AFRICA EATS, LTD.

Investor Report

Q3 2024

Private Placements
Capital Markets
Berkshire Africa
Portfolio
Financials
Africo
Webinars

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LETTER FROM THE CEO



The audacious goal for 2024 was to find a way to open up the capital markets to fast-growing, profitable, African SMEs initially for those in the Africa Eats portfolio, but also for those in the pipeline to join the Africa Eats portfolio, and lastly for all the entire market in order to solve hunger and poverty across Sub-Saharan Africa. We are on track to do that by November of this year.

In 2018, when the Africa Eats business plan was written, two years before Africa Eats was incorporated, a milestone was to provide some liquidity to investors by listing on a stock exchange in Africa, by 2024.

What we had not thought of back then was that there would be an opportunity for not only Africa Eats to list on a stock exchange, but also list the best of the portfolio companies. This idea was conceived in September 2023, just over one year ago, and was only greenlit by the Stock Exchange of Mauritius (SEM) in December. We thank the SEM for not just agreeing to partner on this effort, but to do so this quickly.

This process is not done yet. There is still a fundraising to close by the end of October followed by all the procedures to list the shares of Africa Eats, Ziweto Holdings, and Elite Meat Processing on the stock exchange. This is expected to be completed by the 19th of November.

The work consumed most of the Africa Eats team's time in Q3. Jumaane and I spent two weeks in August in Mauritius meeting with over two dozen potential institutional investors, many of which manage funds for other intuitions and for collectively hundreds of high-net-worth individuals. Jumaane and I then returned to Mauritius at the end of September, accompanied by Victor Mhango, co-founder/CEO of Ziweto Holding and Herve Tuyishime, founder/CEO of Elite Meat Processing (a.k.a. Paniel Meat Processing).

Beyond the face-to-face meetings, the process of converting from a private company to a public company is not difficult, but it does include hundreds of pages of documentation, reviews and re-reviews of historic financials, iterations on the forward-looking financial model, an in-depth third-party valuation report, the addition of independent board members, a new Constitution, many shareholder approvals, and more. No single task in the process is difficult but had to be repeated for the three companies that we plan to list on the same day. The only challenge is that this all must be accomplished in just a few months, as otherwise the financials are stale, the valuation is out of date, and everything needs yet-another iteration.

Additionally, in this process the largest of the special purpose vehicles pooling investors distributed its shares to those 70+ investors, growing the total number of shareholders of Africa Eats above 100, which is one of the requirements for being a publicly listed company on the SEM.

Luni Libes, CEO

PRIVATE PLACEMENTS, THEN LISTINGS

Africa Eats is not conducting an IPO. Africa Eats is conducting a private placement from October 21-30, followed by listing all of its shares on the Stock Exchange of Mauritius. The first day of trading is expected to be Tuesday, November 12th (or 17th at the latest).

The listing process takes a team of companies to accomplish. Perigeum Capital, based in Mauritius, is our lead investment advisor. They have generated the documents required for filing, have managed the in-person roadshows, and are responsible for compliance with the rules of the stock exchange. Renaissance Capital Africa (RenCap), an investment advisor based in Nairobi, is assisting raising capital from investors based in Kenya. Rogers Capital is the corporate secretary and responsible for ensuring compliance with all Mauritian corporate regulations. Bowmans wrote the new constitution and has provide legal reviews of all the filing documents. Baker Tilly has been hired as the new auditor. ITL will be the registrar. Tuesday Markets will be the market maker and is participating in the private placement. SWAN is a licensed broker in Mauritius, partnered with Tuesday Markets to manage the flow of orders from a newly built Tuesday brokerage app.

These partners generated all of the materials and each reviewed their parts and the shared parts, three times, as there are three separate private placements and three listings happening in October and November: Africa Eats, Ziweto Holdings, and Elite Meat Processing.

In addition, we created a new market segment for these listings, the High-Growth Segment. Doing that required writing a new chapter in the rule book for the Stock Exchange of Mauritius (SEM), getting those changes approved by their board, then further approval by the Financial Services Commission (FSC) board which regulates the SEM, and then updating the software that operates the stock exchange to implement those changes. All of that was accomplished in Q2 and Q3 this year.

ZIWETO HOLDINGS AND ELITE MEAT PROCESSING

The first two bizi joining the listing on the stock exchange operate in-country as Ziweto Enterprises (Malawi) and Paniel Meat Processing (Rwanda), but in this process both have spun up Mauritius-domiciled parent companies with Global Business Company licenses (which is typically referred to as a "Mauritius GBC"). The founders and Africa Eats own the GBCs and the operating companies are wholly owned subsidiaries of the GBCs. The two new companies are legally named Ziweto Holdings Ltd. and Elite Meat Processing Ltd.

The corporate restructuring, setting up the Mauritius-based GBCs, serves three purposes:

First, Africa Eats and every company we help list are all incorporated in the same country, with the same corporate structure, regulated with the same regulator, etc. Investors then do not need to know the difference between the corporate law and regulations in all the various companies where the bizi operate.

Second, as these companies double or triple in size again, they are planning on expanding to neighboring countries Ziweto Holdings and Elite Meat Processing are already exporting or plan to export using the capital raised through the private placement. Mauritius, like Delaware in the

United States, is the best country in Africa for operating a multinational corporate structure. The Global Business License was created for that purpose.

Third, financial services is the largest sector in the Mauritius economy. The country has excellent global banking services, with the ability to do banking not only in U.S. dollars (USD) but also most of the African currencies.

What do these companies do?

Ziweto is the largest supplier of agrovet products in Malawi, a manufacturer of animal feed, and breeder of day-old chicks. Paniel Meat Processing (PMP) is the second largest meat processing company in Rwanda, and soon to be the largest chicken processor. PMP serves hotels, butcher shops, and others in Rwanda and exports meat into DRC, Congo Brazzaville, Burundi, Gabon, and a few countries in West Africa.

Both companies were tiny startups in 2016 when they attended Fledge accelerator programs. Ziweto attended the Fledge Seattle cohort in 2016 and finished that year with USD $30,000 in annual revenues. PMP attended Fledge Peru in 2017 and finished that year with USD $35,000 in annual revenues. Both companies surpassed USD $1 million in annual revenues in 2023.



africaeats.com/ziweto-enterprise



africaeats.com/paniel-meat-processing

These “bizi” were chosen to be the first to list due to their high growth rate, in house human resource capacity to continue scaling quickly along with the significant opportunities in front of each company.

While the discussions about meat consumption in America and Europe center around the health and environmental impacts of consuming animals, across Africa the far larger issue is protein deficiency. This is a less visible form of malnutrition that causes stunted physical and mental growth in hundreds of millions of African children across the continent.



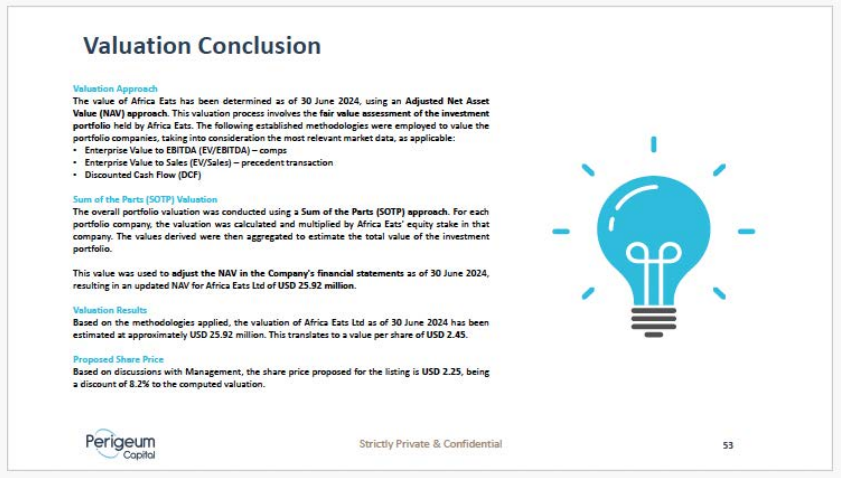
Both companies are tacking malnutrition within the larger UN goal of **SDG2 Hunger**, and both make an impact on poverty in the process, as the animal production in Malawi and Rwanda is primarily by smallholder farmers, who can earn a higher income by

raising chickens or pigs or goats, or by raising a dairy cow for milk and meat. Furthermore, livestock is critical for wealth creation and is an insurance during unanticipated shocks.

PARTICULARS & VALUATIONS

Perigeum Capital, as the lead investment advisor on the private placements, managed the project, which included drafting "Listing Particulars" (the equivalent of a "Prospectus" in the U.S.) and generating valuation reports. These two deliverables, including a pitch deck summarizing each offering, the historic financials, the future-looking financial models, and more can be found in the data room until October 31st. Contact luni@africaeats.com if you would like access.

Africa Eats' 54-page detailed valuation report estimates a company value of USD $25.92 million, which is **USD $2.45** per share. The share price in the private placement is only **USD $2.25** per share, which is the price set by Africa Eats in March, based on an internal mark-to-market valuation of Africa Eats portfolio based on 2023 annual revenues.



Valuation Conclusion

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) – comps
- 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

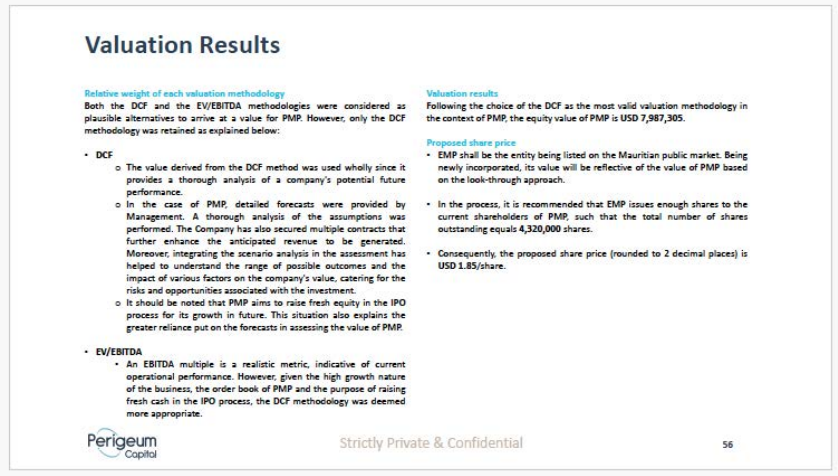
Based on discussions with Management, the share price proposed for the listing is USD 2.25, being a discount of 8.2% to the computed valuation.

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Elite Meat Processing's valuation report estimates a company value of **USD $7.99** million, which is **USD $1.85** per share. This the share price in the private placement.



Valuation Results

Relative weight of each valuation methodology

Both the DCF and the EV/EBITDA methodologies were considered as plausible alternatives to arrive at a value for PMP. However, only the DCF methodology was retained as explained below:

- DCF
  - The value derived from the DCF method was used wholly since it provides a thorough analysis of a company's potential future performance.
  - In the case of PMP, detailed forecasts were provided by Management. A thorough analysis of the assumptions was performed. The Company has also secured multiple contracts that further enhance the anticipated revenue to be generated. Moreover, integrating the scenario analysis in the assessment has helped to understand the range of possible outcomes and the impact of various factors on the company's value, catering for the risks and opportunities associated with the investment.
  - It should be noted that PMP aims to raise fresh equity in the IPO process for its growth in future. This situation also explains the greater reliance put on the forecasts in assessing the value of PMP.
- EV/EBITDA
  - An EBITDA multiple is a realistic metric, indicative of current operational performance. However, given the high growth nature of the business, the order book of PMP and the purpose of raising fresh cash in the IPO process, the DCF methodology was deemed more appropriate.

Valuation results

Following the choice of the DCF as the most valid valuation methodology in the context of PMP, the equity value of PMP is USD 7,987,305.

Proposed share price

- EMP shall be the entity being listed on the Mauritian public market. Being newly incorporated, its value will be reflective of the value of PMP based on the look-through approach.
- In the process, it is recommended that EMP issues enough shares to the current shareholders of PMP, such that the total number of shares outstanding equals 4,320,000 shares.
- Consequently, the proposed share price (rounded to 2 decimal places) is USD 1.85/share.

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Ziweto's 68-page valuation report estimates a company value of **USD $5.03** million, equivalent to **USD $1.60** per share. This is the share price in the private placement.



Valuation results

Relative weight of each valuation methodology

Both the DCF and the EV/EBITDA methodologies were considered in the final assigned value for ZEL. A similar weight was assigned to both methodologies.

The DCF method provides a thorough analysis of a company's potential future performance. In the case of ZEL, detailed forecasts were provided by Management. A thorough analysis of the assumptions was performed. Moreover, integrating the scenario analysis in the assessment has helped to understand the range of possible outcomes and the impact of various factors on the company's value, catering for the risks and opportunities associated with the investment.

Regarding the EV/EBITDA methodology, the EBITDA considered is a realized metric, thus indicative of current operational performance. Investors tend to consider that realised financial metrics are a robust basis to conduct a valuation.

Applying equal weighting to the EV/EBITDA and the DCF methodologies is appropriate since both methods generated values that are close to each other. It also ensures a balanced perspective. The Market Approach provides a market-based perspective, while the Income Approach offers a forward-looking view based on the company's future cash flows. Using both equally balances between the short-term market perspective with long-term intrinsic value.

Valuation results

Following the application of the relative weight of each valuation methodology, the final equity value of ZEL is **USD 5,034,725.**

	Equity Value	Weight	Weighted Equity Value
DCF Approach	5,374,806	50%	2,687,403
EV/EBITDA	4,694,644	50%	2,347,322
Final Equity Value			5,034,725

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MORE BIZI LISTINGS IN 2025

These three companies are the only listings in 2024. The day after the shares are listed, work will begin on the next set of listings. The number of companies, specific companies, and timing are all yet to be determined. However, Luni and Jumaane have visibility to thousands of entrepreneurs some of whom we have trained, through the World Resource Institute's *Land Accelerator* program which trains hundreds of entrepreneurs every year in multiple countries across Sub-Saharan Africa and which was co-created by Luni's *Fledge* accelerator back in 2018.

Africa Eats' new goal is to bring 1-3 more bizi through this process every six months. This is the primary use of the funds raised by Africa Eats in this process.

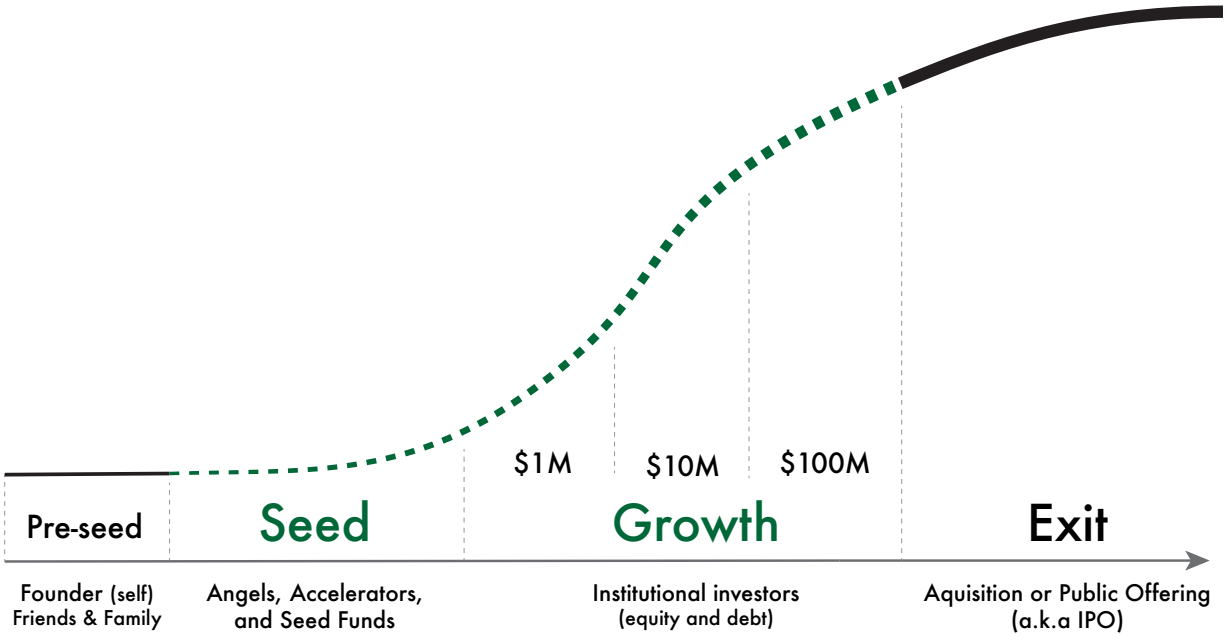
The big idea is to start a proverbial "flywheel" wherein Africa Eats invests in African food and agriculture supply chain companies that are too small or too informal to raise capital independently, without assistance. Africa Eats provides the training and guidance to formalize operations and finance, while helping the companies grow past USD $1 million in annual revenues. Then Africa Eats guides these fast-growing SMEs,[1] through this listing process to raise their own growth capital to grow to USD $10 million in annual revenues, then onward to USD $100+ million.

Each turn of the flywheel grows the value of Africa Eats, which attracts more investors to Africa Eats, which funds the next set of companies, which spins the flywheel. All while growing the value of Africa Eats, as those early investments continue growing in value without Africa Eats having to be the primary source of funding for its growing portfolio of companies.

[1] "SMEs," not "startups," as these are "real" growing businesses that move real products, earning real money and, far more often than not, real profits.

AFRICAN CAPITAL MARKETS

This push to list on the public stock exchange is a solution to fill in the "missing middle" of capital for African SMEs (small and medium enterprises). While the term is most used to describe the lack of seed capital for the early growth-stage startups, what we have learned in growing tiny companies past USD $1 million and past USD $10 million in annual revenues is that the gaps of capital occur throughout the growth phases too.



Underlying all these capital gaps is the funding for SMEs in Africa comes from an exceedingly small number of angels, high-net-worth individuals, family offices, and government development finance institutions (DFIs). All from the "private equity" and "private debt" asset classes. This is an asset class known as "alternatives," that few individuals and families partake in at all, and for those that do, it is rarely more than 5% of their total wealth.

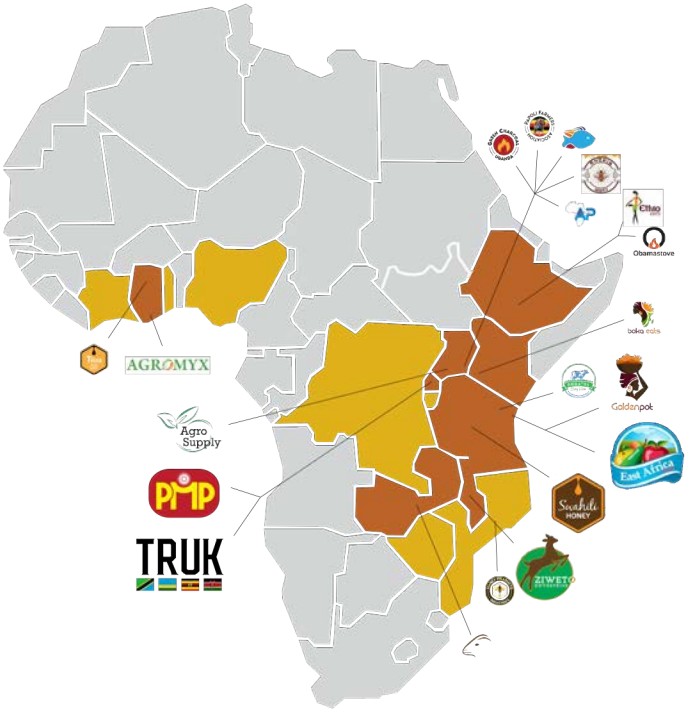
Meanwhile, the "public equity" asset class is many orders of magnitude larger as it is where the majority of personal, foundation, and institutional wealth is invested globally. The theory is that the tiny fraction of 1% of this asset class allocated to African SMEs will nonetheless still be an order of magnitude or more capital than is available as private equity and debt.

Tapping into public equity requires listing on a stock market. After looking at all the available options, Africa Each chose to partner with the Stock Exchange of Mauritius. The plan is to create a new segment on that stock exchange specifically for high-growth and profitable companies. Companies that must have a track record of at least a 25% compounded annual growth rate in revenues, as well as be currently profitable and profitable three of the last five years. Nothing like that exists on any of the stock markets in Africa.

In fact, since the dotcom crash, it is rare for any company to go public while they are still in the initial growth phase. The consequences of that mean the seed investors and venture capital funds typically capture the value created by fast-growing, succeeding startups (at the earlier stage of the company life cycle). Meanwhile, public investors earn a small fraction from the tail end of the growth for the majority of these businesses. Africa Eats' plan is for public investors to share in most of the growth of the companies that continue their historic high growth.

Phase two of the plan is to expand this new segment to other stock markets in Africa. We have spoken with the management teams at the NSE (Nairobi), DSE (Tanzania), and RSE (Rwanda) with a goal of having all the companies listed on this segment on the SEM also listed and tradable on these other stock markets. The vision is to create one pan-African segment for fast-growing, profitable African SMEs, reusing the existing stock markets and their existing network of brokers, dealers, and investors to build one large exchange that aggregates both investors and public equity investments similar to how U.S. stocks don't just trade on the NYSE and NASDAQ but instead trade on dozens of different exchanges.

Phase two is even more audacious a project than phase one and is not expected to be realized until 2026.



SITE VISITS

The ten largest bizi (by revenues) are in five countries. The 22 active bizi are based in eight countries. It is great to have such diversity within the portfolio, but this makes it difficult for investors to visit many, if any of the bizi. The next best option is watching the site visit videos, which are purposefully shot and edited to simulate an in-person tour of the bizi facilities or a conversation with their farmers.

The webpage www.africaeats.com/guided-tours/ contains many of these videos. Others can be found on the individual webpages of the bizi, see www.africaeats.com/bizi/.



Africa Eats visited four of the bizi in Tanzania in March. Do not miss the factory tour of **Swahili Honey** in Dodoma (above), the **Goldenpot** breakfast cereal factory in **Dar es Salaam** (below), and milk collection at Rogathe Dairy (not shown), just north of Dar es Salaam.



Ziweto's animal feed factory tour was shot and posted in 2023 and a 30-second commercial showcasing their Lilongwe agrovet store was shot and posted in 2019. Both can be found at www.africaeats.com/ziweto-enterprise/

Paniel Meat Processing was visited in 2022 (www.africaeats.com/paniel-meat-processing/) along with **TRUK Rwanda** (www.africaeats.com/truks-wide-reach/)

BERKSHIRE AFRICA

Luni and Jumaane published a book entitled "Berkshire Africa" that explains how the Africa Eats business model works, and why it is the right choice for investing in fast-growing SMEs in Sub-Saharan Africa. See www.africaeats.com/Berkshire-Africa/ and the following sections are a highly condensed version of those learnings shared within the book.

Africa Eats' business model combines parts of the business models of venture capital, private equity, business accelerator, merchant bank, and many lessons from the greatest of all investment companies, Berkshire Hathaway.

There are a multitude of benefits of this mashup business model, all of which are described in the book. The most important is that the need and timing of liquidity by investors is separated from the needs and timing of the investees. Investors can cash out without requiring companies to exit prematurely, as is the expectation in the venture capital and private equity fund business models.

As Africa Eats succeeds, one of our goals is to encourage other investment companies to replicate our business model. Africa Trees is the first of these replications, founded in October 2023. Africa Trees has a different mission than Africa Eats, focusing on land restoration and carbon sequestration. There are a few other differences, but generally it is copying Africa Eats' business model and plan. Consequently, we can no longer claim that the Africa Eats business model is unique!

In this and future reports, rather than repeating the awkward phrase "Africa Eats' business model," we have chosen the term "**Berkshire Africa**" as the name for the common parts of the model, paying homage to Berkshire Hathaway. Before diving into those common parts, we will first look at why this model is needed. Why are the existing combined venture capital, private equity, loan funds and commercial banks insufficient?

THE MISSING MIDDLE OF CAPITAL

The fundamental financial bottleneck stifling the growth of SMEs across Sub-Saharan Africa is limited access to capital, commonly known in the economic development field as the "missing middle of capital." Over the last four years operating Africa Eats, we have learned/learnt just how massively wide and deep is this gap of capital (where most often the gap, i.e., what is missing, exceeds the supply, i.e., what exists, by many multiples).

More specifically, in any given year there are millions of African entrepreneurs creating new companies and hundreds of thousands of SMEs with sufficient "traction" to raise funding, — if it were more freely available. Yet across Sub-Saharan Africa only 200-300 investment funds provide that funding, with each fund typically making fewer than 5 investments per year and typically do not invest every year. This is the most obvious of the capital gaps, but far from the only one.

Commercial banks rarely lend to these SMEs, even those that are funded by the investment funds (described in the previous paragraph). Likewise, SMEs that are growing 50%-100% annually with healthy profits also rarely get approved for bank loans. This is not unique to Africa. For example, without the Small Business Administration (SBA, a U.S. federal government agency) guaranteeing loans to SMEs, American commercial banks would not be lending to as many small

businesses in America. The absence of an equivalently large SBA, across Sub-Saharan African countries, means SMEs are deemed too risky and lack the collateral requirements to give banks comfort to lend to them.

The next capital gap arises as the tens of thousands of succeeding companies keep growing. The adage is, "it takes money to make money." This is true for the medium-sized enterprises in multiple ways, from a growing need for operational capital, to additional asset finance for equipment, to hiring ahead of sales. The problem is the 200-300 investment funds tend to offer only one or just a couple vanilla finance products (e.g., term loans as debt, preferred shares as equity and the occasional mezzanine debt product), with barely any providing multiple forms of growth capital that fit all the various forms of SME capital needs. Thus, the next gap of capital is not completely absent, but successful companies spend another 9-24 months closing a second or third investment fund to have sufficient capital for a current need.[2]

These three bottlenecks would be challenging enough, if at some scale this complexity would collapse down to working with one merchant bank or hiring an investment bank. It does not! Instead, as the hundreds of successful companies surpass USD $10 million in annual revenues the complexity grows. More specifically, most of the 200-300 investment funds cannot write checks big enough (or cannot write checks small enough if it is a USD $100+ million fund). Hence this growth capital is limited. Consequently, this finance gap reduces medium-sized enterprises ability to grow their tens of millions of dollars to reach the USD $100 million annual revenue milestone. Thus, yet another gap exists, solved only by creating syndicates of funders, slowing down the fundraising process even further if such complex fundraising efforts succeed at all.

The Berkshire Africa solution to this problem is quite simple in comparison. Be flexible! Provide a variety of investment capital, in a form that best fits the needs of the company, rather than focusing solely on just one investment structure or product. Write USD $10,000 checks when USD $10,000 is needed. Make USD $50,000-USD $500,000 working capital loans when operational capital is needed. Finance invoices. Lease trucks when trucks are needed. Match grants. This can be summarized as fill in whatever financial gaps arise.

MINORITY EQUITY OWNERSHIP

Returning to the mashup, the Berkshire Africa model takes the minority equity ownership model from venture capital funds. The core idea is to harness the power of entrepreneurs, investing in their companies rather than building companies from scratch within the investment company. Whether you believe entrepreneurs are born or can be taught, what is absolutely true is that no hired management is going to care as much about a company as its founder(s), who are typically willing to sacrifice everything to achieve their vision.

The investment model typically begins with minority equity investments into existing companies. Ideally companies that are already profitable and have proven to be capital efficient (i.e., generate at least $1 of revenue for each $1 of capital received, whether debt, equity or grants). Ideally companies that are already growing 50%-200% year-over-year, or those that

[2] Note that we have not mentioned the level of distortion created by these primarily global funds offering unreasonable terms (e.g. too high or too low interest rates that distort the local markets).

could be growing that quickly if only for sufficient investment capital. These investments are provided in check sizes that are lower than last year's revenue. In summary, the Berkshire Africa model is to invest in entrepreneurs who against the odds are growing their revenues faster than the capital they deploy — i.e., in a capital efficient way.

Our investment model does not wait until the companies are already past USD $1 million in annual revenues. It does not pass up on these opportunities, but neither does it pass up on promising, profitable companies that earned just USD $20,000 in the last 12 months, where a USD $20,000 check could double or triple the size of the company.

Listen to the entrepreneurs! Let them determine the best use of funds. Question their plans even if their plans are sound, not only because markets are dynamic, but a good entrepreneur develops their ability to constantly question their past, current and future plans in-order to adapt quickly in dynamic markets. However, we ultimately let them do what they think is best. Far more often than not they know better than any investor what is needed to grow their business. Moreover, experience is often the training needed for the entrepreneur to manage a larger, fast-growing SME.

Expect many more opportunities to buy more equity as the company succeeds and use each of those moments to ask about lessons learned, ask about mistakes made, and ask about opportunities yet untapped. Our investment model of matching capital based on need affords the management team multiple and granular opportunities to engage our entrepreneurs as needed at an operational and management level across all aspects of their business.

BOTTOM-UP PORTFOLIO MANAGEMENT

This bottom-up approach is reminiscent of the way Berkshire Hathaway lets its portfolio companies run with minimal input from HQ in Omaha. It is vastly different than the way traditional venture capital funds push their ideas top-down through formal board meetings and informal discussions with the founders. If the CEO is wise, he or she will ask for board-like advice when board-like advice is needed. If the investor is wise, he or she will be monitoring monthly or quarterly financial reports and monthly or quarterly investor updates, foreseeing common challenges before the CEO sees them through operations.

Investing is a partnership! Let the entrepreneurs and their management teams do what they do best, building companies and keeping their eyes open to curtail challenges and exploit opportunities. Let the investors do what investors do best, asking intelligent questions to help these entrepreneurs hone their plans, providing advice based on actual experience, and making connections between entrepreneurs to gather more advice and address on-the-ground realities.

At Africa Eats, the mantra at HQ is that we are a bottom-up culture. Listening to bizi has generated far more investment opportunity and growth than pushing ideas top-down from the HQ team to the bizi. This is a lesson we learned — as the HQ are all entrepreneurs — through trial, error, and adaptation, just like our entrepreneurs. This is how we became so flexible in our investment structures, listening to needs and being innovative to match those needs.

Listening is how we uncovered the huge opportunities in logistics. Listening is the main tool we are using to hone our plans of opening the capital markets to further fill the missing middle of

capital (more on this later). Facilitated listening is what we do for most of the two days at our Annual Gathering.

PRIVATE EQUITY

How much to adopt from the play book of private equity funds is an ongoing debate in the Berkshire Africa business model. For example, if a founder/CEO of a relatively small and early growth-stage company is failing to meet his/her goals, should that CEO be pushed aside and replaced with management hired by the investment company?

A private equity (PE) fund would have long ago replaced that CEO with in-house management (although PE tends to focus on more mature companies). Meanwhile, a California-style venture capital fund would not hesitate to "shoot" the CEO and bring in a replacement. In the last 50 years at Berkshire Hathaway, the only CEOs the Omaha HQ have replaced are the two or three that were caught making unethical, if not fraudulent, decisions.

So far, Africa Eats has chosen to follow Berkshire Hathaway's lead on that big question. Warren Buffett was forced to do otherwise a few times, and while he succeeded in those efforts, it was never something he wanted to do.

Likely there will come a time when Africa Eats does buy out a founder, but not yet.

BUSINESS ACCELERATOR

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

If the companies were growing 10% per year, this would not be such a challenge, but on average the companies are growing 50% year-over-year, with some doubling and in any given year, at least one growing much faster.

What this means in reality (at the 100% compounded growth rate experienced by many of the bizi) is that an entrepreneur who has built the capacity to run a company earning USD $50,000 in annual revenues is, when succeeding, running a company earning USD $500,000 three and a half years later, then over USD $1 million two years after that. The systems used to run a company earning USD $50,000 in annual revenue are far simpler than the systems needed to run a USD $1+ million revenue company.

Most of the training in the Berkshire Africa model is devoted to what is commonly called a "business accelerator". These CEOs do not have time to grow their companies at this speed while studying a formal MBA. Even if they did, few MBA programs teach lessons relevant to SMEs growing at this speed.

The annual in-person gathering is used not only to teach some of this material, but even more importantly, through CEOs networking and learning from each other, such that they trust each other to share challenges when they arise, getting solutions from fellow CEOs and fellow management rather than solely relying on Africa Eats' HQ staff to provide those answers.

This is yet-another central piece of the bottom-up culture, where the answers to most challenges come bottom-up/side-to-side from fellow bizi rather than top-down from investors.

MERCHANT BANK

"Merchant banks" in the 21st century are not like those in the 19th century The closest equivalent to renown J.P. Morgan's "House of Morgan" in modern times is Warren Buffett's Berkshire Hathaway.

One major difference between these two entities is that Morgan innovated in investment structures and used his controlling interests in order to make the businesses more financially stable and profitable through corporate and financial restructuring. On the other hand, Berkshire nearly always simply purchased public equity, buying whole or parts of companies, with innovations in the rare cases, typically in troubled times, with a few preferred equity or debt bailouts.

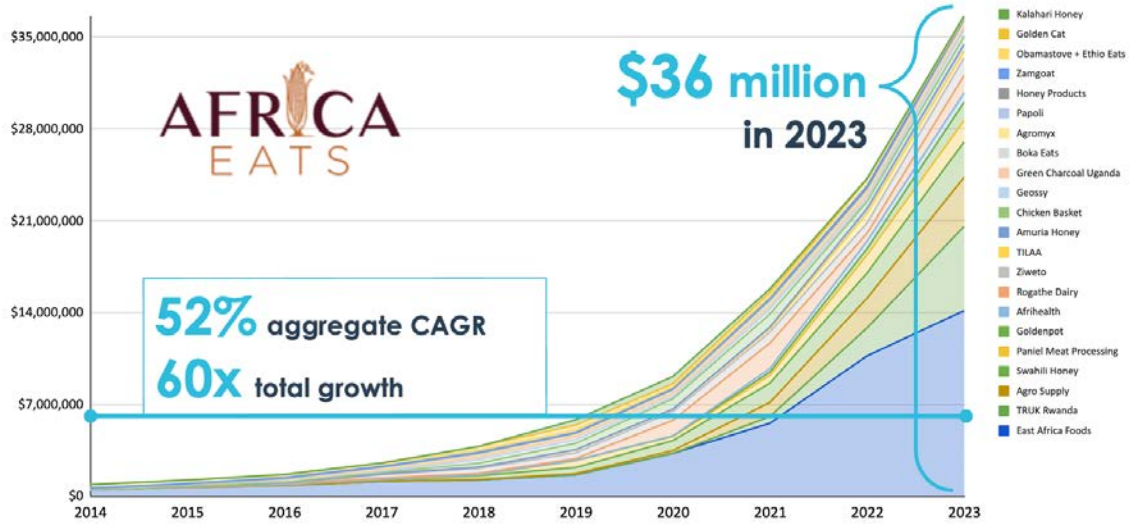
Sub-Saharan Africa is missing the depth and breadth of financial institutions that 19th century New York City or for that matter 18th century London took for granted. The Berkshire Africa model aims to fill in the capital needs of its bizi from the first equity investment, through the various forms of growth capital, all the way to liquidity in the public stock markets. Furthermore, in future years, beyond the public listing, the Berkshire Africa model will likely build financial infrastructure to allow for factoring, corporate papers, corporate bonds, and agriculture futures, as examples.

In summary, as the bizi grow in scale their need for a greater variety of capital structures increases. Subsequently, there is a significant opportunity to re-implement, within Sub-Saharan Africa, the financial innovations of the 18th, 19th, 20th, and early 21st century which have become germane to global financial centers.

OUR PORTFOLIO

The common term for describing the portfolio companies is SME (small and medium enterprise), but we call them "bizi" as their performance is extraordinary as compared with the typical SME and Africa Eats engagement with the companies is for more hands-on and collaborative than typical VC/PE and their portfolio companies. Ten years ago, the aggregate revenues of all the bizi (then in operation) was just USD $600,000. Last year the aggregate revenues of these 22 companies was over USD $36 million.

This is a compounded top-line revenue growth rate of 52% over the last decade.



These values are measured in U.S. dollars (USD), with all the local currency revenues translated into USD each quarter. Thus, these values are inclusive of the common and uncommon devaluation that plagues the eight other currencies which the bizi do business.

The growth is not evenly distributed across the portfolio. Ten years ago, all of the bizi were tiny companies, the largest earning only USD $100,000 in annual revenues. In 2023 the revenues of East Africa Foods surpassed USD $10 million, the revenues of TRUK surpassed USD $6 million, and the revenues of five other bizi exceeded USD $1 million, and many of the others had revenues between USD $100,000 and USD $700,000.

The difference in growth rates is typical of young companies like the bizi. The main drivers are a mix of leadership, planning, and an element of timing/chance, along with sufficient investment capital to seize the opportunities created or discovered by the bizi management teams.

In terms of investment capital, Africa Eats provided just USD $11 million, which can further be divided into the USD ~$3 million of assets provided by Fledge in 2020 plus USD ~$8 million of cash added by investors thereafter.

The growth at East Africa Foods includes another USD $7-8 million of equity investments by co-investors. That company reached the USD $1 million annual revenue milestone a few years before the other bizi and thus was the first to attract that level of capital from investment funds.

THE LIST OF BIZI

We have included very brief descriptions of each company, divided into three groups: over USD $1 million in annual revenues, over USD $200,000, and emerging businesses.

COMPANIES TO BE LISTED IN 2024

Paniel Meat Processing alleviates protein deficiency in Rwanda through the production of beef, pork, and chicken,

Ziweto Enterprise is the largest chain of agrovet shops in Malawi, selling animal medicines and animal feeds.

OVER USD $1 MILLION ANNUAL REVENUES

East Africa Fruit is the largest fruit and vegetable aggregator in Tanzania.

TRUK provides trucking, cold chain, and logistics to food/ag companies in Rwanda and across Eastern and Southern Africa.

Swahili Honey helps smallholder farmers grow their income through honey and beeswax.

Goldenpot create incomes for women farmers with maize flour, porridge, and breakfast cereal.

Agro Supply teaches farmers how to save, selling inputs using a unique lay-a-way business model.

OVER USD $200,000 ANNUAL REVENUES

Rogathe Dairy aggregates fresh milk and processes it into a healthy drinkable yogurt.

Agromyx eliminates post-harvest losses by turning fruits, vegetables, and grains into shelf stable, powdered products.

Papoli Farmers Association produces turkeys with hundreds of farmers in Uganda.

Green Charcoal Uganda turns agricultural waste into briquettes to replace charcoal and firewood in Uganda.

Tilaa aggregates and sells honey and cashews in northern Ghana, working exclusively with women farmers.

Amuria Honey aggregates honey, beeswax, and bee venom in central Uganda.

Obamastove is the most popular cookstove in Ethiopia with over 500,000 manufactured and sold.

Geossy teaches Ugandans how to farm for fish instead of hunting now that the Lake Victoria fishery has been decimated.

Afrihealth sells veterinarian medicines to smallholder farmers in eastern Uganda.

Chicken Basket is a one-stop-shop for poultry farmers in Western Kenya, providing chicks, feed, medicines.

Boka Eats manufactures and sells animal feeds for smallholder farmers in Kisii, Kenya.

OTHERS

As the portfolio grows in size, so does the difference in scale and speed of growth between the largest and the smallest of the bizi. Rather than listing every company, Africa Eats provides details on the largest and fastest growing bizi and lumps the reporting of the rest into “others.”

VALUATION & SHARE PRICE

The value of Africa Eats is the value of our investment portfolio, which is simply the sum of each bizi valuation multiplied by the percentage ownership by Africa Eats. Simple! Or not, as there is no one, trusted, scientific method for valuing young, fast-growing companies.

The primary methodology taught in business school is discounted cash flow (DCF), which works quite well for large, well-established companies that have a long historic track record of top-line revenues, bottom-line profits, and a steady stream of expenses, maintenance, and capital expenditures, with little volatility in any of those measures.

The simpler methodology when not all those criteria hold is a multiple on earnings. This is the price-earnings ratio (PE) commonly seen on websites displaying details on publicly listed companies. PE ratios come in two flavors: backward-looking which use the last twelve months or last four quarters of earnings; and forward-looking, which use the expected next twelve months or next four quarters of earnings. Different industries have different expected ranges of PE ratios, and those ranges rise and fall with a country's economy.

The challenge with PE ratio is that it, at most, looks forward only one year into the future. A fast-growing company growing its revenues and earnings at a compounded rate of 50% will have earnings 2.25x larger in two years and over 5x larger in four years. A company like that should have a PE ratio (backwards and forward) far higher than a typical large company growing at under 10% per year, whose revenues and earnings will not even grow 50% in the same four years.

This can be seen on the Indian Stock Exchange where the ten fastest growing companies have an average compounded top-line growth rate of 47% and an average PE ratio of 145.

#	Company	Revenue CAGR (3 yrs, %)	Profit CAGR (3 yrs, %)	MCap (Rs m)	PE	PBV
1	TRENT	69.3%	NM	2,050,985	151.5	51.0
2	INDUS TOWERS	61.5%	NM	1,155,185	17.5	4.0
3	BAJAJ HOLDINGS & INVESTMENT	60.5%	25.8%	1,048,112	73.4	2.0
4	IOC	44.8%	25.6%	2,538,293	8.4	1.4
5	ADANI GREEN ENERGY	43.4%	90.6%	3,010,929	262.5	44.9
6	L&T INFOTECH	42.1%	33.2%	1,682,352	36.8	8.0
7	ZOMATO	39.6%	NM	2,066,397	588.7	9.9
8	CG POWER & INDUSTRIAL	39.5%	NM	1,110,132	121.3	34.7
9	VARUN BEVERAGES	35.4%	80.5%	2,047,346	82.9	23.9
10	ADANI ENTERPRISES	34.6%	64.0%	3,669,379	111.4	9.9

The top 25 fastest growing companies on that stock exchange have an average compounded top-line growth rate of 32% and an average PE ratio of 85.

#	Company	Revenue CAGR (3 yrs, %)	Profit CAGR (3 yrs, %)	MCap (Rs m)	PE	PBV
11	TITAN	33.1%	53.1%	3,079,286	88.1	32.9
12	HDFC BANK	30.2%	26.3%	12,495,736	17.8	2.6
13	JSW STEEL	29.9%	4.5%	2,284,176	30.2	2.9
14	ADANI PORTS & SEZ	28.6%	17.1%	3,433,325	41.5	6.4
15	SHRIRAM TRANSPORT	27.8%	43.4%	1,123,602	14.7	2.2
16	AVENUE SUPERMARTS	27.8%	32.1%	3,250,444	122.6	16.5
17	CUMMINS INDIA	27.3%	39.4%	1,057,130	71.6	16.2
18	BAJAJ FINANCE	27.2%	48.4%	4,198,775	28.1	5.3
19	TVS MOTORS	26.3%	43.1%	1,228,053	67.4	17.7
20	GAIL	26.2%	NM	1,571,120	16.5	2.3
21	CHOLAMANDALAM INVEST	26.0%	31.0%	1,168,944	32.1	5.8
22	SIEMENS	25.3%	36.6%	2,503,223	107.2	18.2
23	ADANI POWER	24.3%	154.1%	2,845,457	17.8	6.6
24	EICHER MOTOR	23.8%	43.8%	1,361,271	38.3	7.5
25	MACROTECH DEVELOPERS	23.7%	219.0%	1,266,229	68.0	7.5

The historic normal PE ratio on the New York stock exchanges is 12-18, although in 2024 the average PE ratio on the S&P 500 index (an index of the 500 largest American companies as measured by market cap, not revenue growth) is 26, and the average PE ratio globally is currently slightly above 21.

Meanwhile, the reality is young, fast-growing companies like the bizi do not optimize sales in order to optimize corporate profit margins, and the PE ratio is a measure of profit margins.

Venture capital funds focus solely on top-line revenue growth, without caring about profitability prior to the "exit" of their investment. Africa Eats does care about profits, but prior to this year we too have cared far more about revenue growth and have only been measuring how many bizi are unprofitable (typically only 2-3 per year and not always the same companies).

We discussed this with the bizi at the 2023 Gathering. From the bizi point of view, that discussion boiled down to one question. If a new customer is found that would grow revenues, do you take the order if that order is profitable, but not as profitable as other orders? Take a second and consider what you would do. Does your answer change if that new order increases revenues by 25% over last year?

Every bizi said they take the order. That is how the bizi in aggregate have been growing revenues at an average of 52% per year for the last decade. They take the order and then work toward better margins from future orders of every existing customer. It is far easier to raise prices after pleasing an existing customer than it is to convince a new customer to pay a higher price.

Based on that core focus on top-line revenues, for the last four years Africa Eats has been using a valuation methodology that focuses on revenues. Private equity funds and the public market called this metric the price-sales ratio, or PS. Private equity funds typically buy companies at a PS ratio under two and sell companies when a buyer will pay a PS ratio above three.

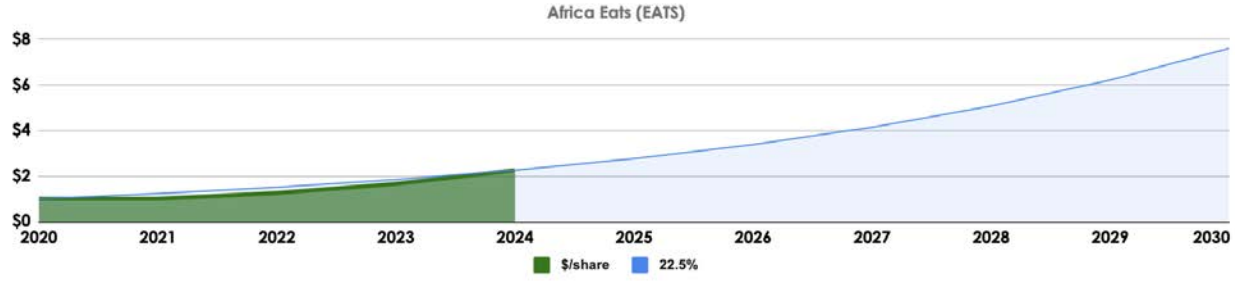
Using PS ratios, the internal valuation of Africa Eats balance sheet as of June 30th was USD $24.7 million (as published in the Q2 report). Using a mix of DCF and PE ratios, the valuation of Africa Eats produced by Perigeum Capital as of June 30th is USD $25.9 million.

Given the challenge of valuing 22 portfolio companies to generate the valuation of Africa Eats, the two results are well within the expected margin of error and help justify the USD $2.25 price per share in the upcoming listing.

Ultimately, the public market will set the price per share and from that, the market capitalization ("market cap") of the company. But do note that metric isn't the true valuation either, as the public markets price in a discount for buying and selling minority interests in a company. Which is why whenever a public company is purchased, the price paid per share is always higher than the most recent closing price per share.

SHARE PRICE

Shares of Africa Eats were set at USD $1.00 per share upon incorporation. The portfolio swap from Fledge to Africa Eats was priced at USD $1.00 per share. That price was held steady for all fundraising in 2021 as well. In 2022 the fair market value of all of the bizi were updated and the share price of Africa Eats was raised to USD $1.25. In 2023 this "mark to market" exercise raised the share price to USD $1.65, and in 2024 to USD $2.25.



That growth in share price is a compounded growth rate of 22.5% over the first four years.

Past performance is not a prediction of future results, but if that rate continues through the rest of the decade, the share price will be over USD $6.00 in 2029 and over USD $7.00 in 2030. That would be similar to the 19.8% CAGR in share price of Berkshire Hathaway and is the long-term benchmark the management team is aiming to match (or beat).

ZIWETO, HIVOS, AND CO-INVESTOR EXITS

The largest transaction by Africa Eats in Q3 resulted in no capital being wired to a bizi. This is the first of what is likely to be many similar transactions in the future.

As background in 2019, Hivos Food & Lifestyle Fund B.V. (Hivos), an impact venture capital fund based in the Netherlands co-invested in Ziweto Enterprises alongside Fledge. Fledge had been the first and only investor up to that year. Hivos invested more capital than Fledge. After the transaction Fledge owned 24% of Ziweto and Hivos owned 28%, with the other 48% owned by the two co-founders. *(The Fledge shares were transferred to Africa Eats in 2020.)*



A flaw in venture capital funds is that they have a limited lifetime, almost always ten years. They must invest all the money they raise within five years because they must exit all their investments within ten years.

Hivos reached out to Africa Eats in Q1 informing us of their need to exit. We made an offer in Q1 and Hivos made a counteroffer in Q2, which we accepted *(all before we kicked off the listing process on the Stock Exchange of Mauritius)*. The transaction closed in Q3.

What venture capital funds expect to happen within their ten-year lifetime is for the company to be acquired, or for there to be an IPO where the fund can sell all its shares. The Ziweto founders have no desire to sell their company anytime soon, and the public listing that is planned for Q4 is a fundraising process, with the only shares of Ziweto being sold being new shares to raise capital to grow the company.

Africa Eats' co-investors in some of the other bizi are at or nearing their fifth anniversary and some of them are already asking us if we are open to buying their shares starting next year. We prefer sending money to the bizi rather than to other investors, but if the price is right, we like making profits too, and the bizi very much appreciate our "the best holding period is forever" philosophy vs. having to deal with these "un-investments" to match each equity co-investment.

MANAGEMENT

The most asked question about staff by potential investors is how three people can manage so many companies. The answer is simple. We do not manage the portfolio companies. Africa Eats is a minority shareholder in these companies. We advise these companies. We coach, train and mentor the CEOs and management of these companies. We collectively talk to 6-12 companies in a typical week, keeping up to date on both successes and challenges.

Assisting the full-time staff are another dozen part time staff and half dozen vendors who help on corporate governance, compliance, bizi financial assistance, audits, technical assistance, grant writing, fund raising, and legal, in addition to volunteers who also check-in with some of the bizi, providing yet-more advice and training.

LUNI LIBES, CEO & EXECUTIVE DIRECTOR



Luni is the co-founder and CEO of Africa Eats and founder of Fledge, the global network of impact accelerators incorporated in 2012. Africa Eats is a spin-off of Fledge, as is The Angel Accelerator, which teaches early-stage investing, and Realize Impact, an American 501c3 nonprofit, that turns philanthropy into impact investments.

luni@africaeats.com • africaeats.com • fledge.co • realizeimpact.org • lunarmobiscuit.com

JUMAANE TAFAWA, CIO & EXECUTIVE DIRECTOR



Prior to co-founding Africa Eats, Jumaane spent over 20 years investing in African SMEs through banks, impact funds, Global 1000 companies, and with government-funded programs through DFIs. Luni and Jumaane met in 2016 when Jumaane was working at Equity Bank, leading their pan-African expansion. Jumaane's mix of banking, consulting, and entrepreneurship drives the processes that keep the bizi growing.

jumaane@africaeats.com

LILIAN NSHANGEKI, FINANCE



Lily is our Financial Analyst with 9+ years' experience working in advisory and audits at KPMG serving multinational corporations and financial institutions (such as Coca Cola, Bank of Tanzania, ABSA Bank, and SilAfrica). Lily, who is an entrepreneur, is based in Dar es Salaam.

lilian@africaeats.com

BOARD OF DIRECTORS

All Mauritius companies must have at least two directors who are resident in Mauritius. Commonly these are staff members of the Mauritius corporate management company.

VEERHA BHOGUN

Veerha is currently the Senior Manager of Business Development at Rogers Capital Corporate Services. She gained over 20 years of global experience in the financial services and audit sectors having spent 13 years in London, working for the tier 2 auditing firm Grant Thornton,

and 7 years in Sydney, working for the tier 1 auditing firm KPMG, before moving back to Mauritius. She is a qualified Chartered and Certified Accountant and is also a full member of the Society of Trust and Estate Practitioners. Veerha has a robust skillset that includes IFRS, management accounting and trust accounting.

MADIIHAH BEEGUM

Madiihah has over 10 years of professional experience in the global business sector. 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.

BIZI DIRECTORS



Africa Eats expanded the board to include directors representing the bizi and the smallholder farmers they work with.

Victor Mhango, co-founder/CEO of Ziweto Holdings and **Herve Tuyishime**, founder/CEO of Elite Meat Processing were invited to be these new directors. These seats will be rotated amongst the CEOs and co-founders of the bizi that are listed on the stock exchange.

INDEPENDENT DIRECTORS

In Mauritius, public companies must have at least two independent board members:

AMB. MARY MUGWANJA



Ambassador Mary Wangui Mugwanja is an experienced and accomplished professional with over 25 years of expertise in leadership, public service, banking, and international diplomacy.

Mary currently serves as an Associate Director of Public Sector and Institutional Banking at Equity Bank in Kenya. Prior to this, she held numerous high-profile roles, including Kenya's Ambassador to Austria and Permanent Representative to the United Nations in Vienna, where she represented Kenya at multiple international organizations and forums. Mary's career has included other roles in both government and banking, including senior management positions at Barclays Bank.

REKIA FOUDEL



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.

Rekia's career spans more than 15 years in the financial services industry, across 3 continents, in North America, Europe and Africa. After graduating from Wharton Business School with an MBA, 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.

AFRICO

In Q3, shareholders approved the restructuring of Africa Eats' management, from direct employment of Luni, Jumaane, and Lily to a structure that mirrors the general partnership structure of investment funds.

Africo Management Ltd ("**Africo**") was incorporated in Mauritius to act as the management company for Africa Eats. The newly enlarged board of directors will finalize this structure in Q4, after the listing is complete.



Day-to-day operations will be unchanged. Operational costs will be unchanged in the short term. In the long term, the goal is for Africo to cover the cost of the management team itself, lowering the operational costs of Africa Eats.

There were no legal or compliance costs to Africa Eats in this restructure. Luni paid for the setup costs and corporate maintenance costs.

UPCOMING WEBINARS

Africa Eats held two sets of webinars in Q2, one answering questions related to the conversion from a private to a public company in preparation of the multitude of related shareholder resolutions, and the other sharing details on how that process works.

The next set of webinars will be held in October. These focus on sharing the details of the three private placements and explaining how ownership will work once the companies are listed.

- **October 16th** at 9:30am PT / Noon ET / 5:30pm Lagos / 6:30pm CET/CAT / 7:30pm EAT
- **October 22nd** at 10:30am PT / 1:00pm ET / 6:30pm Lagos / 7:30pm CET/CAT / 8:30pm EAT
- **October 23rd** at Noon PT / 3:00pm ET / 8:00pm Lagos / 9:00pm CET/CAT / 10:00pm EAT
- **October 23rd** at 5pm PT / 8:00pm ET / after midnight in Africa and Europe
- **October 24th** at 8pm PT / 11:00pm ET / after midnight in Europe / 6:00am EAT

All on Zoom in https://us06web.zoom.us/j/99052713622. There are multiple webinars to help ensure there is a time that works for every shareholder, and to cover all the timezones where the investors live, as the investor community spans most of the globe. All shareholders are invited as are any of your friends, family, and colleagues who might be interested in investing. Please send any questions to luni@africaeats.com to ensure the answers are heard by all shareholders.

BALANCE SHEET

Investors contributed $2.4 million in Q1 2024, and most was invested by the end of Q3. The increase in total assets of approximately $6.7 million includes the annual mark-to-market valuation of Africa Eats portfolio based on the bizi 2023 annual revenues. At the end of September 2024, the company had $0.5 million of cash in the bank, no receivables, $24.2 million of investments and investment gain in the bizi, for a total of $24.8 million of assets, with less than $1 million of liabilities

This is up from the $3.1 million of original assets, an 8x increase in value in four years.

	2023 Audited Report	Sep-24
Assets		
Cash		
Bank accounts	$84,316	$534,589
Other receivables	$0	$0
	$84,316	$534,589
Investments		
Equity	$16,103,549	$22,489,857
Leases	$183,079	$120,562
Loans	$1,701,270	$1,651,026
	$17,987,898	$24,261,445
Total Assets	**$18,072,214**	**$24,796,034**
Liabilities and Equity		
Liabilities		
Short-term liabilities	$371,071	$225,000
Long-term liabilities	$678,667	$487,757
	$1,049,738	**$712,757**
Equity		
Paid-in capital (Preferred shares)	$4,937,315	$8,191,112
Equity grants	$892,768	$892,768
Retained earnings (losses)	$7,604,958	$11,887,006
Capital from share swap	$3,112,390	$3,112,390
Share application monies	$475,045	$0
	$17,022,476	**$24,083,276**
Total Liabilities and Equity	**$18,072,214**	**$24,796,033**

INCOME STATEMENT

Revenues are primarily investment gains, as there is far more upside in making equity investments into the bizi than in making loans while single digit millions of dollars of loans produce just tens of thousands of dollars of interest income, as stated earlier *in the Berkshire Africa strategy, we provide a variety of investment capital, in a form that best fits the needs of the company, rather than focusing solely on just one investment structure or product*. Therefore, loans are made when that is the best form of capital for the bizi

	2023 Audited Report	Sep-24
Revenue		
Loans interest receivable	$242,470	$0
Loan interest received	$30,177	$88,905
Loans written off	($909,651)*	$0
Lease interest	$0	$38,148
Leases written off	$0	($7,869)
Investment gains	$6,342,551	$4,809,209
Investments written off	$0	$0
Management fees	$0	$0
Miscellaneous	$0	$0
	$5,705,547	$4,928,393
Expenses		
People costs	$221,987	$208,980
Legal	$36,385	$49,080
Operations	$146,496	$60,870
Marketing	$5,800	$42,553
Bank fees	$9,587	$8,052
Fundraising fees	$18,000	$173,551
Interest on loans	$71,956	$48,926
Travel	$74,348	$54,332
Misc. accruals (audit, etc.)	$8,626	$0
	$593,185	$646,345
Net income (loss) before taxes	$5,112,362	$4,282,048
Taxes	$0	$0
Net Income (Loss)	**$5,112,362**	**$4,282,048**

The “Loans written off” line item in 2023 was a correction from a miss-categorization of the “sweat equity” shares issued to employees. The previous auditors incorrectly recorded this as a receivable. The simplest fix was a write-off of that non-existent receivable.

Fundraising fees and marketing costs have risen in 2024 due to the lengthy process to list Africa Eats and two bizi on the Stock Exchange of Mauritius (SEM). These costs, which were further detailed earlier in this report under “Private Placements” listing.

CASHFLOW STATEMENT

The total amount of cash is up from the end of 2023 due to the USD $2,641,752 sale of new equity in Q1 and Q2, adjusted by the flows of loan payments from bizi and to investors, as well as the outflow of capital in new equity and debt investments.

	2023 Audited Report	Sep 24
Cash from Operations	$5,112,362	$4,282,048
Adjustments		
Fair value gains (non-cash)	($6,342,551)	($4,809,209)
Fair value assets written off	$0	$0
Interest income on loans receivables	($272,647)	($88,905)
Interest income on lease receivables	$0	($38,148)
Interest expense on solar loans	$71,956	$48,926
Lease written off	$0	$7,869
Loans receivables written off	$909,651*	$0
Changes in accruals	$8,626	$0
	($512,603)	**($597,419)**
Capital Activity (Shareholders and Creditors)		
Investors' equity injections	$935,045	$2,778,752
Short term liabilities (investor overpayments)	$350,000	$200,000
Long term liabilities	$350,000	$0
Loans paid	($219,561)	($536,981)
Interest repaid	($50,931)	($48,926)
	$1,364,553	**$2,392,845**
Investing Activity		
Equity investments	($125,222)	($1,577,099)
Loans	($1,742,500)	($183,470)
Leases	$0	$54,648
Return of Capital	$246,157	$233,714
Interest received	$24,163	$127,053
	($1,597,402)	**($1,345,154)**
Net cash flow	**($745,452)**	**$450,272**
Cash at beginning of period	$829,768	$84,316
Cash at end of period	**$84,316**	**$534,588**

*Refer to comment at the end of the income statement

NEXT STEPS

A Attend the upcoming webinars in October where we will share the details of the three private placements and the method for participation (as well as details on how to sell your shares for those of you who either want to cash in some profits or cash out completely). So far, most of the investors who we have spoken to plan to increase their shareholding.

B Share this update with your friends, family, and colleagues. Tout your successful investment in Africa Eats and tell them they'll be able to buy shares too through the Tuesday app, to be launched in Q4.

C Tell your nieces, nephews, and any adult children too, as many of them likely already use Robinhood to buy stocks, and we are eager for that generate to make money buying shares of fast-growing African SMEs.

D Follow @AfricaEats on Twitter and subscribe to youtube.com/@AfricaEats on YouTube to help amplify our social media.

E Mark your calendar for **February 28th** and **March 1st, 2025** for the next **Africa Eats Gathering** in Nairobi, Kenya. There you will be able to meet the bizi founders in person and to see and experience first-hand the unique culture of Africa Eats.

THANK YOU

Thank you for making this possible. Without your capital, all this would still be theory, and these companies would be far smaller in scale, and would not be empowering over hundreds of thousands of farmers to feed millions of people.

If you have questions on any of this material, please do not hesitate to reach out.

If you would like to get more involved, adopting one or more companies as a mentor, making connections, or anything else, let us know:



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