AFRICA EATS

LISTING PARTICULARS

Issued in compliance with Chapter 21 of the SEM Listing Rules pertaining to High-Growth Companies

LEC/P/04/2024
Issue Date: 18 October 2024

Africa Eats Ltd
(Incorporated in the Republic of Mauritius)
(Company registration number: 173222)
c/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis, Mauritius
LEC/P/04/2024
("**Africa Eats**" or the **"Company**" or the "**Issuer**")

LISTING PARTICULARS

The definitions commencing on page 8 of these Listing Particulars have, where appropriate, been used on this cover page.

An application has been made for the listing of up to 17,590,370 Ordinary Shares of no par value of Africa Eats Ltd ("**Africa Eats shares**") on the High-Growth Segment of the Main Market of the SEM ("**High-Growth Segment**"). Accordingly, these Listing Particulars have been prepared and issued in compliance with Chapter 21 of the Listing Rules, being the rules governing the listing of securities on the High-Growth Segment:-

- in respect of the listing of 10,590,370 issued Africa Eats shares by way of Introduction;
- in respect of the issue and listing of up to 1,330,000 Africa Eats shares following the Initial Private Placement;
- in respect of the issue and listing of up to an additional 5,670,000 Africa Eats shares at a price to be decided by the Board, through various placings which may take place subsequent to the SEM listing and the Initial Private Placement; and
- to provide information to targeted investors with regard to the Company.

It is expected that dealings in Africa Eats shares on the High-Growth Segment will commence on or around 19 November 2024. On the first day of listing and trading on the SEM, the Market Maker will make Africa Eats shares available for trading at an indicative price of USD 2.25 per share.

This document does not constitute an invitation to the public to subscribe for Africa Eats shares.

	2024
Opening date of the Initial Private Placement at 09:00 (Mauritius time) on	21 October
Closing date of the Initial Private Placement at 12:00 (Mauritius time) on	5 November
Proposed date of listing on the High-Growth Segment on or around	19 November

A copy of these Listing Particulars is available in English only, accompanied by the documents referred to under "Documentation available for inspection" as set out in section five, paragraph 12 of these Listing Particulars.

These Listing Particulars include particulars given in compliance with the Stock Exchange of Mauritius Ltd Rules Governing the Official Listing of Securities for the purpose of giving information with regard to the Issuer. The directors, whose names appear on page 10, collectively and individually, accept full responsibility for the accuracy or completeness of the information contained in these Listing Particulars and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Admission to the High-Growth Segment is primarily intended for high-growth companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial adviser.

The Legal Advisor as to Mauritian law, SEM Authorised Representative and Sponsor, Transaction Advisor, Auditors, Company Secretary, Registrar and Transfer Agent, Market Maker and Principal Bankers, whose names are included in these Listing Particulars, have consented in writing to the inclusion of their names in the capacity stated and have not withdrawn their written consent prior to publication of these Listing Particulars.

These Listing Particulars may include forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the Company and its future prospects. These forward-looking statements have been based on current expectations and projections which, although the directors believe them to be reasonable, are not a guarantee of future performance.

The distribution of these Listing Particulars and the placing, sale or delivery of Africa Eats shares are restricted by law in certain jurisdictions. Therefore, persons who may come into possession of these Listing Particulars are advised to consult their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. These Listing Particulars may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Potential investors should not treat the contents of these Listing Particulars as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to (i) the legal requirements within their own respective country for the purchase, holding, transfer or other disposal of shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they may encounter; (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares. Prospective investors must rely on their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. These Listing Particulars should be read in its entirety before making any application for shares.

These Listing Particulars have been approved by the Listing Executive Committee ("**LEC**") of the SEM, in conformity with the Listing Rules, on 18 October 2024.

Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of these Listing Particulars. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in these Listing Particulars and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 18 October 2024 for the listing of:-

(a) 10,590,370 issued Africa Eats shares by way of Introduction;

(b) Up to 1,330,000 Africa Eats shares (to be issued as part of the Initial Private Placement) by way of placing; and

(c) up to an additional 5,670,000 Africa Eats shares through various placings which may take place subsequent to the SEM Listing.

A copy of these Listing Particulars has been filed with the FSC.

Company Secretary	**SEM Authorised Representative & Sponsor and Transaction Advisor**
Rogers Capital	Perigeum Capital

Legal Advisor as to Mauritian law

Auditors

Market Maker

Date and place of incorporation of the Company: 10 July 2020, Mauritius

Date of issue: 18 October 2024

CORPORATE INFORMATION

Registered office and postal address of the Company
C/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius
(Postal address same as physical address)

Company Secretary
Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius
(Postal address same as physical address)

SEM Authorised Representative & Sponsor and Transaction Advisor
Perigeum Capital Ltd
Ground Floor, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(Postal address same as physical address)

Legal Advisor as to Mauritian Law

Bowmans (Mauritius)
3rd Floor, The Dot
Avenue De Telfair, Moka, 80829, Mauritius
(Postal address same as physical address)

Auditors (FY 2021/2022/2023)
UHY & Co
UHY House
71 Impasse Saipan
Vivéa Business Park
Concordia 81405
Moka, Mauritius

(Postal address same as physical address)

Auditors (FY 2024)
Baker Tilly Mauritius
Level 2, Tribeca Central
Trianon 72261
Mauritius

(Postal address same as physical address)

Principal Bankers
The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Mauritius
(Postal address same as physical address)

AfrAsia Bank Limited
Bowen Square
10, Dr Ferriere Street
Port Louis
Mauritius
(Postal address same as physical address)

Market Maker
Tuesday Markets Ltd
C/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius
(Postal address same as physical address)

Registrar and Transfer Agent
Intercontinental Secretarial Services Limited
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius
(*Postal address same as physical address*)

TABLE OF CONTENTS

The definitions commencing on page 8 of these Listing Particulars have been used in the following table of contents.

DEFINITIONS

In these Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite to them in the second column, as follows:

"**Africa Eats**" or the "**Company**"	Africa Eats Ltd, a public company incorporated under the laws of Mauritius on 10 July 2020 (Registration Number: 173222), and holding a Global Business License issued by the FSC;
"**business day**"	any day other than a Saturday, Sunday or official public holiday in Mauritius;
"**certificated shares**"	shares in respect of which physical share certificates will be issued;
"**Constitution**"	the constitution of the Company dated 19 September 2024;
"**directors**" or "**the board**" or "**board of directors**"	the directors of the Company as at the date of these Listing Particulars, further details of whom appear in **Annexure 1** of these Listing Particulars;
"**DFI**"	also known as a Development financial institution, is a financial institution that provides risk capital on a non-commercial basis. DFIs are often established and owned by governments;
"**FSC**"	the Financial Services Commission of Mauritius;
"High-Growth Segment"	The High-Growth Segment of the Main Market of the SEM;
"**GBL**" or "**Global Business Licence**"	Global Business Licence issued under the Mauritian Financial Services Act 2007;
"**IFRS**"	International Financial Reporting Standards;
"Initial Private Placement"	An offer to targeted investors to subscribe for up to 1,330,000 new Africa Eats shares at a price of USD 2.25 per share;
"Introduction"	10,590,370 Africa Eats shares currently in issue and which will be listed on the High-Growth Segment on the Listing Date;
"**last practicable date**"	the last practicable date prior to the finalisation of these Listing Particulars, being 30 September 2024;
"**LEC**"	Listing Executive Committee of the SEM;
"**Listing Date**"	the date of listing of the Ordinary Shares of the Company on the High-Growth Segment of the SEM, being on or around 19 November 2024;
"**Listing Particulars"**	this document and its annexures, dated 18 October 2024, which have been prepared in compliance with the Listing Rules;
"**Listing Rules**"	the Listing Rules of the SEM governing the Official Market;
"**management**"	the current management of the Company, as detailed in **Annexure 1**;
"**Mauritian Companies Act**"	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended;

"**Mauritius**"	the Republic of Mauritius;
"**MUR**" or "**Rs**"	Mauritian Rupees;
"**Main Market**" or "**SEM Main Market**"	the list of all securities admitted for quotation on the SEM Official Market;
"**Ordinary Share**"	a share in the capital of the Company designated as "**ordinary share**" and having the rights provided for under Clause 4.7 of the Constitution.
"**ordinary shareholder**" or "**shareholder**"	a holder of ordinary shares in the share capital of the Company;
"Preferred Shares"	Preferred shares issued by the Company;
"**SEM**"	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius;
"**SEM listing**"	the listing of the Africa Eats shares on the High-Growth Segment of the SEM which shall take place on or around 19 November 2024;
"**USD**"	The official currency of the United States of America.

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Directors of the Company

Michael Luni Libes	*Executive Director and CEO*
Jumaane Akintola Tafawa	*Executive Director and CIO*
Ambassador Mary Wangui Mugwanja	*Independent Director*
Rekia Foudel	*Independent Director*
Victor Mhango	*Non-Executive Director*
Herve Tuyishime	*Non-Executive Director*
Veerha Bhogun	*Non-Executive Director and Chairperson*
Madiihah Binte Beegum	*Non-Executive Director*

SECTION ONE - INFORMATION ON THE COMPANY

1. INTRODUCTION

The purpose of these Listing Particulars is to provide information to potential investors in relation to the Company and its activities.

2. DIRECTORS AND MANAGEMENT OF THE COMPANY

i. **Africa Eats Ltd board of directors**

Annexure 1 contains the following information:

(i) details of directors and executive management including their names, addresses, qualifications, occupations and experience;

(ii) information concerning the appointment, remuneration, terms of office and borrowing powers of the directors;

(iii) directors' interests; and

(iv) directors' other directorships and partnerships.

ii. **Key Service Providers**

(i) Company *secretary*

The Board leverages off the existing operations within Rogers Capital Corporate Services Limited, its duly appointed Company Secretary.

Rogers Capital Corporate Services Limited is duly licensed by the FSC to provide a comprehensive range of financial and fiduciary services to international businesses. All administrative business functions of the Company will be carried out by Rogers Capital Corporate Services Limited in Mauritius.

(ii) SEM Authorised *Representative & Sponsor and Transaction Advisor*

The Company has appointed Perigeum Capital Ltd ("**Perigeum Capital**") as its Transaction Advisor. Perigeum Capital is a corporate finance house which is geared towards providing businesses with the professional representation and insight they need to execute successful transactions within the precincts of their individual corporate objectives and beyond. It holds an Investment Advisor (Corporate Finance Advisory) license issued by the FSC, which allows the company to act as SEM Authorized Representative and Sponsor and advise companies listed on the SEM on their corporate actions.

As Transaction Advisor, Perigeum Capital has assisted the board of directors to restructure the Company in order to enable it to be fit for listing on the High-Growth Segment of the SEM. Perigeum Capital has handled the listing application process with the SEM and has been engaged to advise the Company and its directors on compliance with ongoing SEM listing obligations.

(iii) Market Maker

Tuesday Markets Ltd. (the "**Market Maker**"), a Mauritian incorporated entity, has been appointed as market maker by the Company. The Market Maker has given an undertaking to the Company that it will provide liquidity to the market during pre-determined windows on specific trading days and will always, in normal market circumstances, endeavour to provide and maintain a reasonable bid and offer. In certain exceptional circumstances, the SEM may relieve the Marker Maker from its responsibility to maintain a reasonable bid and offer until the issue is resolved. The Company reserves its right to appoint other market makers in addition to or in replacement of the Market Maker and under such terms as may be approved by the SEM.

(iv) Other Third-*Party Service Providers*

In addition, it is envisaged that the Company will outsource several key, but non-core functions to specialist third-party service providers. Such service providers may include without limitation: investor relations managers; company administrators; legal counsel; accountants and auditors; and bankers. In this regard, the Board will engage only with reputable, intentionally-recognized institutions with established track records for the provision of such services.

3. ABOUT AFRICA EATS LTD

Inception of the Company

Africa Eats is a **permanent capital investment company domiciled in Mauritius** which invests in and helps grow profit-seeking scalable companies across Sub-Saharan Africa. (the "**High-Growth Companies**"). These companies are focused on building the food and agriculture supply chain and in that process boost food security by increasing incomes of the smallholder farmers producing the food and by lowering post-harvest losses in the supply chain processes.

The Company was incorporated in Mauritius on 10th July 2020 as a private company limited by shares and holds a Global Business License issued by the FSC. The Company has been converted into a public company limited by shares on 19 September 2024.

Africa Eats was created **as a spin-off** from **Fledge Series LLC ("Fledge")**, an investment fund and global network of business accelerators, to find, invest in, and grow for-profit companies solving the important issues of the world, including hunger and poverty in Sub-Saharan Africa. The founder of Fledge, Luni Libes, recognized a significant gap in the agricultural sector of the region, where **despite having a large population of farmers, there was insufficient local food production to meet the needs of the population.**

Upon incorporation, Africa Eats obtained Fledge's portfolio including minority equity ownership in two dozen companies, **swapping a collection of equity and debt in exchange for shares of the newly-formed investment company**. The goal was to first and foremost grow the size and strength of those companies and the ownership stake in those companies before focusing on adding more companies to the portfolio.

All of the founders of these companies are native Africans. Most grew up on farms and many consider themselves farmers as well as entrepreneurs. All have businesses that either work directly with smallholder farmers or with co-ops of smallholder farmers. In short, these are insiders who know the needs of both their customers and the farmers growing the food for those customers.

About Fledge Series LLC

Fledge operates multiple accelerators globally, and through its programs, it had previously supported various entrepreneurs in the food and agriculture sectors. Luni Libes observed that many of these entrepreneurs were graduates of Fledge's programs and had a deep understanding of the local challenges they faced. However, they struggled to secure adequate funding and support to scale their businesses effectively.

To leverage the existing network of successful entrepreneurs and provide them with the necessary resources, Luni Libes decided to create Africa Eats. This new investment company would consolidate the efforts of these 22 agriculture and food-focused businesses, allowing them to share resources, knowledge, and support services. The goal was to empower these entrepreneurs to alleviate hunger and poverty in their communities by providing them with access to critical services such as financial data, solar power, and logistics.

By spinning off Africa Eats, the founder, Luni Libes, aimed to create a more focused and impactful organization that could address the unique challenges faced by food and agriculture businesses in Africa, ultimately leading to greater food security and economic growth in the region.

The initiative has since raised USD 11 million and has seen its portfolio companies thrive, even during challenging times like the COVID-19 pandemic, demonstrating the effectiveness of this strategic spin-off approach.

As of August 2024, Fledge was the largest shareholder of Africa Eats. Fledge thereafter distributed its shares in Africa Eats to its 77+ investors, all of which became direct shareholders of Africa Eats.

Management of Africa Eats

The Company was co-founded by two individuals with extensive experience in both investing and supporting young and growing companies, in personally growing such companies, and in expanding companies like these across the African continent and globally.

Figure 1: Michael Luni Libes, Co-founder and CEO of Africa Eats Ltd

One of the co-founders, Michael 'Luni' Libes, has over 30 years' experience in the start-up and social entrepreneurship field. Prior to Africa Eats, he founded and served as the Managing Director of Fledge. Luni has taught and facilitated programs related to impact investing and early-stage investments through organizations such as The Angel Accelerator and Realize Impact. Luni is the author of The Next Step series of books for entrepreneurs and early-stage investors, which he wrote while teaching MBA students at the Bainbridge Graduate Institute from 2012 through 2019.

Luni is a serial entrepreneur who has founded ten companies, half of which were software companies funded by Silicon Valley and other venture capital funds, including multiple successful exits.

Figure 2: Jumaane Tafawa, Co-founder and Executive Director of Africa Eats Ltd

Jumaane Tafawa is a professional with over 20 years of experience building the ecosystem across Sub-Saharan Africa to support the growth of SMEs. His experience cuts across four domains that each contribute towards the success of Africa Eats; namely, (1) created the optimal business environment for SMEs to thrive (i.e., worked for the World Bank/IFC and the African Development Bank; (2) built the capacity of SMEs to meet the standards needed to plug into the value chains of global MNCs (i.e., worked with Fortune 1,000 companies such as Nestle, Merck, GE, and Cummings); (3) enhance existing financial institutions focused across Sub-Saharan Africa whether banks (i.e., raised $400m and lent to thousands of SMEs), venture/private equity funds (i.e., raised $800m and invested in hundreds of SMEs) or development finance institutions (DFIs) to better serve SMEs (i.e., trained over 100,000 SMEs) and finally (4) coaches and advises family businesses to implement governance systems to ensure they thrive for multiple generations (i.e., equipped hundreds of SMEs).

Lilian Nshangeki is a Financial Analyst at Africa Eats with a decade of experience in audit, finance, and advisory services across diverse sectors across the continent. Throughout her career, including five years at KPMG, she has gained valuable experience working with both large organizations and SMEs. This has given her a deep understanding of best practices from larger entities, which she now leverages to support and scale SMEs. She has developed extensive expertise in business support, training entrepreneurs in financial skills, conducting risk assessments, and implementing internal controls.

Figure 3: Lilian Nshangeki Expert in financial and operational management practices

As an entrepreneur herself, Lilian brings a unique perspective to the challenges of building and growing businesses in Africa, enabling her to offer practical and impactful guidance to the entrepreneurs she supports.

In addition, to the Company's management team, each portfolio company is led by its (co)founders. Africa Eats strategy is to hold a minority equity shareholding in each of its portfolio companies, while empowering the (co)founders and their management teams to successfully scale their companies, leaving them with the incentive, as majority equity shareholders, to grow their companies as quickly and sustainably as possible. The team advises, coaches, trains and mentors the CEOs and management of the "bizi".[1] They collectively talk to 6-12 companies in a typical week, keeping up to date on both successes and challenges.

The headquarter team is small, as the Company leverages on the management and expertise of the founders of each portfolio companies who are individually building and operating the portfolios.

Figure 4: Management team of the portfolio companies
From top to bottom / left to right: Elia Timotheo (East Africa Foods), Diana Michael (East Africa Foods), Victor Mhango (Ziweto Enterprises), Sadik Abdulai (Tilaa), Justine Umuhoza (PMP/Livestock Bank), Ogwal Joseph (Agro Supply), Haika Mtei (Goldenpot), Christopher Kadendula (Swahili Honey), Joseph Kadendula (Swahili Honey), Herve Tuyishime (Elite Meat/PMP), Atiiya Oluor (Green Charcoal Uganda)

The management team is spread out between Lagos, Nigeria and Dar es Salaam, Tanzania with additional part-time staff in Nairobi, Kenya. Luni Libes is the sole non-African management team member, working off the continent from his home in Seattle, USA, where he successfully raised USD11 million in capital from more than 200 United States based investors.

All of the founder/CEOs of portfolio companies have one thing in common – being they are all learning on-the-job how to run companies of their current sizes, with their current challenges, having never done so previously.

Africa Eats holds an annual gathering regrouping all the founders, CEOs and management of the portfolio companies. The last gathering was held in March 2024, at which the founders and management flew to Nairobi for two days of facilitated discussions including deep dive into building the missing business infrastructures for African SMEs.

1 "Bizi" is an Afriesque word coined by Africa Eats to refer to its investee portfolio companies. The term "Bizi" is used at times instead of "investees" or "portfolio companies."

The sessions are a mix of networking and learning between the CEOs and management of other portfolio companies, to share common challenges and solutions to those challenge in-person, so that they can work together throughout the year to solve the next, inevitable, challenges as they arise.

This is how the management team can be so small, as the portfolio companies rely on each other for solutions at least as much as they rely on Africa Eats' headquarter staff to provide advice and solutions.

The Company's board of directors comprises several Mauritian resident directors. Reference may be made to Annexure 1 for further details on the Board.

Overview of Africa Eats

"Africa Eats helps quickly scale up small and medium enterprises (SMEs)"

The objective is to create a valuable, diverse, and growing portfolio of investments for the owners of Africa Eats, with no plans of ever selling any of the portfolio companies. Instead, the owners of Africa Eats are expected to join and potentially leave the Company through a public listing while the portfolio companies continue growing and operating independently for at least the rest of this century.

The portfolio companies operate in **8 African countries: Kenya, Uganda, Tanzania, Rwanda, Ethiopia, Malawi, Zambia, and Ghana.** The 10 most valuable companies in the portfolio are based in: Tanzania, Rwanda, Uganda, and Malawi.

It is expected that many of the portfolio companies will also apply for a listing on the High-Growth Segment of the Main Market of the SEM, with Africa Eats as a minority shareholder. These companies are expected to set up parent holding companies in Mauritius as global business companies. Africa Eats will assist in this process, but the intent is to continue holding the minority equity ownership in the investees indefinitely.

At its core, **Africa Eats' strategy is a variation of the Berkshire Hathaway Inc. (NYSE: BRK.B)** investment company, the 8th most valuable public company in the world.

To summarize that business model in one paragraph, both Berkshire Hathaway and Africa Eats invest in great companies, hold those investments in perpetuity, and create value for the company's shareholders through increased value of the portfolio and capital gains when the investors eventually (if ever) sell their shares.

The Africa Eats portfolio companies in aggregate have been **growing their revenues at a compounded 52% growth rate for the 10-year period of 2014 through 2023**, with an expectation of a similar rate of growth at least through 2027. The total aggregate revenues across the portfolio companies exceeded USD 36 million in 2023, up over five-fold from USD 6.8 million in 2019, the year prior to Africa Eats' incorporation.

The aggregate revenues are projected to **exceed USD 100,000,000 by 2026**.

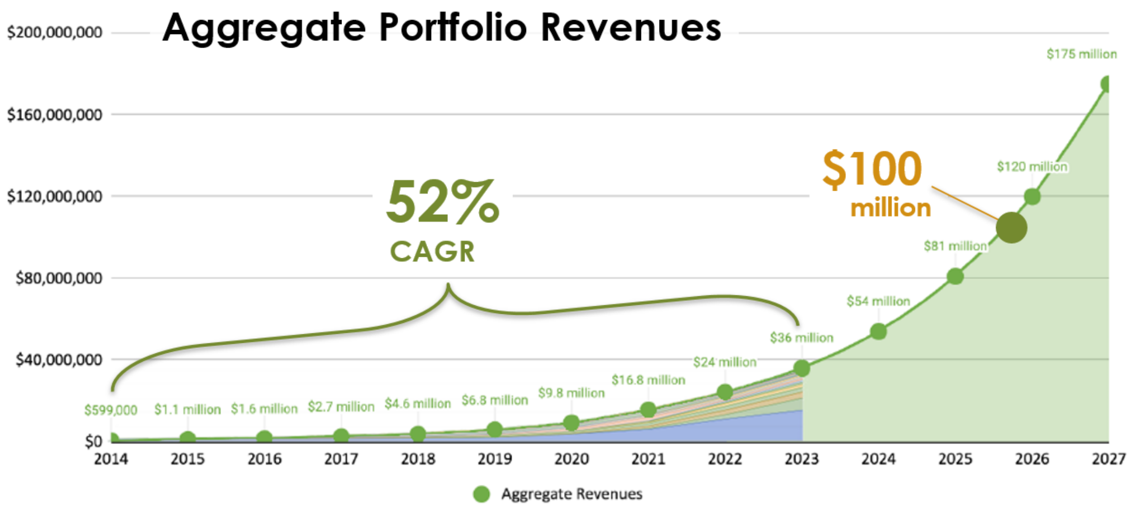


Figure 5: Projected aggregate revenue of portfolio companies of Africa Eats over the years

Beyond more debt and equity investments, the long-term support of the portfolio companies also includes the creation of internal services that benefit the investees. Financial management, shared marketing services, organic certification, insurance, and logistics are some of the areas which the investees have asked for assistance.

It is expected that this strategy of a diverse portfolio, permanent capital investments, internal support services, and public listings will provide superior returns for investors, with a flexible timeline that matches the needs of any investor.

Mission and Vision

"Africa Eats helps to quickly scale up African-based food and agriculture SMEs, earning thousands in annual revenues to double-digit millions in annual revenues by filling in the gaps of business infrastructure alongside advisory support and investing."

Smallholder farmers are the backbone of the food and agriculture value chains. Therefore, in addition to creating value for its shareholders, Africa Eats strives to **distribute the wealth it generates among the smallholder farmers within the value chains of its portfolio companies**.

This is achieved by first increasing smallholder farmer incomes (doubling incomes, on average, over the past few years) when a farmer participates in the value chain of a portfolio company.

Second, beyond simply boosting their earnings (which only temporarily decreases income inequality and fails to reduce wealth inequality), in order to create wealth for smallholder farmers, the Company allocates 1% of its shares each year to the farmers, held in trust, so that the farmers can also benefit from the value created by Africa Eats through its portfolio companies. This is an augmented version of the "1% for charity" followed by many of the VC-backed technology companies in Silicon Valley, wherein 1% of the initial ownership is set aside for a charitable cause. Upon founding, Africa Eats handed 1.8% of the total ownership to a non-profit to be held for the future benefit of the smallholder farmers. Then, each year another 1% new shares are added to that pool.

Therefore, the Company achieves the following "triple bottom line":

- Decreases food loss and hunger by accelerating the growth of small and medium enterprises in the Sub-Saharan Africa region
- Reduce poverty through increasing income and wealth (hence decreasing income and wealth inequality)
- Delivering on its commitment to investors of a fair return on their investment while ensuring the safety of their funds.

Africa Eats is addressing three significant issues identified by the United Nations' Sustainable Development Goals (UN SDGs) through its portfolio companies. These include addressing:

Goal #2 – Hunger

"Most Africans are farmers, but 30%-40% of food grown in Africa never gets from farm to fork."

Even though more than 80% of Africans are involved in farming or come from farming backgrounds, not all Africans can enjoy three meals daily. A significant factor contributing to this problem is that between the farm and the fork, on the end consumer's plate, more than one-third of the grain and nearly half of all fruits and vegetables produced are wasted. Further, most of Sub-Saharan Africa has 1/5th the yield per acre of European countries, despite having 50% more sunshine. The statistics are worse for other agricultural foods such as milk where the ratio is 1/7 the quantity of milk per cow in Sub-Saharan Africa compared to Europe.

Goal #1 – Poverty

"Most are "smallholder" farmers, farming their own ½-2 acres, earning $1-$3/day with no company buying the food they grow."

Africa incurs significant costs each year due to post-harvest losses, contributing to the need for various Sub-Saharan Africa countries to import food at a high expense. This cycle of debt can be broken by Africa becoming a net exporter of food.

Africa Eats lowers poverty through modern, professional logistics, cutting the post-harvest losses to single digits, and by buying outputs directly from farmers, on average doubling their income.

Goal #17.3 – Partnership Funding

Lack of operational capital, equipment financing, and equity constrain the ability of SMEs that are solving the inefficiencies in these value chains to scale, in order to achieve either of the above two goals. The early-stage funding process across the entire continent of Africa faces significant obstacles in developing the food and agriculture supply chain to effectively address hunger and poverty.

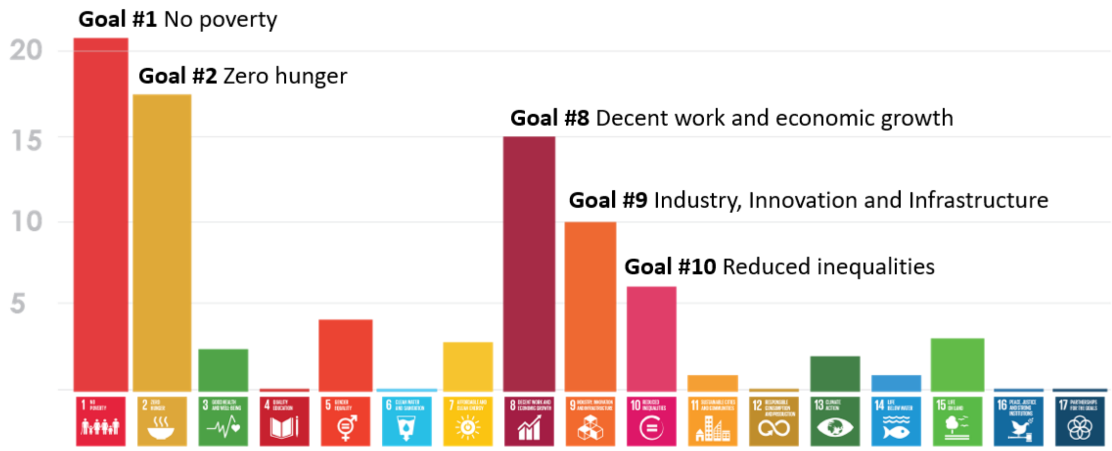


Figure 6: Histogram showing the UN SD Goals being addressed by the "bizi"
From left to right: 1. No Poverty, 2. Zero Hunger, 3. Good Health and Well-being, 4. Quality Education, 5. Gender Equality, 6. Clean Water and Sanitation, 7. Affordable and Clean Energy, 8. Decent Work and Economic Growth, 9. Industry, Innovation, and Infrastructure, 10. Reduced Inequality, 11. Sustainable Cities and Communities, 12. Responsible Consumption and Production, 13. Climate Action, 14. Life Below Water, 15. Life on Land, 16. Peace, Justice, and Strong Institutions, 17. Partnerships for the Goals.

Over 20 companies in the Africa Eats portfolio are addressing poverty, while around 18 of these companies are focused on addressing hunger and creating decent job opportunities, all in line with the UN Sustainable Development Goals (UN SDGs).

Half of these companies are involved in addressing the UN SDG's by enhancing Sub-Saharan Africa's production capability and output (e.g., Swahili Honey and Ziweto), developing industries (e.g., Rogathe Diary and Paniel Meat Processing) and building much needed infrastructure to sustainably manage increased production (e.g., TRUK Rwanda and East Africa Foods). Nearly half of them are actively working to decrease inequalities, with some specifically targeting gender equality (e.g., Goldenpot and Agro Supply).

These are the clear and immediate objectives. Following these are additional goals such as safeguarding health by removing smoke from cooking fires, preventing deforestation through the reuse of agricultural waste, preserving wildlife, and promoting the development of more sustainable urban areas.

4. INVESTMENT POLICY AND STRATEGY

Africa Eats operates a unique business model, as an investment company rather than a fund, with three components:

Holding minority stakes in **fast-growing companies** within the food and agricultural supply chain, most of which aggregates outputs of smallholder farmers.

Acting as a growth-stage **business accelerator to rapidly scale up** companies beyond the USD 1 million revenue milestone, guiding them towards achieving USD 10 million mark and expanding to regional and pan-African markets.

Inspired by Berkshire Hathaway, the Company adopts a long-term investment strategy, holding these assets indefinitely to build a portfolio that steadily increases in value. The return can be seen in the capital appreciation in the share value.

The tools used to grow the investee companies are:

- **Equity** – this is for processing equipment and other long term capital expenses.
- **Debt** - this includes short term (under 12 month) operational capital loans, invoice financing, and longer-terms for truck leases.
- **Services** – these include business and management advice, financial reviews, and in the future, marketing and other common business services.

Through a minority stake approach in the investee companies, Africa Eats allows the entrepreneurs to independently manage their companies.

Investment Portfolio of Africa Eats

Africa Eats' value is driven by the performance of its portfolio companies.

It therefore operates a business model centred on the growth of its investees. The business model followed by Africa Eats is a unique one, involving a long-term investment strategy of holding the assets indefinitely to build a portfolio that steadily increases in value. The return is crystalised in the capital appreciation in terms of fair value. Admittedly, within the first four years of operation, the fair value of its investments has grown more than seven-fold (from c.USD 3 million to c.USD 21 million). The aim of a 'permanent capital' structure is to provide investees with the requisite capital at crucial points and therefore allow them to optimise growth opportunities.

The Company invests in SMEs with restricted access to finance which nonetheless have significant growth potential. This field is commonly known as the "missing middle of capital". As stated above, Africa Eats acts as a business accelerator for these companies to rapidly scale up companies beyond the USD 1 million revenue milestone, guiding them towards achieving USD 10 million mark and expanding to regional and pan-African markets.

The initial portfolio

As stated before, Africa Eats is a spin-off of Fledge. The initial portfolio of companies are all graduates of Fledge accelerator programs run in Seattle, Lima, Barcelona, Padua and Nairobi between the years 2014 and 2020. All the companies were chosen as one of the top 1%-3% of applicants to their specific accelerator session, selected from amongst hundreds or thousands of globally sourced applications. The Fledge selection criteria highlight the team, the impact, and the odds of success. All the selected companies had operating companies and proven growth, and all the founders in those accelerators were provided training in business planning as well as a small investment to help them grow their businesses further.

Most of the companies in the portfolio implement a similar business model: **aggregator – processor – distributor**. Specifically, they source outputs from hundreds to tens of thousands of individual smallholder farmers, either directly, through farmer cooperatives, from smaller aggregators, or a mix of these sources.

Sometimes the farmers are from one specific region of one country, but as the portfolio companies grow, this typically expands to farmers spread around one whole country, then across neighbouring countries. The aggregated outputs are transported to a central processing facility. Processing is typically minimal, washing, sorting, filtering, and packaging, but in some cases, this includes drying, milling or other refinement. Distribution is then to a mix of restaurants, supermarkets, and other formal food resellers as well as informal food retailers.

The portfolio exhibits strong risk diversification across different:

- **geographies** - both within and across 8 countries as well as operating across the major continental regions,
- **products** - a variety of fruits and vegetables, 5 different grains, and 6 types of livestock, and
- **customers** - including corporations and institutions such as schools, hotels and restaurants, supermarkets, informal market stalls, small sole proprietor stores, individuals as well as farmers.

However, Africa Eats' investment strategy is consistent across all the companies, as they all employ a similar playbook.

First, prior to Africa Eats' initial investment, **each portfolio company had identified specific gaps** within a value chain, where there is sufficient inefficiency such that their solutions provide a profit margin.

Second, Africa Eats makes its **initial investment to scale a proven solution** across a defined region within that value chain (e.g., access to high-quality/high yielding, consistent, low-cost seeds).

Third, once the company has become one of the largest players in that niche, **continued growth is achieved through a combination of both horizontal and vertical integration**. More specifically, horizontal integration is employed by offering complementary product lines to the same captive customer base (e.g., offering veterinary services). Meanwhile, vertical integration, becomes necessary in order to reduce the inefficiencies in the value chain, particularly when working with numerous, small, and informal suppliers and distributors (e.g., building in-house logistics and transportation, rather than relying on individuals who own just one or a few trucks or warehouse).

Therefore, Africa Eats has standardised its criteria for assessing investment opportunities among its portfolio companies, similar to its standard criteria for selecting prospective companies into Africa Eats.

Africa Eats investment policy is guided by the following three principles that bring together all aspects of the investment policy:

i. Invest in SME Growth Acceleration (e.g., historical performance, capital efficiency and size of the investment opportunity and projected growth)
ii. Maintain Portfolio Risk Diversification (e.g., applying a comprehensive risk management system defined in section 3)
iii. Focus on Long-Term Growth and Investment (e.g., entrepreneur and company dynamism to continue learning, evolving and growing)

Investment Landscape: Mapping The Locations

Figure 7: Mapping the locations of Africa Eats portfolio companies

Africa Eats is headquartered in Mauritius and its portfolio companies operate in 8 different countries including Ghana, Ethiopia, Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia. Additionally, they export products to neighbouring countries.

Investee Portfolio - Top 8 Companies

Africa Eats' investee **portfolio comprises 22 companies** operating at different scales in the food and agricultural value chain. The 8 largest companies (in terms of revenue) represent a significant 86.1% of Africa Eats fair value.

Some of the remaining companies are still at seed-bed stage which are expected to grow steadily.

Two of the "bizi", Paniel Meat Processing and Ziweto Enterprises Ltd, were chosen to be the first to list on the High-Growth Segment of the Main Market of the SEM due to their high historic growth rate, in house human resource capacity to continue scaling quickly, and significant opportunities in front of each company.

These "bizi" are tacking malnutrition within the larger UN goal of SDG2 Hunger, and both make an impact on poverty in the process, as the animal production in Malawi and Rwanda is primarily by smallholder farmers, who can earn a higher income by raising chickens or pigs or goats, or by raising a dairy cow for milk and meat.

An overview of the top 8 “bizi” (grouped by scale) are laid down below:

Annual Revenues of USD 5-15 million

1. East Africa Foods (EAF)

Headquartered in Dar es Salaam, EAF was founded in 2013 and has **rapidly grown to become a leading agritech platform in Tanzania**, leveraging integrated logistics, technology, and data intelligence to efficiently source produce from smallholder farmers.

EAF is a production, trading and distribution business aimed at **minimising post-harvest losses by buying horticultural produce from smallholder farmers across Tanzania** and **delivering it to the major local markets** of Dar es Salaam, Dodoma, and Zanzibar.

The current key products of EAF are potato, onion, rice and dry beans – each supported by its own well-recognised brand.

In order to realise its business plan, EAF required significant investment in logistics and processing equipment. In 2013, before becoming part of Africa Eats (through Fledge), EAF aggregated from less than 100 farmers whose income was approximately USD 400 per year on average, less than the per capita income in Tanzania.

Since joining the network, their **incomes have more than doubled**. As of 2023, East Africa Foods has **grown over 100x to buy from over 10,000 farmers, generating over USD 14M in annual revenues, with four processing/distribution centers: two in Dar es Salaam, one in Dodoma, and the latest in Zanzibar opened in early 2024.** Over the 10 years since East Africa Foods attended Fledge Seattle, revenues have grown at a compounded annual growth rate of 49%. Yet, the company has only penetrated approximately one percent of the fresh produce market share in Tanzania.

During the past 4 years only, the sales volume has seen an increase of 13 times and East Africa Foods is vivid proof of Africa Eats’ distinct selection criteria which involves identifying companies operating in untapped markets having a surging demand for.

Figure 8: Artwork showing growth in revenue of East Africa Foods since 2013 until 2023

Team	Revenues (USD)	#Farmers
249 full time	2020: $3.2 million	2020: 2,000
215 part time	2021: $5.5 million	2021: 5,000
	2022: $10.6 million	2022: 7,000
	2023: $14.1 million	2023: 7,982

2. TRUK Rwanda

In the midst of the pandemic lockdowns in 2020, Paniel Meat Processing tackled the problem of refrigerated food/ag logistics. The company took the opportunity to spin off its logistics department into a standalone company and not just leased out space in those trucks, but also set up cold storage facilities in the five largest cities in Rwanda.

TRUK Rwanda has since then successfully addressed the dearth of logistics services in Rwanda and across Eastern and Southern Africa by providing trucking, cold chain and logistics to food and agricultural companies. TRUK Rwanda meets diverse transportation needs through cross-border (import and export) services, town delivery services from factories to shops and from farm to markets.

The unavailability of capital investment initially stalled TRUK Rwanda's revenue to USD 0.5M in 2021. Africa Eats was able to unlock value through its timely equity and debt investments in 2022 by allowing TRUK Rwanda to double its fleet to eight trucks and thereby triggering a 335% increase in revenue from 2021 to 2022. With another round of capital from Africa Eats, the company nearly tripled in size in 2023 growing past USD 6 million in annual revenues.

Figure 9: Artwork showing growth in revenue of Truk Rwanda since its spinoff from Paniel Meat Processing in 2020 until 2023

Team	Revenues (USD)	#Customers
49 full time	2020: $134,000	2020: 200
4 part time	2021: $511,000	2021: 100
	2022: $2.1 million	2022: 250
	2023: $6.4 million	2023: 560

Annual Revenues of over USD 1 million

3. Agro Supply

Agro Supply sells crucial maize, sorghum, soya bean and sunflower seeds and other farming inputs across Uganda. The underlying aim of the company is to teach farmers how to save and invest in farming inputs through a unique mobile layaway platform. The layaway platform acts as an alternative to microcredit teaching farmers to save through mobile applications, avoiding the costs and risks of borrowing. In addition, Agro Supply provides training on farming techniques and advice on which seeds to plant to increase farming yields.

Agro Supply

Africa Eats (through Fledge), discovered Agro Supply at the end of 2019, when this "bizi" generated only USD 98,000 in annual revenues. The company thereafter has enjoyed sizeable growth through the required capital injections from Africa Eats from 2020 to 2021, with a revenue growth to USD 1.1 million at the end of 2021, growing to USD 3.7 million in 2023.

The number of smallholder farmers was less than 8,000 back in 2019, growing past 27,000 in 2023. There are millions of farmers in Uganda who are yet to know about the "bizi", and the potential / opportunities it can offer.

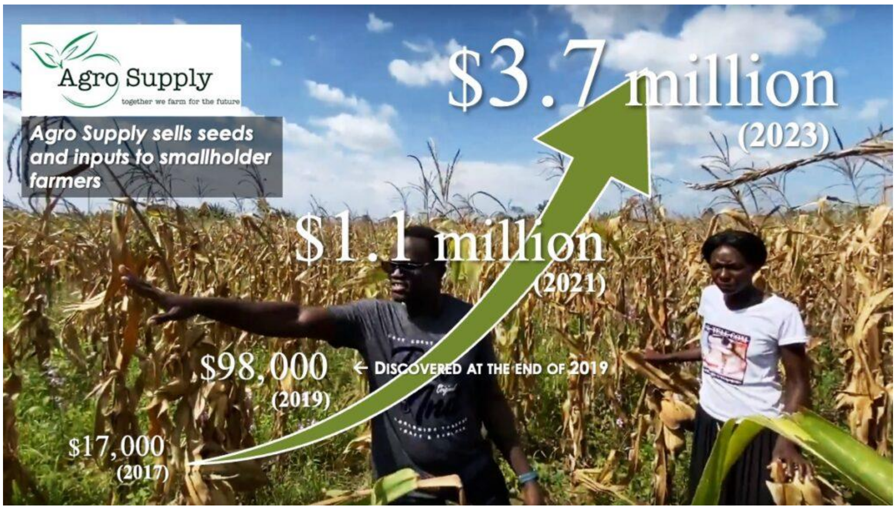


Figure 10: Artwork showing revenue growth of Agro Supply from 2017 to 2023

Team	Revenues (USD)	#Farmers
10 full time **130 part time agents**	2019: $98,000 2020: $217,000 2021: $1 million 2022: $2.2 million 2023: $3.7 million	2019: 7,850 2020: 10,015 2021: 18,005 2022: 25,052 2023: 27,162

4. *Central Park Bees Ltd (Swahili Honey)*

Swahili Honey is a sustainable beekeeping and honey production brand that aggregates and sells high quality honey produced by its network of rural smallholder farmers in Tanzania. The "bizi" seeks to meet the growing demand for honey products at the retail level and for medical uses. Additionally, it gives farmers access to free beekeeping training, access to advanced beekeeping equipment loans, extension services and a guaranteed market for the honey they produce.

Africa Eats (through Fledge), found the "bizi" in 2018 and invested only c.USD 21,000. The bizi's revenue grew from USD 275,000 to USD 2.7M within 6 years of being under the purview of Africa Eats.

Figure 11: Artwork showing revenue growth from Swahili Honey from 2014 to 2023

Team	Revenues (USD)	#Farmers
15 full time	2019: $469,000	2019: 930
20 part time	2020: $763,000	2020: 980
	2021: $1.4 million	2021: 1,350
	2022: $1.9 million	2022: 1,875
	2023: $2.7 million	2023: 2,500+

5. Paniel Meat Processing (PMP)

Paniel Meat Processing is dedicated to offering the best of meat products, giving customers a variety of affordable products to give customers a choice for daily meat consumption to satisfy their needs. The "bizi" is the second largest chicken and third largest beef processor and distributor in Rwanda, with exports into the Eastern DRC.

Paniel Meat Processing, along with Ziweto Enterprises (see below), are the first two "bizi" joining Africa Eats as public companies. When Fledge discovered Paniel meat Processing in 2016, the "bizi" was a tiny startup. Paniel Meat Processing attended Fledge Peru in 2017 (the delay includes a story about the challenges of obtaining an American visa) and finished that year with USD 35,000 in annual revenues.

With investments and guidance from Africa Eats, PMP surpassed USD 1 million in annual revenues in 2022 and grew revenues by more than 50% in 2023 to USD 1.6 million.

Figure 12: Artwork showing revenue growth of Paniel Meat Processing from 2017 to 2023

Team	Revenues (USD)	#Farmers
26 full time	2019: $521,000	2019: 500
11 part time	2020: $310,000	2020: 1,000
	2021: $603,000	2021: 1,119
	2022: $1.3 million	2022: 2,550
	2023: $1.6 million	2023: 6,260

6. *Ziweto Enterprises*

Ziweto Enterprises is the largest supplier of agrovet products in Malawi, a manufacturer of animal feed, and future producer of day-old chicks and chicken.

Ziweto Enterprises **improves lives by raising the value of livestock, providing smallholder farmers access to quality and affordable veterinary and animal nutrition products through its network of "Ziweto Agrovet Shops"**.

Fledge met with Ziweto Enterprises back in 2016, when the company had three small agrovet shops in rural Malawi, each shop earning just USD 10,000 per year.

By 2019, the company was the largest supplier of agrovet supplies in Malawi, selling vaccines, medicines, and other veterinarian supplies to other agrovet shops as well as operating 10 of their own stores. In 2022, the company built an animal feed factory. That year would have seen revenues over USD 1 million, except for the 25% devaluation of the Malawi kwacha. The company reported revenues over USD 1.3 million in 2023.

Figure 13: Artwork showing revenue growth of Ziweto Enterprises from 2016 to 2023

Team	Revenues (USD)	#Farmers
26 full time	2019: $443,000	2019: 2,499
2 part time	2020: $657,000	2020: 4,188
	2021: $806,000	2021: 55,000
	2022: $785,000	2022: 55,000
	2023: $1.3 million	2023: 76,892

7. *Goldenpot*

"Roughly one-third of the maize produced in the world for human consumption every year, approximately 1.3 billion tones are wasted. These losses are particularly unfortunate in Africa where 220 million people are estimated to be undernourished". – United Nations

Goldenpot operates an integrated maize processing business in Tanzania. It buys maize from women farmers, aggregates and processes it into fortified maize flour, cereals, corn puffs, and instant porridge. The bizi also aggregates ground nuts, producing and distributing peanut butter. All of these products sold to formal and informal retailers.

Goldenpot's factory is in Dar es Salaam. The factory is new as of 2023 and is expected to be ramping up to full-scale production over the next few years as sales kick in for these products.

Today, the company buys from over 500 women farmers along with other maize aggregators.

Goldenpot has the dual **mission of reducing the unemployment amongst women and dampening malnutrition in its country of operation**. Golden Pot reduces post-harvest losses by processing fresh produce into longer shelf-life food products. The “bizi” has seen an increase of 5581% in its revenue from 2019 to 2023 following Africa Eats’ investments.

Team	Revenues (USD)	#Farmers
5 full time	2019: $24,000	2019: 250
3 part time	2020: $43,000	2020: 287
	2021: $250,000	2021: 452
	2022: $471,000	2022: 460
	2023: $1.3 million	2023: 530

8. *Rogathe Dairy Farm Products*

Tanzania spends over USD 300 million importing 22 million litres of milk each year, despite the country having the 2nd most amount of cattle in Africa.

Rogathe Dairy Farm Products **processes and distributes 3,500 litres of raw milk daily (up from 350 litres thanks to the investment from the Fledge accelerator)**, collected directly from smallholder dairy farmers, fermented into mtizi, a kfir-like drinkable yogurt, and sells to bottlers and retailers across Eastern Tanzania.

Small scale farmers are provided with a market to sell the raw milk they produce and customers enjoy a nutritious product that lasts far longer than fresh milk without requiring and end-to-end cold chain

In 2020, Rogathe Dairy experienced one of the highest one-year growth spurts of all the bizi, with revenues jumping **from USD 132,000 in 2019 to USD 1.2 million in 2020**, a **ninefold increase**, driven by additional equipment paid for by an investment from Africa Eats.

The subsequent drop in revenues in 2022 was caused by a massive, regional drought. This “bizi” is currently diversifying its sources of milk to overcome challenges hampering operations.

Team	Revenues (USD)	#Farmers
21 full time	2019: $132,000	2019: 186
19 part time	2020: $1.2 million	2020: 1,074
	2021: $2.3 million	2021: 1,275
	2022: $608,000*	2022: 875
	2023: $1.2 million	2023: 1,317

** Tanzania suffered a drought across most of the country in 2022*

Investment strategy

The goal of Africa Eats is to grow the revenues and profits of the portfolio companies. The primary tool to do this is debt and equity investments. The debt investments include short term (under 12 month) operational capital loans and invoice financing, plus longer-term truck leases. The equity is for processing equipment and other long term capital expenses, including regional expansion both within and across countries.

The equity investments are all minority ownership interests with board seats but no day-to-day control over the management or operations of the portfolio companies.

When new portfolio companies are added to the portfolio, the first investment will typically be equity before any debt is considered. An equity investment best aligns the long-term outlook for Africa Eats with the portfolio company. New companies will be selected based on their fundamentals as well as their fit into the portfolio as a whole. The overall goal of the portfolio is to be diverse geographically and by sub-sector, but learnings and partnerships between the portfolio companies is an important consideration.

For example, one company added to the portfolio in 2022 is TRUK Rwanda. It was founded by the founder of Paniel Meat Processing as a solution he saw in the market for food/agriculture cold chain logistics. The company bootstrapped in 2020 and 2021, proving out the market need, then Africa Eats invested USD200,000 in February 2022, more in November 2022, and again in June 2023. Starting with four trucks and just USD2,350 of revenues in April 2020 the company's fleet has grown to 19 trucks and annual revenues in 2023 grew to USD6.4 million. This company does not directly buy or sell to farmers, but it fills a pressing need of other aggregators, importers, and exporters.

5. INVESTMENT OBJECTIVES, GEOGRAPHICAL AND SECTORAL FOCUS

Africa Eats' investment objective is to provide superior risk adjusted returns for its investors by building and supporting a diversified pan-African portfolio of private equity investments in strong, fast-growing markets which earn profits while alleviating hunger and poverty.

The initial portfolio includes portfolio companies located in Kenya, Uganda, Tanzania, Rwanda, Ethiopia, Malawi, Zambia, Botswana and Ghana. When adding investment capital to these portfolio companies and when adding new companies to the portfolio, the Company takes into account investment friendliness and how well the country has been following the rule of law. The Company will avoid countries considered high risk, particularly from a governance and political risk perspective.

Africa Eats specializes in companies working in the food and agriculture value chain, from seeds and other inputs through to cooking fuel and cookstoves. A majority of the initial portfolio companies are aggregator, processor, distributors, buying from smallholder farmers, aggregating demand from retailers and consumers, and operating the logistics between demand and supply. Many of these companies add value to that process, at a minimum adding quality control to the delivered food, at a maximum turning fresh food into shelf stable products.

6. INVESTMENT STRUCTURES

Africa Eats uses a variety of investment structures. The overall goal is to best match the use of funds with an investment structure that matches the length of time the capital is needed, the market rate cost of that capital, and the risk of the specific investment. The three most common asks from portfolio companies are operational capital, invoice financing, and truck leases.

Operational capital is typically the expenses involved in sourcing outputs from farmers, paying for transport from the farms, and payment for the labour and fixed costs involved in processing. Operational capital loans are especially needed when the final products are sold to institutional buyers such as hotels and supermarkets that pay 30-60 days after delivery. Africa Eats provides these operational capital loans for 6-9 months to bridge this capital need.

Invoice financing are similar but commonly arrive with little notice when a new big customer places an order and additional outputs need to quickly be aggregated from farmers. Invoice-based loans have shorter maturities, typically 3-6 months in duration.

Truck leases use the trucks as collateral, with a 36-month maturity. The maturity is far shorter than the expected lifetime of the truck for two reasons. First, to lessen the forex risk in lending USD to companies that do business in African currencies. Second, to ensure that the residual value of the loan greatly exceeds the value of the truck, ensuring that in the case of default, the cost of repossession and sale are more than sufficient to repay the loan in full.

For all other asks, the most common of which is processing equipment, preferred equity is used as the investment structure. One exception to this is once Africa Eats already owns over 40% of the total equity. In this case Africa Eats will use non-voting redeemable preferred equity, sharing in the growth of the company while allowing the founders to keep control over their company. All investments regardless of structure are made in USD, as are all repayments. The portfolio companies bear all forex risks in debt transactions.

7. INVESTMENT PROCESS

Management is in periodic communications with all of the portfolio companies, receiving updates at least once per quarter, and when an investee is asking for more capital, often speaking multiple times per week.

Under direction of the Board, the Management of the Company meets weekly to review the queue of potential investments ("Asks"). Management is responsible for triaging the investments, negotiating all the terms of the investments, executing the investments, and tracking the results

8. COMPETITIVE ADVANTAGE

What sets Africa Eats apart from other investment funds and holding companies is four-fold:

- First, the Company is not organized as a fund. Funds begin with capital and no investments, spending half of the time seeking investment opportunities that fit its investment thesis, and then the other half seeking to exit those investments. Instead, Africa Eats began with an existing portfolio of companies, all of which had already been sourced through a venture capital screening process, all of which had received training (a.k.a. technical assistance) to improve their odds of success, and nearly all of which had an existing investment that was transferred to Africa Eats upon incorporation. These companies have years of historic, proven growth. Layering Africa Eats as a support structure around these companies adds to their chances of success, and with that the success of the investment company itself. Furthermore, Africa Eats has no plans to exit its investments and thus can spend its time and resources helping the bizi continue their growth, creating more value for shareholders.

- Second, all the portfolio companies applied to and were accepted to a business accelerator program. The founders are thus a self-selected group of entrepreneurs who understand the value of outside advice and guidance. They received an investment amount through those programs and thus all of them already understand how outside capital can help grow their companies. The Africa Eats management team views the investment company as a form of growth-stage accelerator, and the portfolio companies are primed to make the most of the holdco in those interactions. Much of the value of an accelerator is networking, including peer-to-peer networking. The bizi face common challenges as they all work in the food/ag sector and more often than not they solve each other’s challenges by being connected through Africa Eats.

- Third, Africa Eats has the flexibility to provide the right capital at the right time in the best form to its portfolio companies, quickly. The operational capital loans and invoice financing do not require 6-18 months of due diligence like other institutional lenders, as Africa Eats already knows its borrowers. The truck loans do not similarly require months of due diligence and tens of hours of analysis, as Africa Eats has a long track record of multiple years helping its portfolio companies grow to the scale where they need more trucks.

- Fourth, this style of investment is enabled by the partner-like relationships between Africa Eats and the “bizi.” These relationships are initially created from the founders applying to and attending a business accelerator. In that process the proposed investment opportunities are jointly refined by the investee and Africa Eats. These relationships continue in between rounds of additional capital in the form of mentorship, training, and board governance. Finally, these relationships are not just between Africa Eats HQ team and each investee, but are between investees, who use the network of companies to solve each other’s challenges, guided by HQ or directly from CEO to CEO, COO to COO, and CFO to CFO. The management teams meet each other face-to-face at the annual “gathering” and interact over Zoom, email, and WhatsApp between those events.

This is a unique product offering that provides a diverse portfolio that mitigates many of the common risks associated with early-stage and growth-stage investing in food/agriculture in Africa.

9. MARKETING STRATEGY

The Company has two target audiences – Startups and Investors. The marketing strategies for each of these market segments are detailed as follows:

Marketing Channels – Startups

- ✓ Deliver great service to portfolio companies so they recommend other great entrepreneurs.
- ✓ Leverage on the networks of the Company’s management team members to identify potential high-growth businesses.
- ✓ Work with business accelerators inside and outside the Fledge network to identify potential high-growth businesses.

Marketing Channels – Investors

The Company markets itself to targeted qualified investors throughout the world by using means such as crowdfunding, High-Net Worth Individuals, DFIs and public markets. The Company has raised USD 11 million since incorporation and is expecting to raise further capital through the Initial Private Placement and various other placings of shares post the SEM Listing.

10. HISTORICAL REVENUES AND FINANCIAL HIGHLIGHTS

Fair Value Gain (Revenue)

As an investment company, Africa Eats **derives revenue in terms of unrealised gains on its investments**. There is far more upside in making equity investments into the "bizi" than in making loans. Loans are made when that is the best form of capital for the "bizi", but single digit millions of dollars of loans produce just tens of thousands of dollars of interest income.

There has been substantial increase of 378% from the year 2021 to 2023 in revenue figures of Africa Eats suggesting favourable performance of its portfolio companies (reference can be made to Annexure 6 for the historical financials). The Company also derives finance income from the lease of solar equipment to its investees.

Income Statement	31-12-21	31-12-22	31-12-23	30-06-24
Revenue (Fair value gain on financial assets at fair value through profit or loss)	**2,080,241**	**1,325,795**	**6,342,551**	**4,686,917**
Expenses	(260,146)	(273,550)	(521,230)	(400,312)
Operating Profit	**1,820,095**	**1,052,245**	**5,821,321**	**4,286,605**
Financial assets at fair value through profit or loss written off	(331,650)	-	-	-
Other receivables written off	-	-	-	
Finance income	26,877	26,326	272,647	60,393
Finance costs	(7,772)	(8,973)	(71,956)	(37,662)
Profit Before Tax	**1,507,550**	**1,069,598**	**6,022,012**	**4,309,336**
Income tax	-	-	-	-
Profit After Tax	**1,507,550**	**1,069,598**	**6,022,012**	**4,309,336**

* *June 2024 figures have been derived from the unaudited Management Accounts.*

The Company's revenue for the 6 months ended 31 December 2020 amounted to USD 142,548.

Net Profit

Africa Eats was profitable from its first full year of operation in 2021 and remained profitable thereafter. The average net profit margin also stood at a comfortable 80.6% over the last three financial years FY21-23.

Gearing

Africa Eats has a gearing ratio of 0.06 in FY23 depicting that it has predominantly been financed by equity rather than debt. Its only interest-bearing debt is promissory notes, which the Company issues to retail lenders who wish to ultimately invest in the portfolio companies. Africa Eats acts as an intermediary borrowing from these lenders to lend back to the investees at a higher interest rate.

Ratio trend analysis of Africa Eats over the past three financial years

Ratios	31-12-21	31-12-22	31-12-23
Revenue growth (%)	**1359%**	**-36%**	**378%**
EBIT Margin (%)	**87%**	**79%**	**92%**
Net Profit Margin (%)	**72%**	**81%**	**81%**
Gearing (Debt/Equity)	7%	5%	6%

11. SWOT ANALYSIS

An analysis of the Company's strengths, weaknesses, opportunities, and threats is detailed below:

STRENGTHS

- The Management is an experienced team with a proven track record of investing in Africa.
- The Management team is a highly qualified, technically strong team with a good work ethic.
- The portfolio is diversified across geographies and sub-sectors within Africa.
- The vast majority of portfolio companies have a proven history of growth.
- The portfolio companies have a history of capital efficiency.
- Investments are being made in US dollars, in targeted geographical jurisdictions with relatively strong economic indicators, growing GDP's, stable political environments and government policies.
- The Company has appropriate governance in place.
- The Company is differentiated through its unique product offering.

WEAKNESSES

- Liquidity for equity investors is reliant on not only the public valuation of the Company's portfolio but also the liquidity of the stock market where the Company shares shall be listed.
- The portfolio companies operate in ten countries with ten governments, ten sets of regulations and ten local, minor currencies.

OPPORTUNITIES

- Each of the portfolio companies have growth opportunities of at least 10x, if not 100x or 1,000x within their domestic markets, plus growth opportunities in neighbouring countries or in jumping across the continent to new regions.
- The investment strategy of the Company has the potential to generate attractive returns that outperform other private equities investment vehicles and outperform the listed markets as a whole.
- The capital needs for the portfolio companies are not complex, primarily requiring off-the-shelf, well-proven equipment such as trucks, storage, cold rooms, solar power, sorting, extruding, pressing bottling, packaging and other types of machines.
- Most of the investee business models are unique, easily replicable in 50+ other countries across the continent provided sufficient capital and a local experienced management team.
- The scarcity of other capital providers allows for attractive valuations and reasonable interest rates in the Company's investments.

THREATS

- Political risk in any one of the 8 countries where the portfolio companies operate.
- Global political risk in Russia and Ukraine has increased the price of fertilizer and animal feed, directly increasing the costs to the portfolio companies and their farmers.
- The Global North is talking about a recession, which could slow the global economy in general and African economies specifically.

12. COMPANY STRUCTURE

The Company structure is set out below:-

Share capital

Information regarding the issued share capital of the Company, the shareholders of the Company holding in excess of 5% of the voting shares immediately prior to the SEM listing, alterations of capital, a summary of offers of shares by the Company to the public since incorporation and ancillary information is set out in **Annexure 2**.

Constitution

Extracts from the Company's constitution are set out in **Annexure 3**.

13. EMPLOYEES

As at the last practicable date, Africa Eats has 3 employees in direct employment.

The shareholders of the Company recently approved that the employment of the personnel at the level of Africa Eats be moved to a separate corporate entity, namely Africo Management Ltd ("Africo"), who will act as the "management" leg of Africa Eats. The salaries and benefits of the management team (currently comprised of 3 staff) will transition over to Africo. This is expected to be completed in Q4 2024.

14. FINANCIAL YEAR-END

The financial year-end of the Company is 31 December each year.

15. COMMISSIONS PAID AND PAYABLE

No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is a promoter or director or officer of the Company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the Company.

Since incorporation, there have been no commissions paid or are payable in respect of underwriting by the Company. Over the years, the Company has compensated third party introducers for their services in securing investments from high-net-worth individuals and family offices.

Since incorporation, the Company has not entered into any promoter's agreements and as a result no amount has been paid or is payable to any promoter.

16. MATERIAL CONTRACTS

The Company started its operations in July 2020, and there was no material contract entered into (other than contracts entered into in the ordinary course of business and agreements with shareholders) by the Company since then.

17. DIRECTORS AND RELATED PARTIES' INTEREST IN SHARES

As at the last practicable date, Luni Libes and Jumaane Tafawa held 6.76% and 2.79% of the issued shares of the Company respectively. Victor Mhango and Herve Tuyishime each hold 0.005% of the issued shares of Africa Eats.

None of the other directors or advisors of the Company have or have had an interest in any shares or options in respect of shares as at the last practicable date.

18. EXPENSES FOR THE SEM LISTING

The estimated expenses relating to the listing on the SEM, which have been or are expected to be incurred are set out below:

Expense	**USD**
SEM Listing	
Professional fees, including:-	
- Professional, advisory and sponsor fees	10,000
- Legal advisory fees	3,500
SEM application and listing fees	6,380
Total	**19,880**

Save for the expenses set out above, the Company has not incurred any other preliminary expenses relating to the SEM listing.

SECTION TWO – DETAILS OF THE SEM LISTING ON THE HIGH-GROWTH SEGMENT AND THE INITIAL PRIVATE PLACEMENT

1. REASONS FOR A LISTING ON THE SEM

The High-Growth Segment of the SEM is a new and innovative platform tailored for high-growth companies seeking to access capital markets, enhance visibility, and unlock opportunities for expansion. Designed specifically for fast-growing and profitable enterprises, the High-Growth Segment offers a unique avenue for companies to showcase their growth potential, attract a diverse investor base, and benefit from increased liquidity.

Africa Eats is well-positioned to take advantage of the opportunities presented by the High-Growth segment of the Main Market of the SEM. By listing on the High-Growth Segment, Africa Eats can unlock significant growth opportunities, gain access to essential new capital, and enhance its market visibility. This strategic move would not only support Africa Eats 's expansion plans but also align with its mission of creating a valuable, diverse, and growing portfolio of investments for the owners of the high-growth companies within the Sub-Saharan Africa region.

2. DETERMINATION OF THE PRICE PER SHARE

Valuation Approach

The value of Africa Eats has been determined as of 30 June 2024, using an **Adjusted Net Asset Value (NAV) approach**. This valuation process involves the **fair value assessment of the investment portfolio** held by Africa Eats. The following established methodologies were employed to value the portfolio companies, taking into consideration the most relevant market data, as applicable:

- Enterprise Value to EBITDA (EV/EBITDA) – comparable peers
- Enterprise Value to Sales (EV/Sales) – precedent transaction
- Discounted Cash Flow (DCF)

Sum of the Parts (SOTP) Valuation

The overall portfolio valuation was conducted using a **Sum of the Parts (SOTP) approach**. For each portfolio company, the valuation was calculated and multiplied by Africa Eats' equity stake in that company. The values derived were then aggregated to estimate the total value of the investment portfolio.

This value was used to **adjust the NAV in the Company's financial statements** as of 30 June 2024, resulting in an updated NAV for Africa Eats Ltd of **USD 25.92 million**.

Valuation Results

Based on the methodologies applied, the valuation of Africa Eats Ltd as of 30 June 2024 has been estimated at approximately USD 25.92 million. This translates to a value per share of **USD 2.45**.

Proposed Share Price

Based on discussions with Management, the share price proposed for the listing is **USD 2.25** per share, being a discount of 8.2% to the computed valuation.

Prior to the SEM Listing, the Company will undertake an Initial Private Placement of up to 1,330,000 Africa Eats shares at the price of USD 2.25 per share.

3. ANTICIPATED APPLICATION OF THE PROCEEDS FROM THE INITIAL PRIVATE PLACEMENT, AND SUBSEQUENT PLACING(S)

Africa Eats intends to raise around USD 3 million from the Initial Private Placement, which capital will be strategically allocated to several key areas to enhance the value and growth of Africa Eats. A significant portion of the proceeds will be used for equity investments in additional equipment, which is crucial for scaling the operations of the investee companies. This will also allow Africa Eats to increase its average ownership stake in these companies to 25%, thereby consolidating its influence over their growth trajectories.

Another portion of the proceeds will be channelled into the investee companies as working capital and invoice financing loans. These funds will act as revolving capital, addressing the current gap left by other institutions that are not yet providing such financial support. This initiative is aimed at ensuring that the investees have the necessary liquidity to operate smoothly and grow.

Lastly, the proceeds will contribute to the overall growth of the portfolio of Africa Eats and its balance sheet, which is expected to increase from USD 22 million (as of 30 June 2024) to surpass USD 30 million by 2025. This growth will build on the 5x increase in value achieved in the first 3.5 years of operation, further solidifying Africa Eats' position as a leading investment company focused on sustainable development in Africa.

The proceeds from the Subsequent Placings will be used primarily to invest further into the portfolio companies of Africa Eats (while maintaining a minority stake in these companies). Part of the funds will be used to invest in new high-growth companies which meet the Company's investment criteria and a small portion will be utilised as working capital.

4. SALIENT DATES AND TIMES FOR TARGETED INVESTORS

	2024
Opening date of the Initial Private Placement at 09:00 (Mauritian time) on	21 October
Closing date of the Initial Private Placement at 12:00 (Mauritian time) on	5 November
Notification of allotments	7 November
Payment of subscription amount and accounts at banks or broker updated on or before 12:00 (Mauritian time) on	13 November
Listing of Placement Shares on the SEM at commencement of trade on or around	19 November
Securities accounts updated in respect of shareholders that subscribed for shares in terms of the Initial Private Placement on or around	19 November

Notes:

(1) *The above dates and times are subject to amendment. Any such amendment will be published in the press in Mauritius.*

5. PARTICULARS OF THE INITIAL PRIVATE PLACEMENT

The Initial Private Placement will be implemented by way of an offer to targeted investors to subscribe for up to 1,330,000 ordinary shares (the "**Placement Shares**") following which the shares will be issued and listed on the High-Growth Segment of the SEM on the Listing Date.

The Placement Shares offered for subscription are targeted to selected institutions, high net worth individuals and business associates, in Mauritius and in selected jurisdictions.

No offer will be made to the public in respect of the Initial Private Placement. The Initial Private Placement shall be open to the above targeted investors only.

6. TERMS, CONDITIONS AND PAYMENT FOR SHARES

Participation in the Initial Private Placement

Only targeted investors may participate in the Initial Private Placement. The Africa Eats shares will be issued either in registered form or in dematerialised form.

Application and payment of shares

Applicants will be required to pay for the shares *via* bank wire transfers. Shares may only be traded on the SEM in electronic form (dematerialised units). Trades will be settled on the basis of trade + 3 days on a strict 'delivery-versus-payment' basis. Final and irrevocable transfer of funds will occur through the central bank with same day funds on the settlement date. Settlement will be made through the CDS.

If any applicant has any doubt as to the mechanics of the CDS, the applicant should consult with his investment dealer or other appropriate advisor and is also referred to the SEM website at www.stockexchangeofmauritius.com for additional information.

Some of the principal features of the CDS are as follows:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the SEM are settled within 3 business days; and
- all investors owning dematerialised shares or wishing to trade their shares on the SEM are required to appoint an investment dealer to act on their behalf and to handle their settlement requirements.

Issue and allocation of shares

Ordinary shares will be issued subject to the provisions of the Constitution of the Company and will rank *pari passu* in all respects, including dividends, with any existing issued ordinary shares of that particular class. The ordinary shares will be issued either in registered form or in dematerialised form.

The basis of allocation of the ordinary shares will be determined on an equitable basis by the Board.

The Board shall, pursuant to applicable laws, these Listing Particulars and the Constitution of the Company, be entitled to refuse any application for subscription of ordinary shares at its sole discretion.

Successful applicants' accounts with their broker will be credited with the allocated shares and shall be allocated on the settlement date and CDS accounts of successful applicants for shares shall be credited accordingly on the Listing Date.

<u>Over-subscription</u>

In the event of an over subscription, ordinary shares will be allocated and issued at the discretion of the directors on an equitable basis.

<u>Simultaneous issues</u>

Other than the Initial Private Placement, no other shares of the same class will be issued simultaneously or almost simultaneously with the issue of ordinary shares for which application is being made.

<u>Anti-Money Laundering provisions</u>

As part of its responsibility for the prevention of money laundering, the Company will require a detailed verification of each shareholder's identity and the source of the payment. Depending on the circumstances of each shareholder, a detailed verification might not be required in the case of shareholders qualifying under the reduced or simplified due diligence regime based on the applicable laws.

The Company reserves the right to request such information as is necessary to verify the identity of a subscriber or shareholder and its source of income and wealth at any time after the application for subscription. In the event of delay or failure by the shareholder to produce any information required for verification purposes, the Company may refuse to accept the application and the subscription monies relating thereto.

7. UNDERWRITING

The Initial Private Placement shall not be underwritten and are not subject to an underwriting commission.

8. AUTHORITY TO ISSUE ADDITIONAL SHARES

On 30 July 2024, the shareholders of the Company passed a resolution authorising the Board to issue up to 7 million new Africa Eats shares in terms of various placings of shares to be undertaken, subject to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the SEM Listing Rules and the Company's Constitution, and that such authority given to the directors shall be valid for a period of twelve months from the date of the resolution.

SECTION THREE – RISK FACTORS

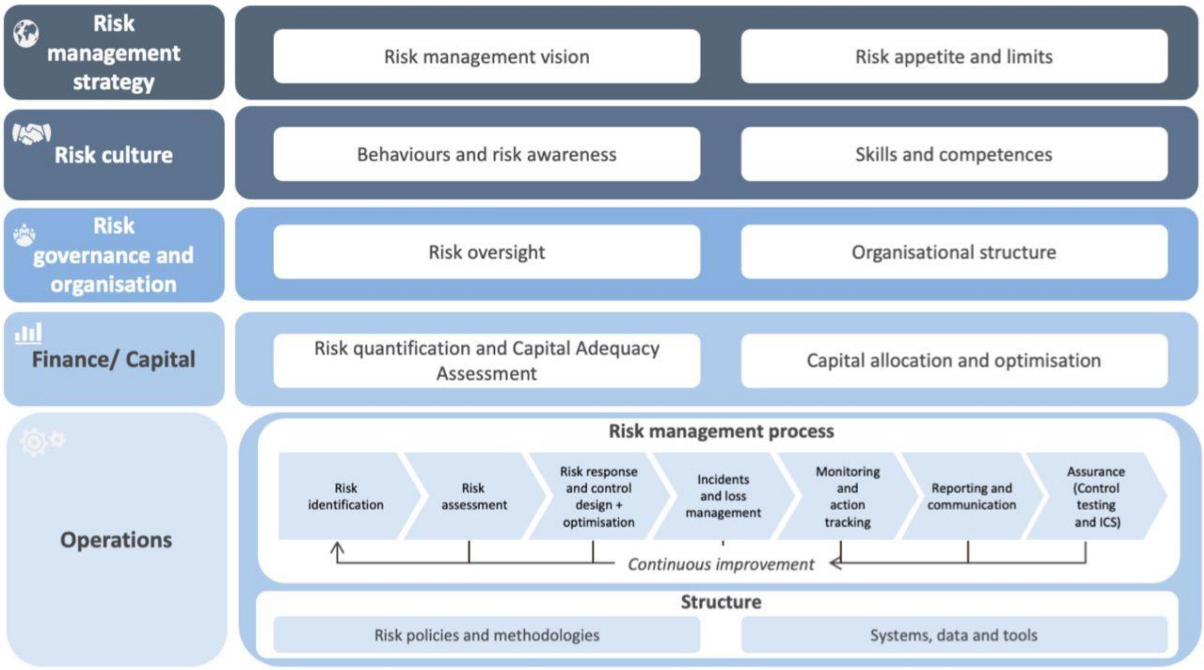
A number of factors may affect the result of operations, financial conditions and prospects of the Company. This section describes the risk factors which are considered by the Board to be material. However, these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

Additional risks not presently known to the Board or that the Board currently considers to be immaterial may also adversely impact the Company's business operations. The business, growth prospects, financial condition, and/or results of operations of high-growth companies could be materially adversely affected by any of these risks.

The value of the shares could decline due to the materialisation of any of these risks and potential investors could lose part or all of their investment. However, the management of the Company possesses sufficient expertise to implement mitigating measures to manage the impact of such business risks. The management proactively reviews such risks periodically and remediates them through timely interventions.

The Company has implemented a comprehensive risk management framework summarized in the diagram below:

AFRICA EATS RISK MANAGEMENT FRAMEWORK



The Companies Risk Management Framework not only focuses on the risk aspect at the level of the Company but also its portfolio companies. The activities of the multiple portfolio companies of the Company expose it to a variety of financial risks (e.g., credit risk, liquidity risk, foreign currency risk and interest rate risk), environmental risks (e.g., climate change, environmental degradation and pollution, adherence to environmental and social standards at the level of local government, industry specific and product specific standards and requirements) Value chain risks (e.g., sourcing from small holder farmers, access to various inputs, logistics and distribution, market risks, governance (reputational, limited or ineffective controls, ethical conduct and compliance)).

In order to protect the interest of the Companies shareholders, the Company has implemented a structured approach, beginning with the process of investing in a company to through out the entire monitoring and evaluation phase of the existing portfolio and continuing to the exit of any company out of the portfolio. This process covers the operational, environmental, financial, governance including regulatory risks in which the Company is exposed.

The Companies Risk Management Framework takes into account the risks at the following levels. For each of these levels of risk exposure examples of prominent risks have been identified and will be elaborated in this section.

- The Companies risks (capital and investment portfolio, liquidity, operating capital, shareholder value creation/stock market price correlation, tax)
- Portfolio company risks (key-person, environmental and social)
- Food and agricultural sector risks (climate change)
- Value chain risks (including both the supply chain and the distribution)
- Country risks, regional/continental risk (currency, regulatory and political)
- Global risks

1. CAPITAL AND INVESTMENT PORTFOLIO RISK

The Companies team collectively has over 60 decades of experience managing the risks of early stage and growth stage companies. (i.e., Luni 30+ years, Jumaane 20+ years and Lily 10 years). Notably, the current board members of the Company collectively has over 10 decades of experience managing early and growth stage companies across Sub-Saharan Africa. The Companies portfolio companies are exposed to a variety of risks, including actions by many Investing in early-stage and growth-stage companies is a risky endeavor. The portfolio companies are exposed to a variety of risks triggered by the actions by customers, vendors, government agencies, and competitors. In addition, adverse impact due to domestic/international economic and political developments may affect the portfolio companies in the short and long term. In order to reduce partial or full loss of its investments in the portfolio companies, the Company implements the following risk mitigation measures.

The first key risk mitigation tool applied to the portfolio companies is Africa Eats requires implementation of IFC's standard Environmental and Social Management System (ESMS). IFC's ESMS is a gold standard among all Development Finances Institutions for not only managing the processes and practices of companies and implementation of policies, but also providing a comprehensive and systematic approach to assess, control and, most importantly, provide continual improvement in order to manage past, current and future potential risks. The Company reviews the quality of the ESMS both internally and with an external auditor (who test the quality and adherence to the ESMS), including with the support of some European DFIs

The second key risk mitigation tool deployed by the Company is to maintain portfolio risk diversification. This is achieved by adhering to the following risk appetite and the related limits for each of the following concentration risks:

- Portfolio asset value concentration – Maintain less than 30% of the Company's asset value in the top 3 companies
- Equity investment concentration – Maintain less than 30% of total portfolio equity capital raised through the top 3 companies
- Debt concentration – Maintain less than 30% of total loans of the top 3 companies
- Single borrower concentration – Maintain less than 20% of total loans to any one borrower
- Geographic concentration – Maintain less than 50% of total investments in any one of the four regions of Sub-Saharan Africa[2]
- Sector concentration – Maintain less than 30% of total investments in any one sub-sector within the food and agriculture industry such as horticulture, livestock, logistics and transportation, etc.
- Product concentration – Maintain no more than 30% of total investments in one product (e.g., maize, poultry and honey)
- Supplier concentration – Each portfolio company maintains less than 30% of total expenditure on inputs on any one supplier
- Client/customer concentration – Each portfolio company derives no more than 30% of revenue from any one customer for more than 2 years)

As a result of applying these various concentration risk limits, which are reviewed for every investment made by the Company, portfolio diversity is constantly maintained in order to reduce loss in any one company, region, sector, agriculture subsector, asset class, products, etc.

The mitigation for this risk is a diversity of investments. No single investment in the current portfolio has an estimated value of more than 25% of the total portfolio value and as more investments are made no one investment in the future portfolio should have more than 15% of the total portfolio value. The investments are spread across

[2] This could involve investing heavily in a particular region or relying on revenues from that area. Geographic concentration risk becomes significant in the event of region-specific issues such as political instability, natural disasters, or economic downturns.

multiple countries in Africa, multiple sub-sectors of the food/agriculture supply chain, and a wide variety of business models, all of which helps uncorrelate these risks across the portfolio.

2. FOREIGN CURRENCY RISK

All investments of the Company have been made in US Dollars, with all forex risks taken by the portfolio companies themselves. But as the value of the portfolio is based on the underlying value of the portfolio companies, the forex risks are passed on indirectly to the Company. Changes in foreign currency exchange rates may affect the value of the portfolio. Importantly, the value of the portfolio, which is driven by revenue growth, exceeds the depreciation of any of the major currencies in which the portfolio companies operate. Or put differently, growth rates have consistently exceeded annual currency depreciations.

The Company has investments in multiple countries, each of which operates their own local currency. The Company monitors foreign currency concentration risk and this is included as a factor when making any investments. Furthermore, as each portfolio company grows, it expands into other regions and consequently diversifies the currency exposure of the company. This helps to diversify the risk exposure not only of any one company but also the entire portfolio as the predominant currency of trade across Africa is USD.

3. LIQUIDITY RISK

The Company currently invests in securities in which no liquid market exists. The Company does not plan on selling these securities, but if it needs to, then the sale of illiquid securities takes more time and effort than the sale of publicly traded securities and the fair market value of private securities is often lower when sales are rushed.

The mitigation for this is built into the business model of the Company, with a goal of listing the Company's shares on a public market rather than waiting for individual sales of each of the portfolio companies. Every six months the Company plans to list at least one of its portfolio companies on the public markets. Furthermore, by listing companies in the portfolio, once a public price has been set for the listed portfolio companies, the valuation can be used to estimate the portion of the company that continues to remain private. This increases the liquidity of the company even though a portion of the underlying assets are public and a portion of the underlying assets are private. Overtime the majority of the company assets will be comprised of public companies that have a known share price.

In addition, the SEM has approved regulations for the existence of a market maker specific to the high growth segment. Tuesday Markets has been appointed as market maker by the Company, who has undertaken to create liquidity in the shares of Africa Eats to be listed on the High-Growth Segment of the SEM during pre-determined windows on specific trading days and will always, in normal market circumstances, endeavour to provide and maintain a reasonable bid and offer.

4. STOCK MARKET PRICE AND NEGATIVE VALUE CORRELATION RISK

Once listed, the value of the Company's shares could decrease as a result of a decline in both domestic and global stock markets. This risk is inherent to all publicly traded companies and can be influenced by a variety of factors, including economic downturns, geopolitical events and market sentiment.

While these risks cannot be entirely eliminated, understanding the factors that influence stock market performance and employing strategic risk management practices can help mitigate their impact. Besides, the appointment of Tuesday Markets as Market Maker is also expected to help stabilize trading and enhance liquidity in the Company's shares.

Furthermore, the Company is diversifying the types of investors both in the Company as well as in the companies listed on the High Growth segment of the SEM. The Company is particularly targeting Development Finance Institutions, family offices globally, and US and African investors both within the continent and across the continent.

To this end, the Company is reducing the barriers required to make investments in the SEM by implementing measures such as digitizing the know your customer (KYC) process, mirroring the Company on other pan-African exchanges and working with Tuesday Markets to make trading of the Company shares accessible through an app.

5. KEY- PERSON RISK

Key-person (sometimes called key-man risk) risk refers to the potential negative impact on business operations if a critical employee, particularly a founder, is absent for an extended period of time, which may affect business continuity and future performance. The Company recognizes the significant role of its co-founders (Luni Libes and Jumaane Tafawa) who are key figures in the Company's success.

To mitigate this risk, the Companies team operates with a distributed structure, with the co-founders residing in different cities on different continents. This geographic diversity, combined with other full-time and part-time staff located in various cities, enhances the resilience and flexibility of the Company. The co-founders' distributed presence ensures that strategic decisions and leadership are not centralized in a single location, reducing the impact of any individual's absence.

Additionally, the Company is implementing good governance practices at the Board level. This includes maintaining a proper balance of independent non-executive directors and executive directors to ensure that strategic decisions and oversight are not dependent on a single individual. This governance structure aims to provide stability and continuity, even in the absence of key personnel.

Furthermore, the Company is constantly systematizing its processes and practices in order to document, standardize, and equip its staff, partners and the board on all the operations conducted.

Key-person risk also exists at the portfolio company level. This risk is mitigated through systemization which is driven both by Environmental and Social Management System (ESMS) and the "Bizi Investment Risk Assessment – BIRA." The ESMS covers all aspects and operations of the Company as well as the entire value chain that the company operates. ESMS not only mitigates risk but also equips staff throughout the company to be able to identify and assess potential risks before they occur (which is an important leadership quality).

Similar to the ESMS, BIRA identifies and assesses risk across the company with the focus on finance, governance and other areas not addressed by IFC's ESMS. BIRA strengthens systems, processes, policies and their effective use across each portfolio companies. Collectively these measures help to not only help to reduce key-person risks but ensure that management and staff are constantly trained on all aspects of the business in order to manage the business in the absence of the founder or the CEO.

6. REGULATORY RISK

Each portfolio companies under the Company is exposed to regulatory environment within the jurisdiction which it operates. Governments may create or change regulations which could have an adverse effect on the Company or its portfolio companies. The ESMS helps to manage this risk by ensuring constant monitoring of changes in regulations. For regulations that are implemented that are outside of the control of the portfolio company and will have significant adverse effects, portfolio companies that operate within the same jurisdiction have an opportunity to partner and leverage their collective resources to mitigate the regulatory risk. In addition, participation in industry bodies is an effective mechanism for engaging with governments to address any adverse regulations. Finally, diversification, specifically expansion of companies across different countries/region is a further regulatory risk mitigation mechanism.

7. CLIMATE CHANGE RISK

The Company has a portfolio of companies, most of which are deeply engaged in agriculture, cultivation and related activities. As climate change intensifies, the frequency and severity of extreme weather events, such as droughts, floods, heat waves and unpredictable rainfall patterns are increasing. These environmental changes pose substantial risks to the farmers, crop yields, livestock productivity, while disrupting infrastructure and supply chains as well.

The Company recognizes the diverse risks which each portfolio company is exposed to depending on their business model, and is aware of the impact the performance of each portfolio company has on the overall performance of the Company.

The Company accordingly works closely with the management of each portfolio company, by providing advices and solutions to devise and implement adaptative strategies to enhance resilience against climate-related disruptions. This is achieved by ensuring all portfolio companies implement and adhere to IFCs globally recognized ESMS standard. Furthermore, the Company trains its staff on environmental and social risk management in order to ensure that each of the portfolio companies are adhering to globally recognized standards to limit each companies exposure to climate change risk. Furthermore, portfolio companies also constantly engage in peer learning, sharing common challenges and common solutions to those challenges, and also working together throughout the year to solve the next, inevitable, challenge as they arise.

8. ENVIRONMENTAL AND SOCIAL RISKS

These risks include environmental risks such as effluents, water contamination, climate change, natural disasters, destruction of biodiversity, and social risk such as labor unrest, human accidents, ill health and diseases, child labor and displacement of people to name a few.

The portfolio companies were chosen for their positive social and environmental impacts and their good business practices and the Company monitors those activities.

The Company achieves portfolio monitoring evaluation of environmental and social risks (E&S) through IFCs ESMS. More specifically, a risk assessment is conducted at least once a year, the highest risk are identified and an implementation plan is developed, which the Company mandates as part of its investment in each of the portfolio companies. In addition, the portfolio companies are responsible for engaging with all the stakeholders in the value chain including farmers, staff, customers, and any other stakeholder in the value chain to provide avenues for risks and concerns to be collected and shared with the portfolio company in order for the portfolio company to ensure that its not creating any negative impacts on both the environments and socially. IFC's ESMS is designed for constantly improves each year as the portfolio company grows in size and the complexity around managing environmental and social risk constantly increases.

The Company plans to audit the ESMS of each of the portfolio companies by an external auditor every three years to ensure that the highest standard are maintained.

9. TAX

The Company will attempt to structure the investments in its portfolio companies in a manner that is tax-efficient for the majority of shareholders. However, there can be no assurance that the structure of the Company or any investment will be tax-efficient to any particular Investor. Investors are urged to consult their tax advisors with reference to their specific tax situations with reference to any special issues that the investment in the Company may raise for investors.

In addition, changes in law or policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on the Company or its portfolio companies.

The Company and its portfolio companies are subject to the tax authorities within the jurisdictions where they operate, and taxes and tax dispensations accorded to the Company may change over time. The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any other tax jurisdiction affecting the Company. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company and could affect the value of the investments held by the Company or affect its ability to achieve its investment objective and alter the post-tax returns to shareholders.

In order to mitigate this risk, each portfolio companies that plans to list or represent a significant part of the portfolio and plans to expand across the region has creating GBC in Mauritius. The Global Business Company can be used to address potential tax restriction or changes in regulation whereby some of the revenues and potentially some of the expenses can be managed. This alleviates potential changes in regulations across the multiple countries across Sub-Saharan Africa that the portfolio companies operate. In order to address potential tax restrictions or changes in the regulations within the country of the operating company.

10. OPERATING CAPITAL RISK

Managing a portfolio of investments requires a management team. There is a risk that in the future the Company has insufficient capital to remunerate its management team.

The goal of the business is to cover the costs of Company operations through for-fee services charged to the portfolio companies. Those services include truck leases, financial management, marketing, and markups on operational capital loans, to name the first few.

The mitigation to this risk is compensation to the founding management team of shares in the Company, as an incentive to continue fundraising with lowered or no cash compensation.

11. POLITICAL RISK

Political uncertainty and political risk are pervasive across Africa, but the Continent's political situation is not uniform. There are distinct and distinguishable types of political risk which might pertain to the political stability for a country, individual sectors and individual companies or projects of national importance.

A number of the risk mitigation measures applied for other risk factors are applicable when addressing political risk. Some of these political risk mitigation factors include implementation of the ESMS, the portfolio risk diversification, the geographical expansion of each portfolio company across multiple African countries and other measures. Collectively, these measures help to considerably lower exposure to political risk. Nonetheless, all political risk cannot be averted. As such, the Company constantly engages with economists within each country to learn about the political, social and economic environment and, to expect possible, put in place measures for potential anticipated risks.

The most important mitigation measure employed is maintaining portfolio risk diversification. To this end, the Company encourages its portfolio companies to partner and expand operations leveraging their different geographical locations such that any political instability in any one country will not entirely impede the operations of any company as it also has operations across other geographies.

12. RISK OF WITHDRAWAL FROM THE SEM

The SEM will allow the Company to remain listed on the High Growth segment as long as it demonstrates at least 10% on a CAGR basis over the prior three financial years in audited consolidated revenue. Where the Company has not been able to demonstrate such growth, it will no longer be suitable for the High Growth segment and will only be listed on the Official Market provided it meets the relevant entry requirements of the Official Market. In the event that the Company fails to meet the entry requirements of the Official Market, it shall be withdrawn from the Official Market and investors will no longer be able to dispose of their shares using the SEM's trading platform.

In order to mitigate this risk, the Company constantly assesses the performance of each portfolio company and intervenes to address any potential growth challenges in order to maintain the portfolio companies continued growth.

As a key stakeholder in each of these portfolio companies, the Company has the ability to encourage companies to merge or be acquired by other portfolio companies should the need arise in order for any one company to not withdraw from the High Growth segment or the official market.

SECTION FOUR – STATEMENTS AND REPORTS REGULATING THE SEM LISTING

1. WORKING CAPITAL

The directors of the Company, are of the opinion that, following the SEM listing, the working capital available to the Company will, from the date of the SEM listing, be sufficient for its present requirements, i.e. at least for the next 12 months.

2. LISTING AND DEALINGS ON THE SEM

An application has been made for the listing of up to 17,590,370 ordinary shares of the Company on the High-Growth Segment of the Main Market of the SEM, out of which 10,590,370 issued Ordinary Shares will be listed by way of Introduction, and up to 1,330,000 Ordinary Shares (to be issued as part of the Initial Private Placement) will be listed by way of Placing on the Listing Date. Dealings in the Ordinary Shares of the Company are expected to commence on or around 19 November 2024. The Company will proceed with the SEM listing irrespective of the outcome of the Initial Private Placement.

The Company does not intend to seek a listing on additional international Exchanges in the short to medium term.

3. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of Africa Eats since its last audited financial statements.

There have been no material changes in the business of Africa Eats since incorporation and no change in the nature of the business is in contemplation.

Reference can also be made to **Annexure 5** which contains the Accountant's Report thereby summarising the audited financial statements of Africa Eats over the past three financial years (i.e. for the years ended 31 December 2021, 2022 and 2023).

SECTION FIVE – ADDITIONAL MATERIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

An Accountant’s Report prepared by Africa Eats’ external auditors and covering the financial years ended 31 December 2021, 2022, and 2023, is set out in **Annexure 5** and falls under the responsibility of the board of directors of Africa Eats.

The unaudited interim financial statements of Africa Eats for the period starting 1 January 2024 to 30 June 2024 is set out in **Annexure 4**. The preparation of these financial information falls under the responsibility of the directors of Africa Eats.

2. DIVIDENDS AND DISTRIBUTIONS

Valued at almost USD 900 billion, the world's best-known public investment company is Berkshire Hathaway, and many of its practices are emulated at Africa Eats. The general operating principle is to grow the value of its subsidiaries and investment portfolio by reinvesting all profits, without providing dividends to shareholders.

The key to any investment company’s financial model is to note that every USD 1 spent setting up and operating the investment company is USD 1 not spent growing its subsidiaries. This is exemplified by Berkshire Hathaway, a seemingly massive company with over 370,000 employees in 65 fully owned subsidiaries yet managed by a relatively small team in the investment company, its corporate headquarters, of fewer than 25 individuals. Africa Eats follows a similar approach, maintaining a lean headquarters staff that primarily handles communication with investees, financial reporting, and management of credit lines and investments.

There are no plans for the time being to distribute dividends or other forms of distributions to the Company’s investors and shareholders. All profits of the Company are expected to be re-invested into further growth initiatives. This approach mirrors the historical structure followed by Berkshire Hathaway, where since 1968, all internal profits are recycled back into growth. Investors and shareholders shall benefit from the increase in the price per Africa Eats share, allowing them to realize profits through the sale of Africa Eats shares at their discretion.

Subject to the laws of Mauritius, the directors have absolute discretion as to the payment of any dividends, including interim dividends, on the shares. In the event dividends are paid, payments will be made in accordance with the laws of Mauritius. In addition, the directors may, in their discretion, declare scrip dividends in the form of a bonus issue of additional shares in lieu of a cash dividend.

Once growth objectives have been achieved, the directors may reassess the situation and adjust the dividend policy to align with investors' expectations, allowing them to benefit from capital appreciation. No dividend shall be declared or paid unless the directors are satisfied or have reasonable grounds that immediately after the dividend, the value of the Company’s assets will exceed its liabilities plus stated capital and the Company will be able to pay its debts as they fall due.

The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deems relevant.

No dividends have been declared as of the last practicable date.

No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

In addition to its dividend policy, Africa Eats also considers the strategic use of share buybacks as a potential way to return value to shareholders. This approach is inspired by Berkshire Hathaway, which has engaged in share buybacks numerous times when its shares were considered undervalued. Buybacks allow the company to return capital to shareholders by repurchasing its shares, thereby increasing the ownership stake of remaining shareholders and potentially enhancing per-share value.

While there are no immediate plans for buybacks, the Company may consider this option in the future if it aligns with the best interests of shareholders and the Company's financial strategy. Like Berkshire Hathaway, Africa Eats will only engage in buybacks when it believes that doing so represents a prudent and effective use of capital.

This dual approach—reinvesting profits and considering buybacks when appropriate—provides flexibility in capital management and offers a pathway for shareholders to benefit from the long-term growth of Africa Eats.

3. ACQUISITIONS

Other than the various debt and equity investments made in the portfolio companies, no other material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company since incorporation or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

One significant acquisition closed in Q3 2024. Hivos Foods & Lifestyle Fund B.V sold its 28.4% ownership stake of Ziweto Enterprises to Africa Eats in August 2024. Hivos Impact Investments (through Hivos Foods & Lifestyle Fund B.V) invested in the development of Ziweto Enterprises in 2019 to help the company expand its micro-franchise operations. Hivos Impact Investments is a venture capital fund in the process of liquidating its portfolio. It was the sole co-investor in Ziweto Enterprises with Africa Eats. A sale price was negotiated for these shares based on a valuation of Ziweto Enterprises of USD 5.04 million. 28.4% of that valuation is c.USD 1.4 million. The acquisition price paid by Africa Eats is less than 20% of that computed value.

4. DISPOSALS

No material immovable properties, fixed assets, securities in subsidiaries and/or business undertakings have been disposed of by the company since incorporation nor are any of these to be disposed of in the first six months following the SEM Listing

5. ADVANCES, LOANS AND BORROWING

As at the last practicable date:-

- The Company has no outstanding loan payable;
- The following loans were granted to some of the portfolio companies, which were deemed as related party transactions;
- Africa Eats provides its investees with debt financing in terms of unsecured loans repayable on demand bearing interest of up to 12%. A total amount of USD 1,713,513 is outstanding.
- During the financial year ended 31 December 2023, Africa Eats rolled out loans to Swahili Honey, Golden Pot Agro Supply and Boka Eats. Loans receivable being the second largest component of its asset base is reflective Africa Eats' mission to support its investee companies in their growth.
- The Company issued promissory notes to the amount of USD 745,088. Promissory notes have been issued to Realize Impact and retail lenders, and are unsecured and carry interest rates ranging from 7.5% to 8%;
- No other loans receivable is outstanding by the Company, other than the loans receivable as disclosed above;
- No other loan capital is outstanding in the Company;
- The Company leases solar equipment to its investees for a period of 8 years. In FY23, the Company had a lease agreement with only one of its investees, being Rogathe Dairy Ltd, amounting to USD 183,079 as lease receivables;
- No loans have been made or security furnished by the Company to or for the benefit of any director or manager or associate of any director or manager of the Company, other than in terms of unpaid share capital as disclosed under Annexure 2 section 4; and

- There were no outstanding convertible debt securities.

6. LITIGATION

The Company is not involved in any governmental, legal or arbitration proceedings and, in so far as the directors are aware, there are no governmental, legal or arbitration proceedings pending or threatened against them, or being brought by the Company since incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

7. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Company does not have any material capital commitments, financial lease payments and contingent liabilities as at the last practicable date, other than in the ordinary course of business.

8. MATERIAL COMMITMENTS IN RESPECT OF ACQUISITION AND ERECTION OF BUILDINGS, PLANT AND MACHINERY

As at the last practicable date, the Company does not have any material commitments for the purchase and erection of buildings, plant or machinery.

9. PRINCIPAL IMMOVABLE PROPERTY LEASED OR OWNED

As at the last practicable date, the Company does not own any immovable property nor has the Company entered into any leases in respect of immovable property.

10. ASSETS LEASED

Africa Eats leases solar equipment to its portfolio companies. The leases are classified as finance lease as ownership will be transferred to the portfolio companies at the end of the lease term. The investees are required to pay the Company in 100 instalments, which run over approximately 8 years, for the leased asset and once fully paid, the ownership of the asset shall be transferred to the portfolio companies.

As per the respective lease agreements with the portfolio companies, they have been granted a flexibility of up to 180 months to settle the 100 lease payments. (refer to section 5(f) above).

11. TAXATION

Mauritian taxation provisions

Africa Eats is liable to income tax in Mauritius at the rate of 15% on its worldwide income and to a 2% Corporate Climate Responsibility (CCR) levy (if the company will have a turnover over MUR 50 million in a tax year). As from 1 January 2019, an income tax exemption of 80% (Partial Exemption Regime) applies to the following streams of income of all tax resident Companies in Mauritius including companies holding a Global Business Licence:

a) Foreign source dividend, provided that the dividend has not been allowed as a deduction in the source country and the company satisfies the conditions relating to the substance of its activities as prescribed

b) Interest derived by a company other than a bank, a non-bank deposit taking institution, a money changer, a foreign exchange dealer, an insurance company, a leasing company, a company providing factoring, hire purchase facilities, or credit sales facilities

c) Profit attributable to a permanent establishment which a resident company has in a foreign country

d) Income derived by a Collective Investment Scheme (CIS), Closed End Fund (CEF), CIS Manager, CIS Administrator, Investment Advisor or Asset Manager licensed or approved by the FSC. Interest income derived by a CIS or CEF is subject to an income tax exemption of 95%

e) Income derived by a company engaged in the leasing of ships, aircrafts, locomotives and trains, including rail leasing

f) Income derived by a company from reinsurance and reinsurance brokering activities

g) Income derived by a company from leasing and provision of international fibre capacity

h) Income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto

The exemption on dividend shall be granted provided that Africa Eats (a) complies with its filing obligations under the Companies Act or the Financial Services Act; and (b) has adequate resources for holding and managing share participations.

Other than the foreign source dividend, the partial exemption shall be granted provided that the Company:

(i) Carries out its core income generating activities in Mauritius

(ii) Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and

(iii) Incurs a minimum expenditure proportionate to its level of activities

It is to be noted that if a company claims the partial exemption with respect to any of the specified above-mentioned income, it will not be eligible to claim credit for actual foreign taxes suffered on such income. The nature and amount of tax payable by the company (actual foreign taxes) is dependent on the availability of relief under the various tax treaties in the jurisdictions in which the Board chooses to invest from time to time.

Under the Mauritius fiscal regime as at the last practicable date:

- There are no withholding taxes on dividends distributed by a company to its shareholders and no capital gains taxes. Accordingly, the capital gains realised by a non-resident shareholder on the disposal of its shares in the company are not subject to tax in Mauritius.
- Royalty paid to a non-resident by the company out of its foreign source income is tax exempt.

12. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during business hours from the date of issue of the Listing Particulars for a minimum period of 14 calendar days:

- the signed Listing Particulars;
- the Constitution of the Company;
- the unaudited interim financial statements of Africa Eats for the period starting 1 January 2024 to 30 June 2024;
- the Accountant's Report of Africa Eats dated 29 July 2024.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names are given in **Annexure 1**:

- have considered all statements of fact and opinion in these Listing Particulars;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and

- certify that, to the best of their knowledge and belief, these Listing Particulars contain all information required by law and the Listing Rules.

SIGNED ON 18 OCTOBER 2024 FOR AND ON BEHALF OF **AFRICA EATS LTD**

Mr. Luni Libes,
who warrants that he or she is duly authorised thereto by resolution of the board of directors of AFRICA EATS LTD

Annexure 1

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS

1. FULL NAMES, NATIONALITIES, AGES, BUSINESS ADDRESSES, ROLES, QUALIFICATIONS, OCCUPATIONS AND EXPERIENCE OF EACH DIRECTOR

The full names (including former names, if applicable), ages, nationalities, qualifications, roles, business addresses, occupations and experience of each of the directors of the Company and the proposed directors of the Company and executive management are set out below:

Directors of Africa Eats Ltd

Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
Michael 'Luni' Libes (55), American *M.S Computer Science and Engineering, B.S Applied Mathematics*	Executive Director and CEO	144 Jacolet Ln, Bainbridge Island, WA 98110, USA	Luni is a seasoned entrepreneur with over 30 years of experience, having co-founded nine companies, including Fledge, a worldwide network of impact-oriented business accelerators. Luni is the author of The Next Step series of books, online classes, games, and podcasts teaching entrepreneurship. He is the co-founder of Realize Impact, a 501(c)(3) public charity focused on impact investing. Luni was Luni was Entrepreneurship in Residence at Bainbridge Graduate Institute and taught MBA candidates there for eight years. Additionally, he served as an Entrepreneurship in Residence Emeritus at the University of Washington's center for commercialization.
Jumaane Akintola Tafawa (44), Nigerian *BSc. in Business Management, Economics and Computer Science, MPA and International Development*	Executive Director	6 Mzima Springs Road, Lavington, Nairobi, Kenya	Jumaane Tafawa is a professional having over 20 years of experience in the domain of corporate growth. He has successfully established and expanded several multi-hundred-million-dollar African companies and played a key role in the growth of Fortune 1000 companies in Africa. He was also involved in the launch of Equity Afya.
Ambassador Mary Wangui Mugwanja (57), Kenyan *Diploma in Secretarial Duties from Kiambu Institute of Science and Technology, Certificate in Leadership Management and BSc Leadership and Management / Public Administration and*	Independent Non-Executive Director	Orchid Court, Nyangumi Road, Kilimani Apt.A6, Nairobi, Kenya	Worked for the banking Sector for 27 years from clerical to director level majorly sales, business growth and development (branch management), working with SMEs, high net worth individuals, governments both National and County, Government Agencies and Institutions. Working with Diplomatic Mission in Europe both lateral and bilateral. Worked with County

Directors of Africa Eats Ltd

Director name, age, nationality and qualification	**Role**	**Business address**	**Occupation and experience (profile)**
NPO Management from Strathmore University.			Government in Finance and Economic development as well as transport energy and public works.
Rekia Foudel, (48), US citizen *MBA Finance (Wharton School at the University of Pennsylvania), BA Political Science (Stoney Brook University)*	Independent Non-Executive Director	No. 2, Cocody, 7eme Tranche, Abidjan, Cote d'Ivoire	Rekia is the founder and Managing Partner at Barka Fund, an impact investment fund, backing African founders that are building companies to mitigate and adapt to the impact of climate change. Barka supports and invests in startups in three key sectors that lead to climate action, namely the natural resources and environment, the agriculture and food systems and the renewable energy sectors. Rekia's career spans more than 15 years in the financial services industry, across 3 continents, in North America, Europe and Africa. She started her career at Bloomberg, in New York on the Trading Systems Sales team supporting sell-side clients using the Bloomberg Terminal. Rekia then joined Barclays in London, in the corporate finance team, managing relationships with a portfolio of multinational corporations with Sub-Saharan Africa subsidiaries. Rekia finally moved to Johannesburg, South Africa to help launch the Africa corporate finance subsidiary of banking giant JP Morgan. Rekia currently serves as: • **Executive Committee Member**, African Women Leaders Network's Private Sector Coalition • **Board Member**, Chancen International, the promoter of the Future of Work Fund, a USD20 million dollars investment vehicle, with the mission to provide fair and ethical financial products that help students access high quality education, in Africa. • **Board Member**, Impact Public Service Fund, a non-profit and non-partisan organization dedicated to understanding today's most pressing social and political issues and promoting viable actions for positive change.
Victor Chambayika Mhango, (43), Malawian *Programme Development and Management Specialist*	Non-Executive Director	*Ziweto Enterprises Limited* *Kanengo Industrial Area,*	Victor is the founder of Ziweto Enterprises Limited. Victor has over 20 years of work experience with both local and international organisations in Malawi. He worked with Heifer

Directors of Africa Eats Ltd

Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
with a BSc Agriculture from University of Malawi and MSc Development Studies from University of Leeds, Leeds, United Kingdom		*Bowler Beverages Compound, Plot 28/95 P.O. Box 30240 Lilongwe 3, Malawi*	International, Land O' Lakes, Practical Action and TechnoServ. e. Victor has also mentored and advised several start-up agricultural social businesses in Malawi, specifically aimed at the economic empowerment of Malawi's youth and smallholder farmers. He is currently the CEO of ZEL.
Herve Tuyishime, (39), Rwandan *Bachelor's degree in Business Management from the Kigali Institute of Management and Dual Degree of MBA and Entrepreneurship with Impact*	Non-Executive Director	KG 11 Avenue, Kigali, Rwanda	Herve Tuyishime is an accomplished entrepreneur and financial management professional with over a decade of experience across various industries, including meat processing, logistics, and agriculture. He is the Founder and CEO of multiple successful ventures, such as a meat processing company and Truk Rwanda Ltd, specializing in transportation and logistics for perishable goods. With a solid educational foundation, holding an MBA in Entrepreneurship with Impact from Università Cattolica del Sacro Cuore, and a Bachelor's Degree in Business Management from Kigali Institute of Management, he combines strong financial analysis, business coaching, and leadership skills. Herve has extensive experience in investor relations, fundraising, and cash flow forecasting, ensuring operational efficiency and strategic growth for the businesses he manages. In recognition of his entrepreneurial impact, Herve was awarded the Best Young Entrepreneur Award in 2013 by Educat and GT Bank.
Veerha Bhogun, (46), Mauritian *ACCA, STEP, FCCA, TEP*	Non-Executive Director and Chairperson	Rogers Capital Corporate Services Limited, 3rd Floor, 5 President John Kennedy Street, Port Louis, Mauritius	Veerha is currently the Senior Manager of Business Development at Rogers Capital Corporate Services Limited since January 2024. She currently lives in Mauritius after having spent 13 years in London and 7 years in Sydney. She is a qualified Chartered and Certified Accountant from London in December 1999 and is also a full member of the Society of Trust and Estate Practitioners (STEP) in April 2023 (FCCA and TEP). Veerha has over 20 years of experience in the industry with strong Leadership Skills with an enhanced financial and auditing background. Over the years, Veerha has worked with a variety of clients ranging from taxi drivers to large manufacturing companies, giving her a robust exposure to the financial and auditing industry. In her current position, Veerha works with a global portfolio of clients across various

Directors of Africa Eats Ltd			
Director name, age, nationality and qualification	**Role**	**Business address**	**Occupation and experience (profile)**
			industries assisting with corporate management structuring and wealth planning. She sits on the board of multiple entities and provides value-added insights from a fiduciary and statutory perspective. Veerha gained international experience in the financial services, audit and business development sectors, working for Grant Thornton in London, KPMG in Sydney, Australia, GE Real Estate (Part of the General Electric group), Echo Entertainment Group which owns The Star Casino in Sydney, as a Senior Financial Accountant. She has been working in Mauritius for just over 9years, starting with Geneva Management Group in Mauritius as a Manager in the Fiduciary sector, before moving on to Rogers Capital Corporate Services Limited. She has a robust skillset that includes Trust Accounting, IFRS, Management Accounting and more, Veerha Bhogun contributes valuable insights to the industry. Veerha is currently heavily involved in new business and business development within Rogers Capital.
Madiihah Binte Beegum, (31), Mauritian *Fellow Member of Associate of Chartered Certified Accountants;* *Member of Mauritius Institute of Professional Accountants*	Non-Executive Director	Rogers Capital Corporate Services Limited, 3rd Floor, 5 President John Kennedy Street, Port Louis, Mauritius	Madiihah is currently a Manager in the Fund Services department at Rogers Capital Corporate Services. She is a fellow member of the Association of Chartered Certified Accountant. She was a company administrator at Consilex Ltd. Subsequently, Consilex Ltd was acquired by Rogers Capital in 2015 and she rose through the ranks to become a Manager. Madiihah has over 10 years of professional experience in the global business sector. During her career, she has been managing a mixed portfolio of clients including GBC, Private Equity Funds, Open-End Funds and investment advisers.

The table below lists the companies and partnerships of which each director of the Company is currently a director or partner as well as the companies and partnerships of which each director of the Company was a director or partner over the five years preceding these Listing Particulars:

Directors of Africa Eats		
Director	**Directorships currently held**	**Directorships held in past 5 years**
Michael Luni Libes	Africo Management Ltd., Tuesday Markets Ltd	Realize Impact
Jumaane Akintola Tafawa	Africo Management Ltd. Tuesday Markets Ltd Elite Meat Processors Ltd Ziweto Holdings Limited Heritage Connection	Griffin Energy Guyana Inc. Oil and Gas Solutions Guyana Inc. V and W Logistics
Ambassador Mary Mugwanja	-	-
Rekia Foudel	Chancen International Impact Public Service Fund African Women Leaders Network's Private Sector Coalition	-
Victor Mhango	Ziweto Enterprises Limited Honey Products Limited Chambayika Milling Limited Tisonkhe Company Limited Ecogen Limited Ziweto Holdings Limited	Civil Society Agriculture Network
Herve Tuyishime	Inspire Dreams Paniel Meat Processing Ltd. Livestock Bank Ltd Truk Rwanda Elite Meat Processors Ltd	-
Madiihah Beegum	Tuesday Markets Ltd Elite Meat Processors Ltd Ziweto Holdings Limited	-
Veerha Bhogun	Elite Meat Processors Ltd Ziweto Holdings Limited	Leselo Investments Limited Amis Choisy Limited TLS Contact (Mau) Limited Láuberge du Nord Limited AKR Properties Limited

2. REMUNERATION OF THE DIRECTORS OF AFRICA EATS

The Company has decided that no fees will be paid to the directors of Africa Eats. No fees (cash compensation) have been paid to the directors of Africa Eats thus far.

This decision reflects the Company's commitment to prioritizing the reinvestment of resources into its growth and operational initiatives. By forgoing director fees, Africa Eats aims to channel more funds towards strategic projects that will drive long-term value for shareholders and stakeholders alike.

3. DIRECTORS' INTERESTS IN SECURITIES

The table below sets out the direct and indirect interests of the directors of the Company as at the last practicable date, including any directors who may have resigned during the last 18 months, in Africa Eats' issued ordinary share capital:

Directors	Number of shares		Total	% of issued ordinary share capital
	Indirect	Direct		
Michael Luni Libes	165,380	550,742	716,122	6.76
Jumaane Akintola Tafawa	295,925	-	295,925	2.79
Ambassador Mary Mugwanja	-	-	-	-

Rekia Foudel	-	-	-	-
Victor Mhango	-	500	500	0.005
Herve Tuyishime	-	500	500	0.005
Madiihah Beegum	-	-	-	-
Veerha Bhogun	-	-	-	-
Total	**461,305**	**551,742**	**1,013,047**	**9.56**

4. DIRECTORS' INTERESTS IN TRANSACTIONS

As at the Last Practicable Date, none of the directors have had any material beneficial interest, direct or indirect, in transactions entered into by the Company:

- during the current financial year; or
- during the two preceding financial years; or
- during any earlier financial year and which may still be outstanding.

No amount has been paid to any director (or to any Company in which he is interested (whether directly or indirectly) or of which he is a director or to any partnership, syndicate or other association of which he is a member) in the three years preceding the date of these Listing Particulars (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associate identity) in connection with the promotion or formation of the Company.

5. DIRECTORS' INTERESTS IN PROPERTY ACQUIRED OR TO BE ACQUIRED

None of the directors have had any material beneficial interest, direct or indirect, in any property acquired or proposed to be acquired by the Company or otherwise in the three years preceding the date of issue of these Listing Particulars and no amount has been paid during this period, or is proposed to be paid to any director.

6. TERMS OF OFFICE

None of the directors have entered into a service contract with the Company and accordingly the appointment of the directors is indefinite but remains subject to all applicable laws and the provisions of the Company's Constitution.

7. BOARD COMMITTEES

The Board has established the following Committees with the appropriate mix of Independent Directors, Non-Executive Directors and Executive Directors in line with the Mauritian Code of Good Corporate Governance.

The Composition of the Board Committees are set out below:-

Audit and Risk Committee	**Corporate Governance Committee**
Mary Wangui Mugwanja (Chairperson)	Mary Wangui Mugwanja
Rekia Foudel	Rekia Foudel (Chairperson)
Madiihah Beegum	Madiihah Beegum
	Victor Mhango

Nomination and Remuneration Sub-Committee	Operations and Strategy Committee
Mary Wangui Mugwanja	Michael Luni Libes (Chairperson)
Rekia Foudel (Chairperson)	Jumaane Akintola Tafawa
Madiihah Beegum	Herve Tuyishime
Victor Mhango	Veerha Bhogun

Environmental and Social Governance Sub-Committee	Finance, Investment and Credit Committee
Michael Luni Libes (Chairperson)	Michael Luni Libes
Jumaane Akintola Tafawa	Mary Wangui Mugwanja
Herve Tuyishime	Rekia Foudel
Veerha Bhogun	Veerha Bhogun (Chairperson)

Audit and Risk **Committee**

The Committee should not perform any management functions other than to determine the extent of and remuneration for any audit and non-audit services performed by the External Auditors nor assumes any management responsibilities other than to the extent prescribed by legislation. It serves to provide a forum for discussing business risk and control issues, to create the facility whereby the Board can seek the necessary assurances that these factors are being properly managed, thereby being able to develop recommendations for consideration by the Board.

The Committee shall monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risks, including emerging and prospective impacts.

Corporate Governance **Committee**

The Committee shall assist the Board in implementing and maintaining a strong corporate governance framework, by providing the Board with evaluations and recommendations of the corporate governance policies and practices of the Company

The Committee shall stay informed of emerging trends and developments in the field of corporate governance, including laws and regulations, and shall consider their potential impacts on the corporate governance framework of the Company.

Finance, Investment **and Credit Committee**

This Committee shall assist the Board in overseeing the financial management and stability of the Company. This includes assisting in the financial planning and performance monitoring of the Company, assessing and reviewing investment strategies, opportunities and initiatives, and managing the credit risk of the Company.

Nomination and Remuneration **Sub-Committee**

The Committee has responsibility of assisting and making recommendations to the Board, in respect of nominations and remunerations for the Board and for Committee members, for the Chairperson of the Board and of the Committees, and for senior executives and/or the management team

Operations and Strategy **Committee**

The Committee shall therefore assist the Board in developing, implementing, overseeing and evaluating the strategic initiatives and operational performance of the Company.

Environmental and Social Governance (ESG) Sub-Committee

This Committee shall assist the Board on ESG matters arising out of the activities and operations of the Company, while also assisting in further integrating sustainability into the strategy and operations of the Company.

8. CONSTITUTION

The relevant extracts of the Constitution of the Company providing for the appointment, qualification, retirement, remuneration and borrowing powers of the directors and the powers enabling a director to vote on a proposal, arrangement or contract in which he is materially interested are set out in **Annexure 3**.

9. BORROWING POWERS

As set out more fully in **Annexure 3**, the borrowing powers of the Company exercisable by the directors are unlimited and, accordingly, have not been exceeded since incorporation.

10. SUMMARY OF EXISTING OR PROPOSED CONTRACTS (WHETHER WRITTEN OR ORAL) RELATING TO DIRECTORS' AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

There are no existing or proposed contracts (whether written or oral) relating to directors or managerial remunerations, restraint payments, royalties or secretarial and technical fees.

There were no other contracts or arrangements in which the directors were materially interested, and which were significant in relation to the business of the Company.

Annexure 2

SHARE CAPITAL AND SHAREHOLDING

1. MAJOR AND CONTROLLING SHAREHOLDERS

As at the date of these Listing Particulars, the following shareholders held 5% or more of the issued ordinary shares in Africa Eats:

Name of Shareholder	Number of shares held	Percentage of issued ordinary share capital
1. Realize Impact	2,070,555	19.55
2. Africa Eats SPC	1,123,518	10.61
3. Rebel Family Foundation	576,598	5.44
4. Michael Luni Libes	550,742	5.20
Total	**4,321,413**	**40.80**

As the Initial Private Placement will take place post the Last Practicable Date, the Company cannot confirm the details of ordinary shareholders of Africa Eats who will (directly or indirectly) hold 5% or more of Africa Eats shares immediately following the Initial Private Placement.

2. SHARES ISSUED OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash by the Company since incorporation.

3. COMPANY'S SHARE CAPITAL

The issued share capital of the Company, immediately before the SEM listing is as follows:

Stated Capital	**USD**
Issued shares	
10,590,370 ordinary shares of no-par value	12,093,479
Total	**12,093,479**

Assuming that all of the Africa Eats shares to be offered in terms of the Initial Private Placement will be subscribed for, the issued share capital of the Company after the Initial Private Placement will be as follows:

Stated Capital	**USD**
Issued shares	
11,920,370 ordinary shares of no par value	15,085,979
Total	**15,085,979**

The Company does not hold any treasury shares.

As per Clause 4.1 of the Constitution, the members in general meeting may authorise the Board to issue shares and/or grant options at any time to any person.

The capital of the Company shall consist of ordinary shares, which shall confer the rights set out below:

- The ordinary shares shall be no par value shares in the share capital of the Company, which shall be listed on the High-Growth Segment of the Main Market of the SEM.
- Ordinary shares shall confer on the holders thereof the rights as provided under the Companies Act 2001 and its Constitution, i.e.:
  - the right to one vote on a poll at a meeting of the Company on any resolution;
  - the right to an equal share in dividends authorised by the Board; and
  - the right to an equal share in the distribution of the surplus assets of the Company.

All the ordinary shares to be issued in terms of these Listing Particulars will be of the same class and will rank *pari passu* with all other issued ordinary shares of the Company (if any).

In terms of Mauritian law, the Company does not have an authorised share capital. Under Mauritian law, the stated capital of the Company is made up of the shares issued by the Company.

4. ALTERATIONS TO SHARE CAPITAL OF THE COMPANY

The Company was incorporated on 10 July 2020 as a Mauritian based Global Business licensed Company with a share capital of 100 ordinary shares of par value USD 1 (issued at USD 1 per share), and which were allotted to Fledge Series LLC.

Since the incorporation of Africa Eats, the following additional shares were issued:

Year	Ordinary Shares	Preferred Shares
2020	3,858,592 Ordinary Shares at USD 1 per share, out of which: - 166,666 Ordinary Shares were issued to the 'Employee Pool' - 70,000 Ordinary Shares were issued to Realize Impact, to be held in trust for Smallholder Farmers	100,000 Preferred Shares at par value of USD 1 each
2021	-	1,664,750 Preferred Shares at par value of USD 1 each
2022	- 73,178 Ordinary Shares issued to Realize Impact, to be held in trust for Smallholder Farmers - 60,000 Ordinary Shares (already in issue) were allocated to the 'Employee Pool'	2,696,554 Preferred Shares at varying prices, ranging from the par value of USD 1 per share to a share premium between USD 0.25 to USD 0.65 per share.
2023	-	614,304 Preferred Shares at varying prices, ranging from the par value of USD 1 per share to a share premium between USD 0.25 to USD 0.65 per share.
2024	87,317 Ordinary Shares issued to Realize Impact, to be held in trust for Smallholder Farmers	1,495,575 Preferred Shares at a share premium between USD 1.25 to USD 0.65 per share.

On 19 September 2024, the Africa Eats shareholders passed a resolution approving the conversion of the issued Preferred Shares into ordinary shares of the Company.

- Subsequently, on 19 September 2024, 6,571,183 Preferred Shares in issue were converted into new ordinary shares (ratio of 1 new ordinary share for each Preferred Share held).
- In total, 6,571,183 new ordinary shares were issued to holders of Preferred Shares on 19 September 2024.

On 19 September 2024, the shareholders passed a resolution to convert the ordinary shares from par value to no par value ordinary shares.

As at the Last Practicable Date, the Company had 10,590,370 ordinary shares in issue.

Other than the information provided above, since the last practicable date, there have been no further alterations to the Company's share capital. Accordingly:

- there have been no issues or offers of securities of the Company since the last practicable date;
- there have been no other consolidation or subdivision of shares in the Company since the last practicable date;
- no offer for shares in the Company was made to the public since the last practicable date;
- no share repurchases were undertaken by the Company since the last practicable date; and
- there has been no amount payable by way of premium on any share issued by the Company since the last practicable date.

5. FOUNDERS AND MANAGEMENT SHARES

Save for the details set out in paragraph 3 of **Annexure 1**:

There are no deferred shares.

As at the last practicable date, Luni Libes (the founder of Africa Eats) held 6.76% of the issued shares of Africa Eats and Jumaane Tafawa (Co-founder of Africa Eats) held 2.79% of the issued shares of Africa Eats. Victor Mhango and Herve Tuyishime each hold 0.005% of the issued shares of Africa Eats. Reference can be made to section 3 of Annexure 1.

There are no other shares held as at the last practicable date by any other director of the Company.

As Africa Eats does not own any physical property nor has entered into agreement to acquire any physical property as at the last practicable date, the directors of Africa Eats do not have any material interest in any acquisition or disposal of any properties.

6. OPTIONS AND PREFERENTIAL RIGHTS

There are no other preferential conversion, redemption and/or exchange rights in respect of any of the shares or other securities.

There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any shares in the Company.

7. ISSUE OF FARMER’S SHARES

In terms of Clause 4.9 of the Constitution, the Company shall annually allocate Africa Eats shares equal to 1.00% of the total number of issued ordinary shares of the Company, collectively to the smallholder farmers working with the portfolio companies (the “**Farmer’s Shares**”)

The Farmer’s Shares shall be administered by Realize Impact, a shareholder of Africa Eats, or any institution that may from time to time be appointed by the Board, on behalf of the farmers. The proceeds from any sale of the Farmer’s Shares shall be distributed to the farmers so that they can also benefit from the growth of Africa Eats and its portfolio.

As at the last Practicable Date, a total of 230,495 ordinary shares have been allocated and issued to Realize Impact for the benefit of the smallholder farmers.

8. FRACTIONS

No fractions of shares are currently in issue.

Annexure 3

AFRICA EATS' INVESTMENTS IN PORTFOLIO COMPANIES AS AT THE LAST PRACTICABLE DATE

Name of investee company	Country of incorporation	% holding	Number of shares	Type of shares	Fair value 2023 USD	Fair value 2022 USD
Afrihealth Pharmaceuticals	Uganda	17.50%	211	Preferred shares	194,588	261,293
Agro Supply	Uganda	31.70%	2,908	Preferred shares	3,799,533	2,137,537
Agromyx	Ghana	6%	7,600	Preferred shares	24,114	24,400
Amuria Honey	Uganda	32%	471	Preferred shares	519,300	347,968
Boka Eats	Kenya	29.30%	4,148	Preferred shares	184,367	46,595
Built Accounting	Ghana	2.50%	64	Common stock	24,833	24,344
Central Park Bees Ltd (previously known as Swahili Honey)	Tanzania	10%	733	Preferred shares	1,061,123	613,923
Chicken Basket Ltd	Kenya	24.60%	30,167	Preferred shares	259,666	89,911
East Africa Fruits	Tanzania	0.93%	6,000 6,745	Common stock Preferred shares	392,617	220,035
Geossy	Uganda	36.30%	570	Preferred shares	350,099	120,598
Goldenpot	Tanzania	27.90%	4,405	Preferred shares	1,302,169	300,054
Green Charcoal Uganda	Uganda	24.80%	33	Preferred shares	177,262	95,460
Honey Products	Malawi	6%	60,000	Common stock	24,532	16,859
Kalahari Honey	Botswana	30.10%	4,220 2,410	Voting preferred shares Non-voting preferred shares	64,776	52,222
Lotec Rwanda Ltd. (Golden Cat)	Rwanda	6%	64	Common stock	19,703	8,211
OBAMASTOVE SPC	USA	27.10%	2,750	Preferred shares	243,368	546,248
Paniel Meat Processing	Rwanda	18.10%	264	Common stock	1,085,770	575,111
Paniel Transport (TRUK)	Rwanda	24.90%	33,116	Preferred shares	4,400,750	1,214,910
Papoli Farmers	Uganda	31.60%	370	Preferred shares	153,905	92,676
Rogathe Dairy	Tanzania	6.60%	320	Preferred shares	243,122	92,011
TILAA	Ghana	36.80%	29,066	Preferred shares	558,495	1,085,430
Zamgoat Products Ltd	Zambia	44.90%	5,221	Voting preferred shares	36,328	293,508
Ziweto Enterprise	Malawi	24%	514,285	Common stock	983,129	438,197
					16,103,549	8,697,501

Annexure 4

EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

The following sections use the definitions as set out in the Constitution of the Company.

Extracts from the Constitution of the Company providing inter alia for the appointment, qualification, remuneration and borrowing powers, interests of Directors and dividends are set out below.

For a full appreciation of the provisions of the Constitution, shareholders are referred to the text of the Constitution, which is available for inspection, as provided for in Section Five Paragraph 12.

“

4. Capital

4.1. Subject to the provisions of the Listing Rules of the Stock Exchange of Mauritius Ltd (“SEM Rules”), the requirements of any other exchange on which the company is listed and pursuant to Section 52 of the Mauritian Companies Act, 2001 (Act 15 of 2001) as amended (“Companies Act 2001”), the board of the company may only issue new shares where shares of that particular class are listed and/or grant options with the prior approval of the Shareholders. Such approval is not required if such shares have first been offered to existing Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the board may determine, or if, but only to the extent that, the existing shareholders of the company have by ordinary resolution in a general meeting of Shareholders given a general mandate to the directors of the Company, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of shares allotted or agreed to be allotted shall not exceed 10 per cent of the existing stated capital of the Company. Notwithstanding the foregoing, any new issue of shares must comply with the SEM Rules issued by the Stock Exchange of Mauritius Ltd (“SEM”).

4.2. No shares or any interest or right to the shares shall be issued or granted by the company to bearer.

4.3. The company may by way of special resolution from time to time and in accordance with the Companies Act 2001:

- 4.3.1. create any class of shares;
- 4.3.2. increase or decrease the number of shares of any class of the company’s shares;
- 4.3.3. consolidate and reduce the number of the company’s shares of any class;
- 4.3.4. subdivide its shares of any class by increasing the number of its issued shares of that class without an increase of its capital;
- 4.3.5. change the name of the company;
- 4.3.6. convert one class of shares into one or more other classes, save where a right of conversion attaches to the class of shares created; or
- 4.3.7. subject to paragraph 13.6, vary any preference rights, limitations or other terms attaching to any class of shares.

4.4. Where the company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares.

4.5. Where the company issues shares with different voting rights, the company shall designate each class of shares, other than those with the most favorable voting rights, by inserting the words “restricted voting” or “limited voting”.

4.6. The shares, shall unless otherwise stated, be fully paid up when issued and rank pari passu in all respects as amongst themselves including as to participation in the profits of the company.

4.7. The capital of the company shall consist of ordinary no par value shares and having attached to them the following rights: -

4.7.1. The right to one vote on a poll at a meeting of the company on any resolution;

4.7.2. The right to an equal share in dividends authorised by the board; and

4.7.3. The right to an equal share in the distribution of the surplus assets of the company.

4.8. Any shares proposed to be issued wholly for cash consideration (which shall include a release of a liability of the company for a liquidated sum or an undertaking to pay cash to the company at a further date) must be issued in accordance with paragraph 4.1.

4.9. Subject to the Companies Act 2001 and the SEM Rules, the Company shall annually allocate and issue shares equal to 1% of the total number of issued shares of the Company to Realize Impact (or any other institution that may from time to time be appointed by the board of the Company) and this pool of shares shall be administered by Realize Impact (or any other appointed institution) on behalf and for the benefit of the smallholder farmers working with the investees of the company, unless an ordinary resolution of the Shareholders passed at the annual meeting of the Company changes this annual allocation.

[…]

9. Transfer of Shares

9.1. Subject to the provisions of this Constitution, where shares are listed on the Main Market of the SEM or on another securities exchange, the shares of the company shall be freely transferable and free from any lien. Each Shareholder may transfer, without payment of any other charges, save Brokerage Fees payable in relation to such transfer, all or any of his shares which have been fully paid.

9.2. For so long as the company shall be admitted for listing on the Main Market of the SEM, a Shareholder wishing to transfer its shares, shall where physical Share Certificates have been issued to that Shareholder, cause its shares to be dematerialised.

9.3. For so long as the company shall be admitted for listing on the Main Market of the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automated Trading System in accordance with the Trading Procedures.

9.4. In respect of shares held in certificated form and where such shares have not been listed on the Main Market of the SEM, every instrument of transfer shall be executed by or on behalf of the transferor. Every instrument of transfer shall be left at the registered office of the company (or such other place as the board may from time to time determine) at which it is presented for registration accompanied by the certificate of the shares so transferred, and/or such other evidence as the company may require, to prove the title of the transferor of his rights to transfer the shares. All authorities to sign instruments of transfer granted by Shareholders for the purpose of transferring shares which may be lodged, produced or exhibited with or to the company at its registered office (or such other place as the Board may from time to time determine) shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's registered office (or such other place as the board may from time to time determine) at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notices. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

9.5. <u>Transmission of shares</u>

9.5.1. If title to a share passes to a Transmittee, the company may only recognise the Transmittee as having any title to that share.

9.5.2. A Transmittee who produces such evidence of entitlement to shares as the directors may properly require –

9.5.2.1. may, subject to the provisions of this Constitution choose either to become the holder of those shares or to have them transferred to another person; and

9.5.2.2. subject to the provisions of this Constitution, and pending any transfer of the shares to another person, has the same rights as the holder had.

9.5.3. Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

9.6. The company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons. The company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

9.7. The company shall not take any action to sell the shares of a shareholder who is untraceable unless: -

9.7.1. during a period of 12 years, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

9.7.2. on expiry of the 12 years, the company gives notice of its intention to sell the shares by way of an advertisement published in at least two widely circulated daily newspapers in Mauritius and notifies the SEM of such intention.

[…]

11. DIRECTORS

[…]

11.2. <u>Qualification</u>

No director shall be required to hold shares in the company to qualify him for an appointment.

[…]

11.4. <u>Retirement of Directors</u>

11.4.1. At each Annual Meeting of Shareholders all the directors shall retire from office and may make themselves available for re-election.

11.4.2. The company at the meeting at which a director retires under any provision of this Constitution may by ordinary resolution fill the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default, the retiring director shall be deemed to have been re-elected except in any of the following cases:

11.4.2.1. where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and not approved by the requisite majority of directors;

11.4.2.2. where such director has given notice in writing to the company that he is unwilling to be re-elected;

11.4.2.3. where such director has attained any retiring age applicable to him as director.

11.4.3. The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and not approved by the requisite majority of directors and accordingly a retiring director who is re-elected will continue in office without a break.

11.4.4. At least 7 days' notice shall be given to the company of any intention to propose a person for election as a director at a meeting of the Shareholders and the consent of such person in relation thereto shall be communicated to the company at least seven days before the date of the meeting.

11.4.5. Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by ordinary resolution passed at a meeting of Shareholders called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject however, to the right of any such director to claim

11.5. Remuneration of directors

11.5.1. The remuneration of directors shall be proposed by the relevant Board Committee to board for approval.

11.5.2. The board may determine the terms of any service contract with a managing director or other executive director.

11.5.3. The directors may be paid all travelling, hotel and other expenses properly incurred by them in attending any meetings of the board or in connection with the business of the company.

11.5.4. If by arrangement with the board any director shall perform or render any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether, by way of salary, commission, participation in profits or otherwise) as the Corporate Governance Committee may, from time, to time determine.

11.5.5. A director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting.

11.5.6. Notwithstanding paragraph 11.6.5 above, a director shall be entitled to vote and be counted in the quorum at the meeting in respect of the following matters: -

11.5.6.1. the giving of any security or indemnity either:

11.5.6.1.1. to the director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any of its subsidiaries; or

11.5.6.1.2. to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

11.5.6.2. any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

11.5.6.3. any proposal concerning any other company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five percent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;

11.5.6.4. any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:

11.5.6.4.1. the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or

11.5.6.4.2. the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

11.5.6.5. any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer."

[…]

12. POWERS AND DUTIES OF DIRECTORS.

12.1. Borrowing Powers

The directors may exercise all powers of the company to borrow or raise or secure the payment of money or the performances or satisfaction by the company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instrument whether outright or as security, for any debt liability or obligation of the company or of any third party. In addition, such power shall be exercised, in compliance with Section 143 of the Companies Act 2001."

[…]

14. DIVIDENDS AND RESERVES

14.1. Declaration of Dividends

14.1.1. The company in general meeting may declare dividends but may not declare a larger dividend than that declared by the directors and no dividend shall be declared and paid except out of profits and unless the directors determine that immediately after the payment of the dividend:

14.1.1.1. the company shall be able to satisfy the solvency test in accordance with Section 6 of the Companies Act 2001;

14.1.1.2. the realisable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital; and

and the provisions of the SEM Rules are complied with

14.1.2. Subject to the requirements of the Companies Act 2001 and the SEM Rules, the board of the company may authorise and declare a dividend or other distribution at such time and of such amount (subject to the solvency test) and to any shareholders as it thinks fit. No approval of the Shareholders shall be required before the board makes a distribution.

14.1.3. Dividends may be declared and paid in money, shares or other property.

14.1.4. The company may cease sending dividend warrants by post if such warrants have been left uncashed on two successive occasions.

14.1.5. Notwithstanding paragraph 14.1.4 above, the company may cease sending dividend warrants after the first occasion on which such warrant is returned undelivered where after reasonable enquiries, the company has failed to establish any new address of the registered holder.

14.2. Computation of Profit

In computing the profits for the purpose of resolving to declare and pay a dividend, the directors may include in their computation the net unrealised appreciation of the assets of the company.

14.3. Interim Dividends

The directors may from time to time pay to the Shareholders such interim dividends as appear to the directors to be justified by the surplus of the company.

14.4. Entitlement to dividends

14.4.1. Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

14.4.2. If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

14.4.3. Any amount paid up in advance of calls on any share may carry interest, but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

14.5. Reserves

The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may from time to time think fit.

14.6. Notice

Notice of any dividend that may have been declared shall be given to each Shareholder in the manner hereinafter mentioned and all dividends unclaimed for five years after having been declared may be forfeited by resolution of the directors for the benefit of the company. The company shall hold monies other than dividends due to Shareholders in trust indefinitely until lawfully claimed by such Shareholder.

14.7. Interest

No dividend shall bear interest against the company.”

Annexure 5

UNAUDITED FINANCIAL STATEMENTS OF AFRICA EATS LTD FOR THE PERIOD STARTING 1 JANUARY 2024 TO 30 JUNE 2024

Balance Sheet as at 30 June 2024	USD
ASSETS	
Non-Current Assets	
Financial assets at fair value through profit or loss	21,793,631
Lease receivable	183,079
Total Non-Current Assets	**21,976,710**
Current Assets	
Loans receivable	1,713,514
Other receivable	-
Cash and cash equivalents	1,094,024
Total Current Assets	**2,807,538**
TOTAL ASSETS	**24,784,248**
EQUITY AND LIABILITIES	
Equity	
Stated capital	4,005,158
Paid-in capital (preference shares)	8,054,112
Retained earnings	11,914,294
Total Equity	**23,973,564**
Non-Current Liabilities	
Promissory notes	678,667
Non-Current Liabilities	**678,667**
Current Liabilities	
Promissory notes & other payables	132,017
Total Current Liabilities	**132,017**
Total Liabilities	**810,684**
TOTAL EQUITY AND LIABILITIES	**24,784,248**

Income Statement for the period ended 30 June 2024	USD
Income	
Fair value gain on financial assets at fair value through profit or loss	4,686,917
	4,686,917
Expenses	
People costs	136,145
Operation costs	47,511
Travelling expenses	54,332
Legal charges	28,770
Marketing costs	11,600
Bank charges	5,498
Other expenses	116,456
	400,312
Operating Profit	**4,286,605**
Loan interest received	60,393
Interest on loans	(37,662)
Profit before tax	**4,309,336**
Income tax expense	-
Profit after tax	**4,309,336**

Cash Flow Statement for the period ended 30 June 2024	USD
Operating Activities	
Profit before tax	4,309,336
Adjustments for:	
Fair value gain on financial assets at fair value	(4,686,917)
Interest income on loans receivable	(60,393)
Interest expense on loans	37,662
Net cash used in operating activities	**(400,312)**
Investing Activities	
Acquisition of financial assets at fair value	(1,003,165)
Loans granted	(133,470)
Return of capital	121,226
Interest received	60,393
Net cash used in investing activities	**(955,016)**
Financing Activities	
Investors' equity injections	2,641,752
Short term liabilities	150,000
Loans paid	(389,054)
Interest repaid	(37,662)

Net cash generated from financing activities	**2,365,036**
Net Change in Cash Flow	**1,009,708**
Cash at the start of the Period	84,316
Cash at the end of the Period	**1,094,024**

Annexure 6

ACCOUNTANT'S REPORT OF AFRICA EATS LTD

AFRICA EATS LTD

SUMMARY FINANCIAL STATEMENTS
FOR THE YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

UHY & Co

AFRICA EATS LTD

SUMMARY FINANCIAL STATEMENTS
FOR THE YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

CONTENTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

AFRICA EATS LTD

Report on the Summary Financial Statements

Opinion

The accompanying summary financial statements, which comprise the summary statements of financial position as at 31 December 2021, 31 December 2022 and 31 December 2023 and the summary statements of comprehensive income for the years then ended, and related notes, are derived from the audited financial statements of Africa Eats Ltd (the "Company") for the respective years then ended.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects, with the audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements the Mauritian Companies Act 2001.

Summary Financial Statements

The audited summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's reports thereon. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our reports on the audited financial statements.

Director's Responsibilities for the Summary Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material aspects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements.*

The procedures were performed solely to assist the directors of the Company in the context of the contemplated listing of the Company on the Stock Exchange of Mauritius (the "Purpose").

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

AFRICA EATS LTD

Statements In Accordance with The Listing Rules

In accordance with The Listing Rules, we confirm that:

- The financial statements on which the summary financial statements were derived from, were audited by UHY & Co.
- The most recent audited financial statements which have been issued are for the year ended 31 December 2023.
- The audited financial statements for the years 31 December 2021, 31 December 2022 and 31 December 2023 give a true and fair view of the results for the years then ended and of the assets and liabilities at the end of those years.
- We are not an associate of any directors or of any shareholders holding more than 5% of the number of shares issued by the Company.
- We have no relationship with the Company other than in our capacity as auditor of the Company.

Statements of indebtedness

We confirm that the Company's liabilities as of 31 December 2023 were repayable as follows:

		Bank loans / overdrafts USD	Promissory notes USD	Other payables USD
(i)	On demand or within a period not exceeding one year	-	337,444	33,627
(ii)	Within a period of more than one year but not exceeding two years	-	355,921	-
(iii)	Within a period of more than two years but not exceeding five years	-	69,435	-
(iv)	In more than five years	-	253,311	-
Total		-	1,016,111	33,627

Other Matter

This report, including the opinion, has been prepared for and only for the directors of the Company and for the stated Purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

UHY & Co

UHY & Co

Avinashsingh Mooruth, Licensed by FRC
Signing Partner

Date: 29 July 2024

AFRICA EATS LTD

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

	2023 USD	2022 USD	2021 USD
Income			
Fair value gain on financial assets at fair value through profit or loss	6,342,551	1,325,795	2,080,241
Expenses			
People costs	221,987	202,735	177,500
Operation costs	146,496	30,161	13,252
Travelling expenses	74,348	10,381	54,353
Legal charges	36,385	10,030	6,002
Marketing costs	23,800	9,384	3,007
Bank charges	9,587	5,698	6,032
Other expenses	8,626	5,161	-
	521,229	273,550	260,146
Operating profit	5,821,322	1,052,245	1,820,095
Financial assets at fair value through profit or loss written off	-	-	(331,650)
Other receivables written off	(909,651)	-	-
Finance income	272,647	26,326	26,877
Finance costs	(71,956)	(8,973)	(7,772)
Profit before tax	5,112,362	1,069,598	1,507,550
Income tax expense	-	-	-
Profit for the year	5,112,362	1,069,598	1,507,550
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	5,112,362	1,069,598	1,507,550

AFRICA EATS LTD

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

	2023 USD	2022 USD	2021 USD
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	16,103,549	8,697,501	5,734,899
Lease receivable	183,079	183,079	164,993
	16,286,628	8,880,580	5,899,892
Current assets			
Loans receivable	1,701,270	894,718	1,077,269
Other receivables	-	909,651	820,100
Cash and cash equivalents	84,316	829,768	90,992
	1,785,586	2,634,137	1,988,361
TOTAL ASSETS	18,072,214	11,514,717	7,888,253
EQUITY AND LIABILITIES			
Equity			
Stated capital	4,005,158	4,005,158	3,805,790
Preference shares	4,937,315	4,477,315	2,147,832
Share application monies	475,045	-	-
Retained earnings	7,604,958	2,492,596	1,422,998
	17,022,476	10,975,069	7,376,620
LIABILITIES			
Non-current liabilities			
Promissory notes	678,667	514,648	419,750
Current liabilities			
Promissory notes	337,444	-	91,883
Other payables	33,627	25,000	-
	371,071	25,000	91,883
Total liabilities	1,049,738	539,648	511,633
TOTAL EQUITY AND LIABILITIES	18,072,214	11,514,717	7,888,253

AFRICA EATS LTD

NOTES TO THE SUMAMRY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Africa Eats Ltd (the "Company") was incorporated as a private company limited by shares in Mauritius on 10 July 2021. It is licensed by the Financial Services Commission ("FSC") as a Global Business Company. The Company's registered office (with effect from 29 December 2023) is at c/o Rogers Capital Corporate Services Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius.

The principal activity of the Company is to act as an investment holding company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these summary financial statements are set out below. These policies have been consistently applied in dealing with items which are considered material in relation to the summary financial statements.

Basis of preparation

The summary financial statements are presented in United States Dollar ("USD") and are prepared under the historical cost convention as modified for the measurement at fair value of certain financial assets and liabilities carried on the statements of financial position.

Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statements of comprehensive income.

AFRICA EATS LTD

NOTES TO THE SUMAMRY FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Company measures all equity investments at fair value through profit or loss (FVPL). Changes in fair value of equity investments at FVPL are recognised in fair value gain on financial assets at fair value through profit or loss in the statements of comprehensive income as applicable.

Lease and loans receivables

Lease and loans receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

(iv) Expected credit losses

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The financial assets of the Company that are subject to the expected credit loss model are lease and loans receivables and cash and cash equivalents.

ECLs are a probability-weighted estimate of credit losses. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). Credit-impaired financial assets are those for which one or more events that have a detrimental effect on the estimated future cash flows have already occurred. These financial assets would be in Stage 3 and lifetime expected losses would be recognised.

AFRICA EATS LTD

NOTES TO THE SUMAMRY FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. They are subsequently carried at amortised cost using the effective interest method.

The Company's financial liabilities include promissory notes and other payables.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the summary financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Income recognition

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the Company's right to receive payment is established.

Expense recognition

All expenses are recognised for in the statements of comprehensive income on the accrual basis.

Stated capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.