AlphaMundi Group Impact Report 2024

alphamundi GROUP

alphamundi FOUNDATION

Opening Remarks

Tim Radjy
Founder & Managing Partner AMG

In 2024, the AlphaMundi Group ("AMG") portfolio of SMEs in Latin America and Africa experienced significant increases in total number of formal jobs financed, in share of women across their client base, and in avoidance of carbon emissions, among other indicators. Our portfolio SMEs were able to maintain a gross annual revenue growth in line with the historical average above 30%. These figures reflect the tremendous opportunities presented by emerging markets: they account for nearly half of global GDP, up from a quarter in 2000, and they will contribute some 65% of global economic growth by 2035.

Our review of the last decade of financial performance, comparing mainstream finance to impact investments in an article published by ImpactAlpha in October 2024, also shows that impact investing is the best type of risk exposure to emerging markets, delivering less volatility, greater returns, more resilience and positive impact.

To accelerate the mobilisation of private capital for the SDGs by 2030, given the annual funding gap of at least USD 5 trillion, we can be more catalytic through blended finance and innovative philanthropy. AlphaMundi Foundation's cataytic intervention have helped its SME recipients leverage each dollar by fourteen investment dollars since 2018.

In terms of market building and resource mobilisation, AMG was pleased to see its efforts to create a GSG Impact national partner in Switzerland rewarded by Swiss Sustainable Finance's launch of the Swiss Platform for Impact Investing ("SPII"). Our SocialAlpha fund was also featured in the related SSF report on the Swiss impact investing market, which showed Switzerland ranks among the top 3 global hubs for impact investing in developing countries.

The AMG outlook for 2025 includes a new equity strategy with impact-linked carry, additional technical assistance providers to support its portfolio SMEs, and further progress in its digital capabilities for impact measurement and reporting.

Summary

AlphaMundi is pleased to share its 2024 Impact Report, highlighting another year of strong progress in driving inclusive, climate-smart investments across emerging markets. This streamlined edition focuses on our most relevant impact indicators to provide a clear and accessible overview of our annual consolidated results.

	Number of Portfolio Companies	Total Permanent Employees	% of Female Individuals Clients	tCO2 Avoided
2023	26	3,671	35%	23,662
2024	25	7,525	55%	40,538

ALPHAMUNDI GROUP (AMG)

AlphaMundi's mission is to finance the growth of privately-held impact ventures in Latin America and Sub-Saharan Africa and contribute to the mainstreaming of impact investing.

AMG provides unique access to impact SMEs leading the social and environmental transformation of Africa and Latin America. We invest in Renewable Energy, Sustainable Food and Agriculture, Financial Inclusion, Affordable Housing, Education, and the Circular Economy.

Aggregate data since 2009

Investments	SMEs Funded	Average Revenue Growth	Individual Direct Beneficiaries
USD 130M	64	35%	4.5M

ALPHAMUNDI FOUNDATION (AMF)

AlphaMundi Foundation's mission is to drive sustainable and inclusive economic transformation in Africa and Latin America by strengthening the long-term commercial viability of high-impact SMEs. **AMF brings innovation and best practices** to design, implement and scale programs that support a thriving SME ecosystem in these regions. AMF offers SMEs **catalytic funding, technical assistance, and research & thought leadership**. The Foundation focuses particularly on climate change and gender impact.

Aggregate data since 2016

Capital Catalyzed	SMEs Supported	Leverage
USD 48M	39	14X for every USD 1 disbursed

OUR IMPACT APPROACH AND OBJECTIVES

AlphaMundi believes that impact investing can enhance more classical responsible investment strategies – which often lack impact measurability – and complement charitable solutions – which often lack financial viability.

We are aligned with "The Five Ws of Impact Investing (2024)" paper from the European Impact Investing Consortium which defines that what distinguishes impact investing from other investing approaches is:

1	**Intentionality**	A clear ex-ante intention to contribute to solving social and/or environmental problems in addition to earning a financial return.
2	**Measurability**	Impact measurement and management, using impact data collected to understand what works and what to improve.
3	**Additionality**	Interventions that lead to effects which would not have occurred without it.

Our approach to impact builds on our Theory of Change, which spells out the challenge motivating our work, the solutions we propose, and the impact objectives that we pursue.

Investors | **Impact ventures** | **Sustainability issues**

Challenge
- Lack of focus on impact investing
- Availability of financing for impact ventures

Our solutions
- Promoting and de-risking impact investing
- Channeling capital to promising ventures

Challenge
- Sustainable scaling up of impact ventures
- Achieving impact on sustainability issues

Our solutions
- Providing flexible financing and technical assistance to facilitate investee growth
- Working with investees for enhanced impact outcomes

Our impact measurement follows our proprietary Framework for Impact Measurement and Management (FIMM), which is aligned with the IFC Impact Principles and designed to cover all relevant aspects from strategic decisions to everyday operations. AMG's impact thesis is based on 8 operational impact objectives, each monitored by dedicated indicators, and each mapped to corresponding SDGs. The objectives can be structured into 3 levels:

LEVEL 1	LEVEL 2	LEVEL 3
Immediate effects of AMG's operations.	Scale and quality of portfolio company activities.	End-beneficiary outcomes and stakeholder value creation.

2024 IMPACT AT A GLANCE

OUTSTANDING INVESTMENTS

USD 23 M

25 companies

SocialAlpha (SAIF)	AlphaJiri (AJIF)	Coinvestments (Coinv)
USD 11.6 M	USD 6.2 M	USD 5.9 M
17 companies	8 companies	5 companies

CONTRIBUTIONS TO MARKET BUILDING INITIATIVES

7 Industry association memberships

6 Educational outreach

3 Market building initiatives supported in Switzerland

+20 Industry events in which we participated

AMG and AMF Teams in the Impact Minds Conference organized by Latimpacto in Oaxaca, México.

AMF Team in the African Venture Philanthropy Alliance (AVPA) Conference in Nairobi.

NUMBER OF PORTFOLIO COMPANY EMPLOYEES

PERMANENT EMPLOYEES

7,525

SAIF	6,292
AJIF	1,623
Coinv	1,943

TEMPORARY EMPLOYEES

7,098

SAIF	6,225
AJIF	1,334
Coinv	611

TOTAL CLIENTS OF PORTFOLIO COMPANIES

	TOTAL	SAIF	AJIF	Coinv
Individuals	**1,620,690**	1,536,265	127,054	187,241
Microenterprises	**221,180**	212,074	39,106	174,603
SMEs	**7,055**	6,651	404	5,794

ATTRIBUTABLE GHG EMISSIONS

Generated by portfolio companies

		SAIF	AJIF
Scope 1	2,509 tCO_2eq	61	2,448
Scope 2	86 tCO_2eq	43	43
Scope 3	1,213 tCO_2eq	575	638

Burn Manufacturing designs, produces, and distributes fuel-efficient cooking appliances.

PORTFOLIO PERFORMANCE ON GENDER AGAINST 2X CRITERIA

Share of women in Sr. Management >30%	Share of women in the workforce > 40% and gender policies	Products/services that benefit women
28%	36%	52%

Asili Demo Farmer and Produce Supplier.

DEVELOPPP GENDER SMART TA

Overview: Program executed by AMF that supported five investee companies managed by AlphaMundi Group to deepen their gender-smart business practices, empowering female staff and gender inclusivity along their value chains.

Objectives:

- Boost in employee satisfaction
- Increase in workers' sense of safety
- Strengthen supplier relationships
- Build business resilience

Impact: **25,000** beneficiaries and consumers; **1,000** employees

Kenya, Uganda, Ghana

Gender Technical Assistance

2024

VALUE FOR WOMEN

DEG

"DEG Impulse has found AlphaMundi Foundation to be a very reliable partner that delivers on its commitments and shares our mission to support gender empowerment and accelerate global socioecological transformation."

Julia Stausberg-Umuerri, DEG Impulse

IMPACT CASE STUDY: COMVIVE

Challenges:

Mexico faces significant economic challenges, such as population growth and housing deficit. The demand for homes is expected to increase, resulting in a housing deficit of 8.9 M homes in 2024. The construction sector contributes to 20% of GHG emissions, making it a key industry in achieving emission reduction commitments.

Solution:

Founded in 2014, COMVIVE is a Mexican company that develops sustainable housing and communities, focusing on affordable and middle-income housing. Its projects are characterized by a sustainable approach to economic, social, and environmental aspects, improving the quality of life of its residents.

Potential for Impact:

By 2030, the company aims to certify more than 475,000 square meters of energy-efficient buildings and over 200,000 m2 (houses are between 49 m2 to 84 m2) under the IFC "EDGE Advanced" standard, also known as "Net Zero Ready". Units certified demonstrate at least 40% reduction in energy.

Impact proof:

Following SAIF's investment, **1,754 energy-efficient homes** were built, 838 of which were certified under the IFC EDGE standard. Homes delivered will mitigate + 65,000 tons of CO_2 eq. over their lifetime.

- During construction, + **8,800 tons of CO_2** eq. were mitigated through the materials and construction methods used.
- **+ 4,100 new trees** were planted for the benefit of clients; which will result in the absorption of nearly **8,000 tons of CO_2** over the next 40 years.
- Comvive's products have a stronger preference among female buyers. **41%** of the homes have been purchased by women (market average: 34%).
- Comvive has a workforce of **118 employees**, and **50% are women** (Dec24).
- SAIF's total investment was of **2 M**, which were completely repaid in 2024.

Sustainable development by Comvive, Privadas del Parque in Zumpango, Mexico

PORTFOLIO HIGHLIGHT: FINANCIAL INCLUSION WITH GENDER LENS

Avanza Sólido
Avanzamos contigo

Mexico
Microfinance
2011

Overview: Mexican MFI specialized in urban and rural loans with a gender focus.

Mission: Strengthen economic independence of women and their families, through financial services and products.

SAIF Financing: USD 3M since 2022

Impact Highlights 2024:

- +50,000 clients
- 53% of clients are women
- 84% rural clients
- 78,000 transactions
- 10,938 direct beneficiaries
- 4,497 indirect beneficiaries.
- 13% annual growth

Vision for the Future:

Expand and create new branches in other states of Mexico, with a focus on greater growth in the state of Yucatan. The company expects to close the year with USD 66M in total portfolio, benefiting more than 55,000 clients.

PORTFOLIO HIGHLIGHT: RENEWABLE ENERGY

burn™
life · saving · stoves

Kenya
Renewable Energy
2013

Overview: Burn Manufacturing is a company that designs, produces, and distributes fuel-efficient cooking appliances. It is the largest vertically integrated modern cookstove company in the world, with solar-powered facilities in Kenya and operations in 9 countries across Africa.

Mission: Preserve forests, reduce carbon emissions and improve the lives of women and girls across sub-Saharan Africa.

SAIF Financing: USD 750,000 since 2024

Impact since Inception:

- 5.4 M stoves sold since inception
- 50.9 M tns of CO2 emissions avoided
- 27 M lives impacted
- 26.7 M tons of wood saved
- 2,500 jobs created

Vision for the Future:

Burn will increase its impact across sub-Saharan Africa with new assembly facilities launched in Malawi, Nigeria and Tanzania in 2025.

PORTFOLIO HIGHLIGHT: CIRCULAR ECONOMY

MR. GREEN AFRICA

Kenya

Plastic Recycling

2013

Overview:

Mr. Green Africa is Kenya's largest plastic recycling company. The company collects, converts and sells post consumer plastic waste. Their technology driven plastics collection model enables waste collection at the source, integrating informal waste workers, micro-entrepreneurs and consumers into their formal value chain, increasing the amount of post-consumer plastic waste.

Mission:

Preserve forests, reduce carbon emissions and improve the lives of women and girls across sub-Saharan Africa.

SAIF Financing:

USD 1M since 2024

Impact Highlights 2024:

- 5.5K waste pickers
- 50% of waste pickers are female
- 195 full-time equivalent employees

Vision for the Future:

Mr Green will significantly scale its recycling volumes in 2025 as its flagship factory reaches 100% capacity of 20K tons per annum - total plastic volumes recycled by Mr Green since company inception to 2024 were 25K tons.

Plastic in different stages of recycling process (Photo Credit: Mr Green)

OUTLOOK FOR 2025-2026

Looking ahead, AlphaMundi will launch new Latin America-focused products and services:

Alpha Latin America 2030 (ALA30) Equity Fund

- Climate change resilience through mitigation & adaptation
- Target Size: 50 M
- 10-15 Companies from pre series A to series B
- 15% Target Return in USD

ALA30 Technical Assistance Facility

- Budget: 1-3 M (~ USD 100K/company)
- 15-25 companies
- 3 components: Operational Capacity, Gender and Climate
- Partners: Fundes, Value for Women and ProMujer, Green Initiative

Latin America Financial Inclusion (LAFI) Bond

- Target principal amount: 10-20 M
- 3-5 Companies
- 6% Market Rate
- Objective: Provide working capital to fuel the growth of companies addressing financial inclusion in Latin America, with a gender lens

To support this growth, AMG is implementing its new three-year strategic plan, AlphaMundi 3.0, which includes establishing a corporate office in Barcelona, Spain, and growing the investment team in Bogotá, Colombia. New hires in Europe to reinforce corporate services, impact management and finance.

Plantain farmer benefited by AgriCapital in Concordia, Colombia

"Investors report high satisfaction with financial performance, even when targets are not met, reaffirming the resilience and durability of impact investing as a strategy."

State of the Market 2024, GIIN

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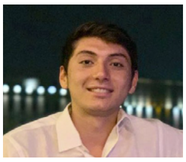

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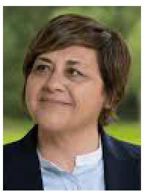

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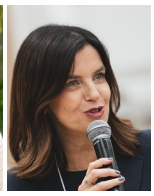

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