jobs at truck stops. Founded in 2013, the company recently rolled out a full digital wallet and credit system and expects to become the largest financial services provider to the trucking industry in Brazil by the end of 2022.

LOCATION
Brazil

SECTOR
Logistics

WEBSITE
www.frete.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE
APR '20, SEPT '20, NOV '21	CONFIDENTIAL	MINORITY

Cycling around truck stops in Brazil more than a decade ago, Frete.com founder Federico Vega observed the staggering amount of time trucks spent idle or on return trips with no cargo transported. In 2013, he established CargoX, now known as Frete.com, a free online platform that automatically matches supply and demand for freight services.

Trucks move 75% of commercial cargo in Brazil, where rail, air and maritime options are limited, making it the world's third-largest trucking market after China and the United States. The fragmented road freight industry was reliant on manual matching of truckers and shippers conducted by thousands of offline marketplaces and brokers. Trucks typically traveled with unused capacity 45-60% of the time, with near-zero backhauls, contributing to carbon emissions and high transportation costs for suppliers. Brazil's 1.5m heavy-duty truckers, representing just under 1% of the population, struggled to find freight jobs and spent over half of their fuel costs on empty return trips.

By 2020, Frete.com had raised several rounds of funding to consolidate its leadership position in the Brazilian trucking industry, most recently with a USD60m Series D. Given Lightrock's hands-on and impact-focused approach, Frete.com saw the firm as a potential partner to develop its own ESG strategy as it scaled, especially as it eyes a future public listing. Lightrock was attracted to the company's market share and breakthrough technology, as well as its impact on CO_2 emissions and the income and security of professionals in the trucking industry.

The Deal

Lightrock was among the investors that participated in the company's April 2020 USD90m Series E, which also attracted the Inter-American Development Bank (IDB) and follow-on from Goldman Sachs, Valor Capital Group and Farallon Capital. Since Lightrock's first investment, Frete.com has further consolidated its position in Brazil by growing the number of truckers using its free freight matching service. Lightrock has also assisted Frete.com in monetizing the platform through embedded financial services such as insurance and lending to shippers, as well as partnerships with service stations to provide discounted fuel and food purchases to truckers.

Pandemic-related supply chain disruptions lessened demand for trucking services, reducing Frete.com's cargo volume by about 30% in April 2020 compared to pre-COVID-19 levels. Through Lightrock's support, which included a business continuity analysis and best practices shared by its other portfolio companies, Frete.com rebounded to above pre-pandemic levels, achieving 120% gross transaction value growth from January to August 2020. The number of loads posted per day on the marketplace was 150% higher in the same time period.

The company has continued to grow in 2022, achieving USD28b in year-to-date (YTD) gross transaction value in August 2022, a 75% year-over-year increase. The company has also set records for the number of shippers and truckers on the platform, with 177,000 companies hiring 1.4m trucks registered in the app so far in 2022. On average, loads receive quotes one minute after listing and are unlisted by the shipper in less than 24 hours.

> "We closed the investment from Lightrock at the beginning of the pandemic, when no one was trusting anyone else. When things get bad, you see which investor is really solid, which will support the company during the rough times and in the long run."
>
> —Federico Vega, Founder & CEO, Frete.com

Inclusive & Sustainable Growth

Lightrock has been instrumental in the development of Frete.com's ESG reporting framework, culminating in the company's first annual ESG report in 2021. Frete.com now tracks metrics such as CO_2 emissions reduction, increases in income and security for truckers and women's representation in the industry. Lightrock also helped the company implement governance best practices, including establishing risk and audit committees.

By reducing unused trucking capacity from the market average of 60% to only 15% amongst Frete.com users, the platform slashed CO_2 emissions by more than 25m tons in 2021. It is currently working with climate tech firm MOSS and consultancy MGM to measure Frete.com's greenhouse gas emissions and develop emissions reduction and offset initiatives.

For the ~90% of Brazilian truckers that use the platform, Frete.com increases their profits by an average of 50% by providing a direct link to trucking jobs and thus reducing their idle time and empty return trips. Frete.com users tend to be the head of a household of five people on average but with little access to the formal banking system. Through Fretepago, launched in 2021, the company offers users a digital wallet and has started lending to shippers in the first phase of a three-year rollout of financial services that will also include trucker credit and life insurance. The app helps to build a user's credit history, paving the way for future financial access. Fretepago established partnerships with 2,700+ truck stops to enable truckers' access to diesel and food at high discounts across the country, thus reducing their overhead and boosting income.

In the Brazilian trucking industry, freight robbery accounts for BRL1b (~USD198m) in losses for carriers. By leveraging machine learning capabilities, Frete.com analyzes past crime rates to help truckers avoid high-risk routes, times, neighborhoods and types of cargo. This feature has reduced fraudulent load posts on the app by 67% in 2022 compared to 2020.

Outcome/Outlook

Frete.com is now the most used app for Brazil's truckers. The app represents ~90% of all trucks in the Brazilian freight industry and 48% of all freight service transactions in the country. Frete.com is the second largest trucking platform in the world in terms of web traffic, second only to FTA in China.

The company achieved unicorn status through its USD200m Series F round in November 2021 led by Tencent. Frete.com is currently focused on continuing to expand its market share in Brazil and financial services to the trucking sector, with ambitions to list on a US public exchange in the coming years. ●

The Investor

Linzor Capital Partners is a private equity firm investing in middle-market businesses with high growth potential in Latin America. Headquartered in Chile, the firm has additional offices in Mexico and Colombia, with 21 investment professionals based across the region. Since its founding in 2006, Linzor has invested nearly USD1.2b across 25 deals.

FUND NAME
Linzor Capital Partners III

FUND SIZE
USD621m

TOTAL AUM
USD763m (including co-investments)

The Company

Sies Salud is a Colombian healthcare provider specializing in treating chronic diseases, such as HIV, chronic kidney disease and autoimmune disorders, through a comprehensive care model. Through its HIV flagship program, Sies Salud treats an average of 21,000 patients monthly. In addition to chronic care, Sies Salud provides primary, preventive and palliative care. The company currently has 24 outpatient healthcare centers across major and secondary cities in Colombia.

LOCATION
Colombia

SECTOR
Healthcare

WEBSITE
www.siessalud.com

DATE(S) OF INVESTMENT	AMOUNT	STAKE
DEC '20	CONFIDENTIAL	MAJORITY

Sies Salud was founded in 2006 to provide outpatient care to HIV patients in second-tier cities in Colombia, where national infection rates are the fourth highest in Latin America. Although the 1991 Constitution guarantees universal health insurance, many private healthcare providers offer services through the contributory scheme – a type of employment-based mandatory insurance – and not through government-subsidized plans. As a result, low-income Colombians often lack access to high-quality providers, especially in specialty treatment areas. Smaller cities, where contributory scheme coverage rates are low, are particularly underserved. At the same time, rising HIV detection rates and improved life expectancy doubled the number of HIV+ patients from 2014 to 2020, driving increased demand for quality treatment options.

By 2020, Sies Salud had built a portfolio of 18 outpatient treatment centers and a client base of seven of the country's largest private insurers, including two that serve a large share of patients under subsidized plans. The company had also begun expanding into other treatment areas, such as chronic kidney disease (CKD) and Hepatitis C. An investor in the Latin American healthcare sector since 2008, Linzor Capital Partners was impressed with Sies Salud's ability to manage end-to-end treatment of high-cost patients while delivering above-average health results.

The Deal

Since acquiring a majority stake in Sies Salud in December 2020, Linzor has pursued aggressive growth plans for the company, opening six new locations and bringing the total number of clinics to 24. The investor has also fueled inorganic growth by evaluating 15 potential acquisition targets to date, resulting in several bolt-on deals currently under due diligence.

Linzor helped launch an autoimmune disorder service and significantly expand the CKD unit. These divisions have continued to grow, with the average number of monthly autoimmune and CKD patients increasing 351% and 73%, respectively, from 2021 to 2022. Since Linzor's investment, the proportion of revenue from services outside of Sies Salud's core HIV offering has increased from 17% to 20% and is expected to reach 30% in the next five years.

Since Linzor acquired Sies Salud, the number of patients served monthly has increased by 70% from 61,000 to 104,000. New locations have been opened in Norte de Santander, Huila, Magdalena, Bolívar and Bogotá.

Telemedicine and homecare capabilities have further expanded the company's reach into underserved, remote areas. In 2021, when political protests and continued COVID-19 restrictions impeded travel for patients and employees, Sies Salud built out telemedicine and homecare units to ensure continuity of care for patients. That year, 85% of HIV and 66% of CKD appointments were performed remotely. Sies Salud has trained 95% of its medical professionals to use telemedicine tools, and approximately 60% of its patients have received remote care.

Inclusive & Sustainable Growth

The company's expansion has had a marked impact on the quality of life of HIV+ people, with mortality rates amongst Sies Salud's HIV patients at only 0.9%, compared to the 16% industry benchmark. Since Linzor's investment, the HIV undetectability rate, referring to the percentage of HIV patients with viral loads below detectible rates after 48 weeks of treatment, has remained at 85%, above the 80% national average.

Sies Salud has kept its use of biologic drug treatments, which weaken the immune system, to only 19% amongst its autoimmune patients, reducing patient vulnerability to other infections. The company has also created superior end-of-life treatment, with 92% of its palliative care patients under pain control regiments, compared to the 60% national average, and 93% of deaths occurring at the patient's home, versus 60% nationally.

Since Linzor's acquisition, Sies Salud has created over 560 jobs. The investor has helped implement a management compensation system tied to budget and ESG targets. A newly established employee experience department provides workers with emotional support programs, time off, financial assistance and leadership training.

In addition to establishing an independent board of directors and risk and ESG committees, Linzor has strengthened the company's senior leadership team, including through key women hires. Under Linzor's leadership, the company published a non-discrimination

policy and conducted an LGBTQIA+ survey to improve the inclusion of employees from underrepresented groups at the company.

In 2022, the company partnered with foundations Mamita SANTA MARÍA and Mujer y Vida to execute social action projects, including mental healthcare training, income-generating projects and food security programs serving women in the low-income La Guajira and Chocó regions. The initiative is expected to serve over 380 women by the end of 2022.

Outcome/Outlook

Linzor and Sies Salud are actively seeking acquisition opportunities to continue growing the platform across small cities in Colombia, as well as rolling out additional telemedicine, homecare and mobile medical vehicle treatment options to treat patients in remote and underserved areas. The company is also focused on expanding its care model into a wider array of chronic disease treatments, including launching psoriasis and diabetes divisions. ●

The Investor

Mediterrania Capital Partners is a leading private equity firm investing in consolidated SMEs and mid-cap companies in North and Sub-Saharan Africa. Headquartered in Valletta and with offices in Abidjan, Algiers, Barcelona, Cairo and Casablanca, Mediterrania Capital Partners takes a proactive, hands-on approach to implementing the growth strategy of its portfolio companies by driving value creation and ESG processes.

FUND NAME
Mediterrania Capital III

FUND SIZE
USD290m

TOTAL AUM
USD446m

The Company

Founded in 1991, TGCC is a Casablanca-listed construction company executing large projects that span residential, hospitality, commercial, industrial, administrative and infrastructure segments. To date, TGCC has provided integrated design, engineering, procurement, construction and project management services to more than 1,000 projects across Africa from its offices in Morocco, Gabon, Côte d'Ivoire and Senegal.

LOCATION
Morocco

SECTOR
Construction

WEBSITE
www.tgcc.ma

DATE(S) OF INVESTMENT	AMOUNT	STAKE	DATE OF EXIT
JUL '18	USD55M INCLUDING CO-INVESTMENTS	MINORITY	DEC '21 PARTIAL

Mohammed Bouzoubaa founded Travaux Généraux de Construction de Casablanca (TGCC) in 1991 out of his garage. Over the next 25 years, Bouzoubaa built TGCC into one of the largest construction companies in Morocco before launching offices in Gabon in 2015 and Côte d'Ivoire in 2016. TGCC differentiated itself from its competitors through its strong investment in equipment, efficient team and high versatility and diversification across different market segments such as residential, commercial and hospitality. To ensure that the family-run company would continue to thrive under the next generation of management, Bouzoubaa sought an external partner to help institutionalize the business and support its continued growth.

Mediterrania Capital Partners met Bouzoubaa and his team in 2016, recognizing an opportunity to help expand TGCC into new markets in Africa, where there is strong demand for residential and commercial real estate, coupled with increasing government spending on infrastructure.

The Deal

Mediterrania led a consortium that included DEG, Proparco and South Suez to acquire a minority stake in TGCC in July 2018. Mediterrania and TGCC pursued a verticalization strategy to reduce dependency on external suppliers and improve profit margins, as well as increase its ability to execute new projects and maintain tight project timeframes. The company tripled the production capacity of its prefabricated concrete unit, acquired a flooring works business and launched new wood and aluminum carpentry units.

TGCC had previously worked on projects outside of Morocco only on an opportunistic basis through small Gabon and Côte d'Ivoire offices. Mediterrania helped install full teams in the newly established offices to more strategically bid on projects in these two countries. With the investor's support, TGCC also expanded operations in Senegal, winning its first tender in the country for the turnkey construction of a five-star hotel.

Since Mediterrania's investment, TGCC's vertical integration and geographic diversification have resulted in a more than 70% increase in company revenue as of the end of 2021.

Inclusive & Sustainable Growth

During Mediterrania's investment, the number of TGCC employees increased by 18% to 8,467. In addition to helping form an independent board of directors, Mediterrania guided the company in institutionalizing employment and human resources practices.

Under Mediterrania's guidance, TGCC developed a comprehensive workplace health and safety protocol covering employees, as well as stakeholders linked to construction sites such as subcontractors, customers and suppliers. The company began conducting systematic risk assessments for each construction project to develop and implement tailored protection plans, which are continuously monitored on site. In 2018, the company became the first construction company in Morocco to obtain ISO 45001 certification in recognition of its occupational health risk management system.

As a result of its robust health and safety protocols, the company was able to recover quickly from COVID-19 lockdowns. The company immediately resumed business after a month-long quarantine in Morocco in March 2020, establishing daily employee health monitoring and social distancing protocols and installing a dedicated COVID-19 ranger on job sites to ensure worker safety.

> "Because TGCC had a strong ESG team, we could quickly put safety measures in place at job sites when COVID broke out. We lost only March 2020, and then we were able to restart operations without putting our work-force in danger."
>
> —Mohamed Ali Abdelhak, Partner, Mediterrania Capital Partners

Mediterrania assisted TGCC in implementing policies to close the gender pay gap, as well as mentorship and management support systems for women employees. The construction sector represents 13.6% of male employment in Morocco but only 0.5% of female employment, according to a 2020 report by Morocco's High Commission for Planning. Through dedicated recruitment efforts, the company brought the representation of women in support departments like finance and human resources to roughly 50% and is currently focused on hiring women in even more heavily male-dominated construction site positions.

The construction industry is a major consumer of natural resources and accounts for an estimated 39% of global greenhouse gas emissions. To address its resource use, TGCC worked with Mediterrania to develop an environmental management system, becoming the first Moroccan construction company to achieve ISO 14001 certification.

Sustainability initiatives included installing solar panels on its office locations and establishing a preventative maintenance system in its equipment department to reduce diesel consumption and pollution risk. It also launched a waste management system focused on recycling items like oil, batteries and tires and reusing wood and scrap metal at building sites. TGCC is also working to shift norms in the real estate industry, educating customers about the long-term cost savings associated with green construction materials like low-e glass, isophorone paint, hydro-ceramics and green asphalt.

Outcome/Outlook

Accelerated company growth brought about by several large contracts, combined with increased public markets liquidity, prompted the company to prepare for an IPO earlier than the intended 2022-2023 timeline. The company listed on the Casablanca Stock Exchange in December 2021, raising MAD600m (~USD65m) through a combined share sale by investors and capital increase. The IPO was oversubscribed 22x, and Mediterrania sold part of its stake in the company.

Mediterrania continues to hold two of TGCC's ten board seats, helping the company pursue strategic growth plans such as consolidating its position in West Africa and evaluating acquisition targets to facilitate expansion into Africa's burgeoning transportation and maritime infrastructure space. ●

The Investor

Openspace is a VC firm funding transformative startups in Southeast Asia. The firm operates out of offices in Singapore, Indonesia, Thailand, the Philippines and Vietnam with a team of 35 people representing 12 nationalities. Openspace has invested in 46 companies across the region, including category leaders such as GoTo (formerly Gojek), Halodoc, Biofourmis and FinAccel.

FUND NAME
OSV Fund II, OSV+

FUND SIZE
USD135m, USD200m

TOTAL AUM
USD650m

The Company

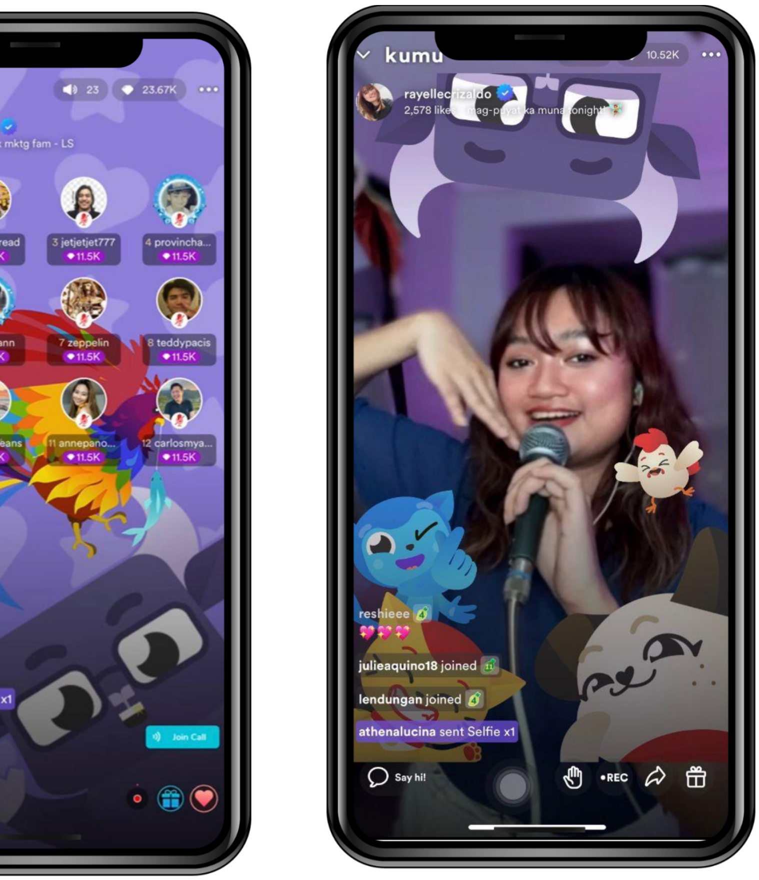
Kumu is a Philippines-based livestreaming company that is the first fully interactive social entertainment app in the country. The platform allows creators to stream content to audiences and monetize their work through virtual 'gifts' from viewers, providing a source of income above the national entry-level salary average for 15,000 creators. Kumu creates online communities rooted in the core values of safety, positivity and acceptance through rigorous content moderation powered by AI tools and a team of volunteer moderators.

LOCATION
Philippines

SECTOR
Media & Entertainment

WEBSITE
www.kumu.ph

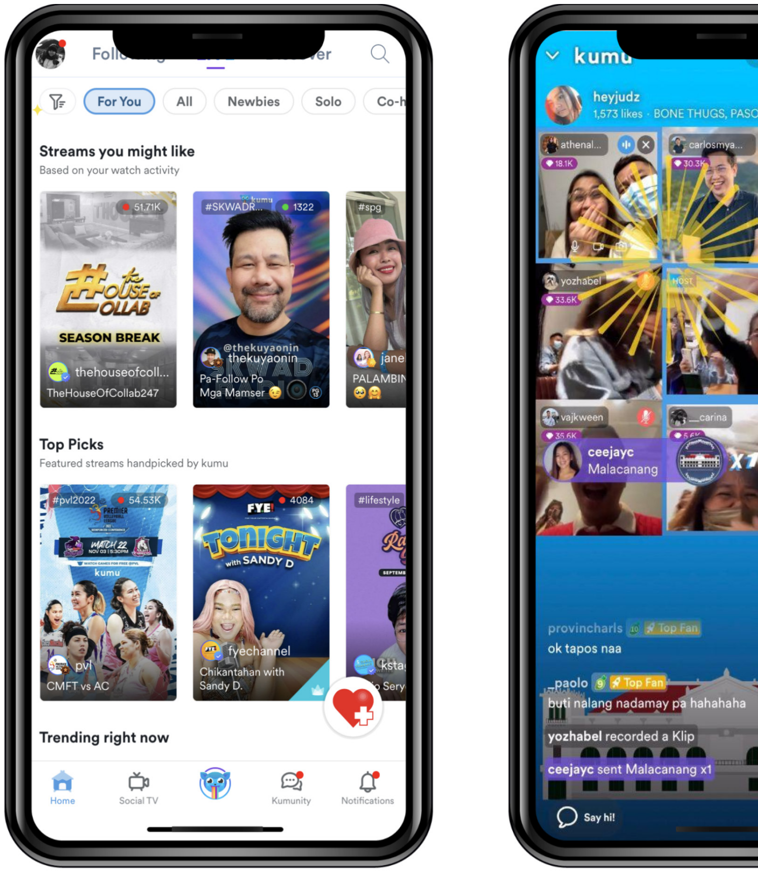
DATE(S) OF INVESTMENT	AMOUNT	STAKE
AUG '19, MAR '20, MAR '21, OCT '21	USD17M	MINORITY



Kumu, derived from the Tagalog for 'how are you?', was founded in 2018 by first-generation Filipino-Americans Roland Ros and Angelo Mendez, along with Rexy Dorado, a Filipino national working in the United States. The founding team had witnessed the ongoing digital transformation in the Philippines aided by the availability of inexpensive mobile devices. The group relocated to Manila with aspirations to address the underpenetrated Filipino consumer market and help build the local tech ecosystem. They founded Kumu first as a messenger app before deciding that a livestreaming format had the potential to create more authentic and connected online communities.

When Openspace Ventures first met the Kumu team, the company had just closed its USD1.2m seed round led by local magazine publisher Summit Media and was evolving its product into a social entertainment livestreaming platform. Openspace had recently completed its first deal in the Philippines and was eager to invest more in the country, particularly in the media sector.

The VC was impressed by Kumu's robust user traction and ethos to create an authentic, safe and genuinely Filipino alternative to international social media platforms. In Openspace, Kumu's founding team saw a partner that could help the company pivot its product and strengthen its content moderation function. Although the startup was at an earlier stage than Openspace's typical investment mandate, the firm had strong conviction in the Kumu product and founding team.



The Deal

Openspace led Kumu's 2019 pre-Series A round, which also attracted participation from local television network ABS-CBN Global and follow-on from Summit Media. Openspace helped Kumu improve and staff several operational areas, onboarding key members of the company's C-level team such as the CFO, Chief Product Officer and Chief Content Officer.

Kumu's new CFO developed the company's innovative monetization model. Unlike other social media platforms that depend on advertising revenue, Kumu generates over 95% of its revenue from micro-transactions. Kumu viewers support creators by sending 'gifts' on the platform that are convertible to cash. Openspace has assisted Kumu in rolling out a supplemental advertising revenue stream, in which users can 'gift' products sold by sponsor companies. This initiative has already attracted multinationals such as Unilever.

Since Openspace's initial investment in 2019, Kumu's annual revenue has grown from USD1m to USD55m in 2021, while active monthly users have increased by 12x to over 2.5m as of the end of 2021. The app has approximately 19m downloads across more than 55 countries, reaching the global Filipino diaspora, with over 60m livestream views per month.

Openspace's early bet on Kumu has catalyzed additional capital into the company, which has raised over USD100m to date. The investor has also followed on in the company's subsequent fundraises, most recently its October 2021 USD74m round, the first Series C raised by a Filipino startup on record. The company represents the first investment in the Philippines for global tech investors like General Atlantic.

Inclusive & Sustainable Growth

Ensuring that Kumu creates a safe online environment has been a top priority for Openspace. Soon after its first investment in the company, Openspace deployed its ESG and data science teams to help Kumu integrate an AI-driven content moderation solution that detects violence, solicitations, bullying and other hateful content. The AI tool now accounts for about 90% of content removed from the platform, with the balance flagged by over 3,000 volunteer moderators that report to Kumu's content team. As a result, objectionable content is removed from the platform within 58 seconds.

Kumu's content team has put extra focus on monitoring and addressing unwanted attention received by creators, especially women. The app also does not offer beauty filters found on other platforms and that are proven to be detrimental to mental health. Kumu discourages posts on divisive topics such as politics in favor of inclusive content, through initiatives such as highlighting LGBTQ+ creators during Pride Month.

Kumu's 'gifting' model has provided an important source of income for its 1.3m content creators, particularly when traditional segments of the economy shut down during COVID-19 lockdowns. The number of financially successful creators* in 2021 reached 15,000, about half of which are female, from just 280 in 2019. To support the next generation of creators, the company established a free three-month mentorship program called Kumu Creators Academy, which has taught over 3,000 users the basics of content creation.

Kumu partners with the nonprofit Tech for Filipino Youth to provide edtech gadgets to less-privileged students, and its Kumuskolars scholarship program supports Filipino students taking online courses in creative fields. Kumu also hosts the Kumu Bayani Festival, a digital festival for social causes in partnership with nine nonprofit organizations, as well as a street mural project showcasing Filipino roots called Project Lakbay. The company spent an estimated 1,800 hours on community engagement initiatives in 2021.

Outcome/Outlook

Content moderation remains a primary focus for Kumu, and the company continues to improve its technology tools to ensure a safe online environment for Filipino communities domestically and abroad. The company is also working on building new features like live commerce, audio and gaming and has ambitions to eventually pursue a public listing. •

* Kumu defines a financially successful creator as one making more than USD400 per month, comparable to the ~USD350m average monthly wage of new graduates in the country.

Subscribe to GPCA's Newsletters

GPCA covers the latest fund, investment and industry news across our markets in two newsletters: NewsWatch is a weekly round-up of key transactions across asset classes; the Global Tech Brief is a bi-weekly review of tech transactions and innovations with cross-border applications. Subscribe at GlobalPrivateCapital.org.