

Position, significance and investment trends of investment in Africa for Japan

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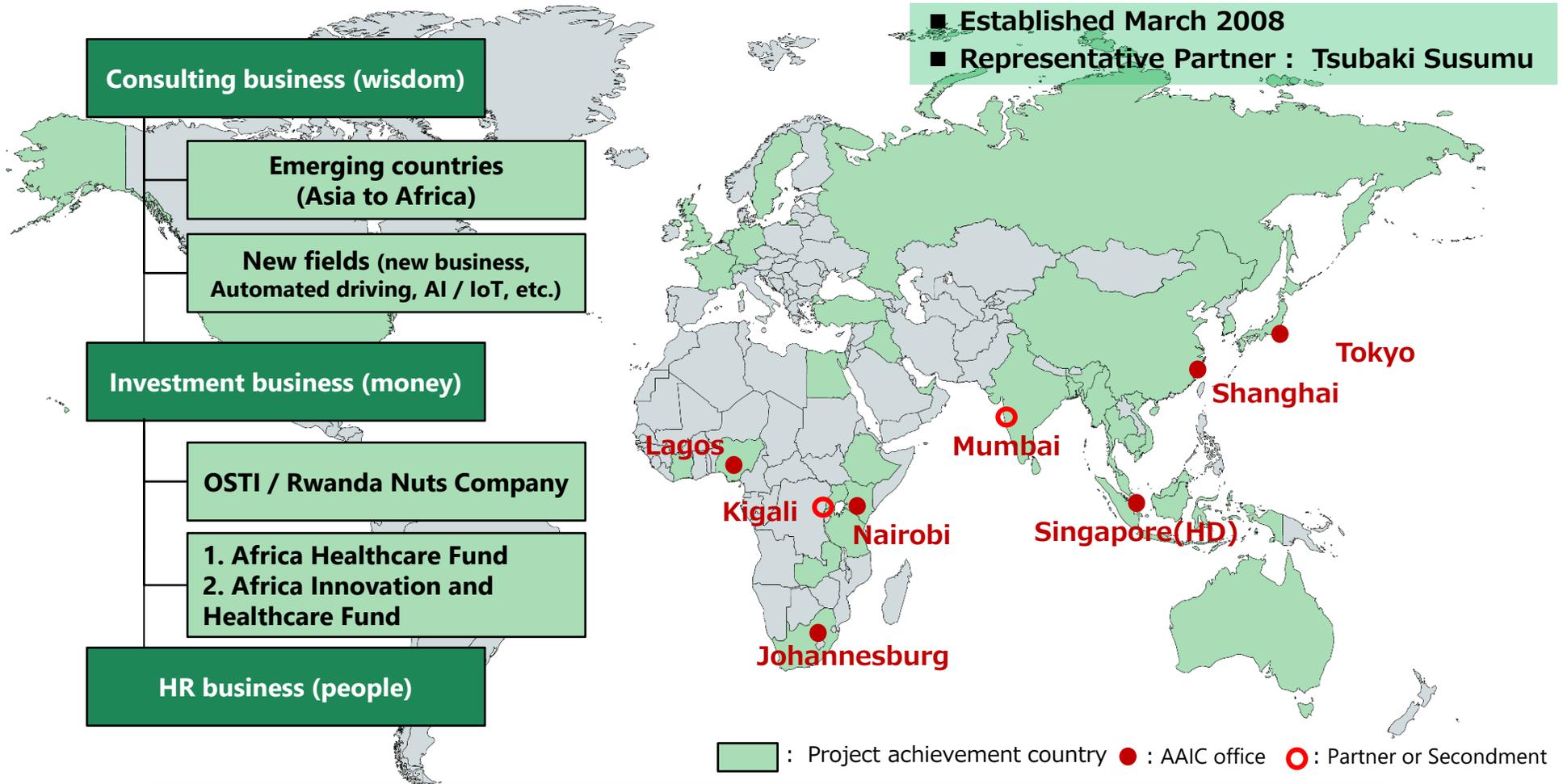


OVERVIEW OF AAIC Group

Business arms of "Investment" and "Management Consulting"

Business domains

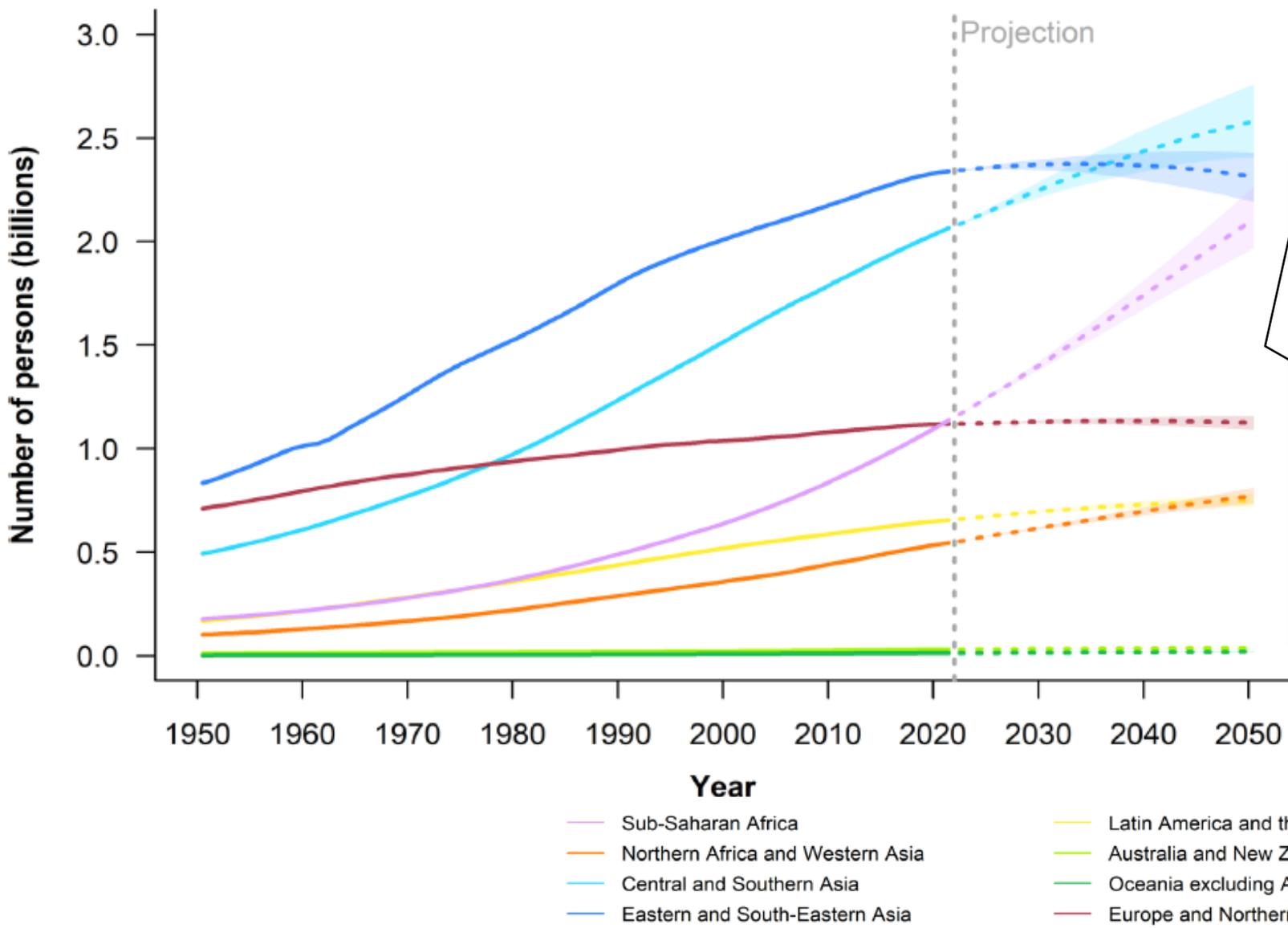
Business base



AAIC Investment Pte Ltd manages two Africa focused Venture Capitals and invested 34 startups operating in Africa including one in Ethiopia

Population of Sub Saharan Africa expected to double, 2 Billion

Demographic Dividend is on its way



1 in 4 by 2050

- the population from Africa (Sub Sahara and North Africa)

Currently 17% of world population has only 3% GDP shares.

Rankings of the world's most populous countries

3 Africa countries are in by 2050, including Ethiopia

1990		2022		2050	
China	1,144	China	1,426	India	1,668
India	861	India	1,412	China	1,317
USA	246	USA	337	USA	375
Indonesia	181	Indonesia	275	Nigeria	375
Brazil	149	Pakistan	234	Pakistan	366
Russian Fed	148	Nigeria	216	Indonesia	317
Japan	123	Brazil	215	Brazil	231
Pakistan	114	Bangladesh	170	DRC	215
Bangladesh	106	Russian Fed	145	Ethiopia	213
Nigeria	94	Mexico	127	Bangladesh	204

(Populations in Millions)

**The question is whether Africa's economy will grow as the population
Green Initiatives, Startup Ecosystem, ACFTA ----- many opportunities**

Alliance for Green Infrastructure in Africa (AGIA) Collaborative Initiative at COP27

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COP27: African and global partners launch multi-billion alliance for green infrastructure

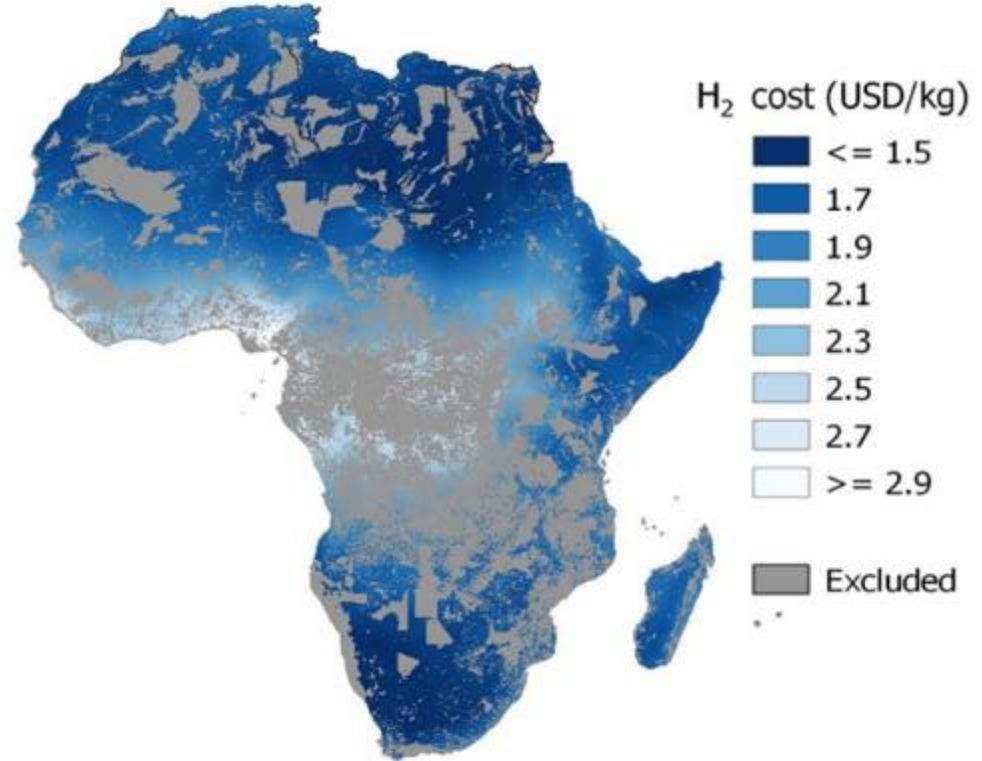
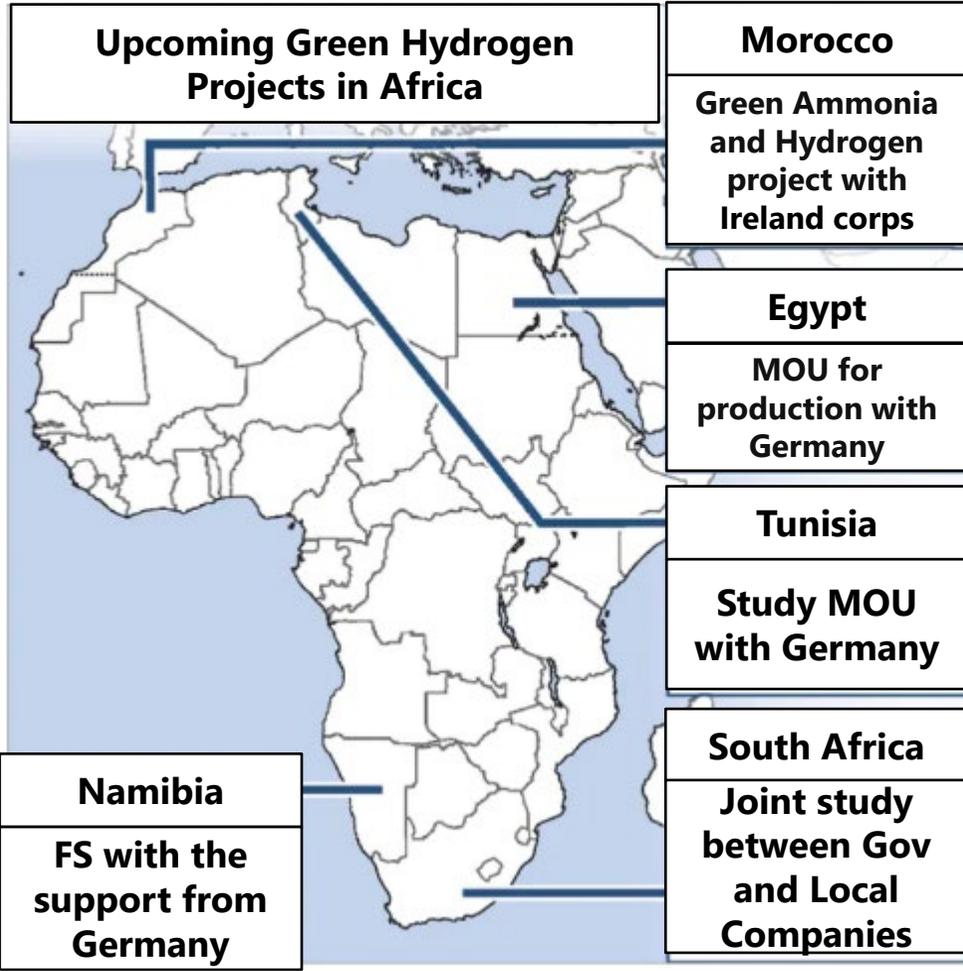
- Alliance to raise up to \$500 million of early-stage project preparation and development capital. Goal: boost project bankability and generate up to \$10 billion in investment opportunities for the private sector.



The African Union, the African Development Bank Group and Africa50—in partnership with several global partners—have launched the Alliance for Green Infrastructure in Africa (AGIA), an initiative to help scale and accelerate financing for green infrastructure projects in Africa.

Green Hydrogen Projects in Africa are expanding

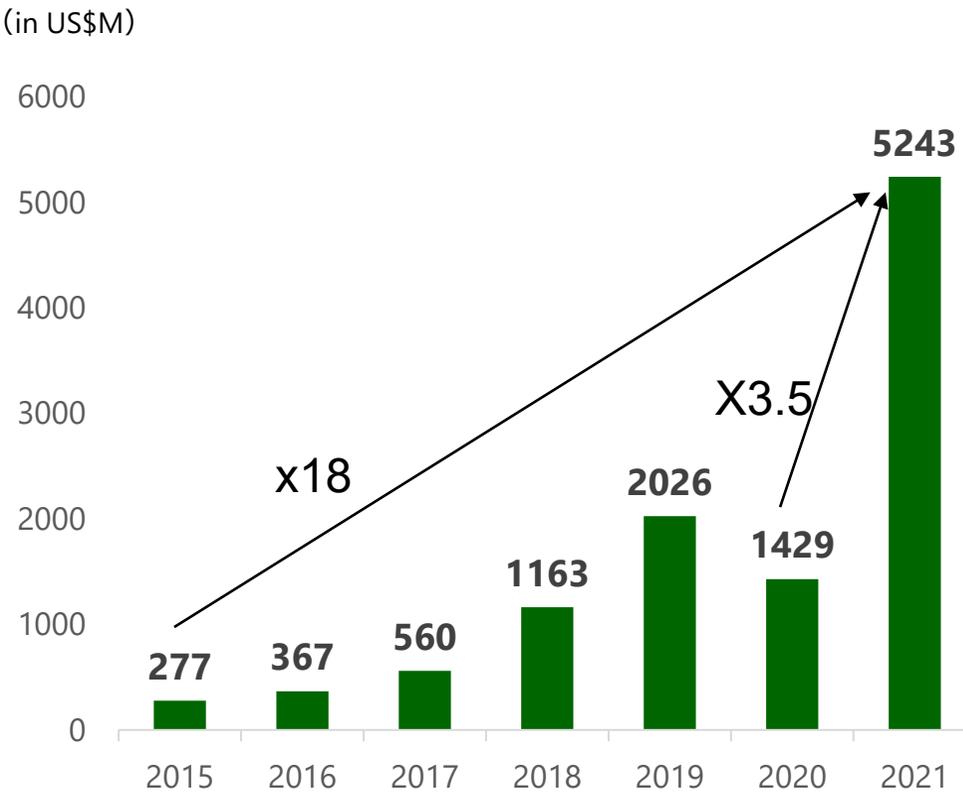
Projected H2 production cost map in 2030



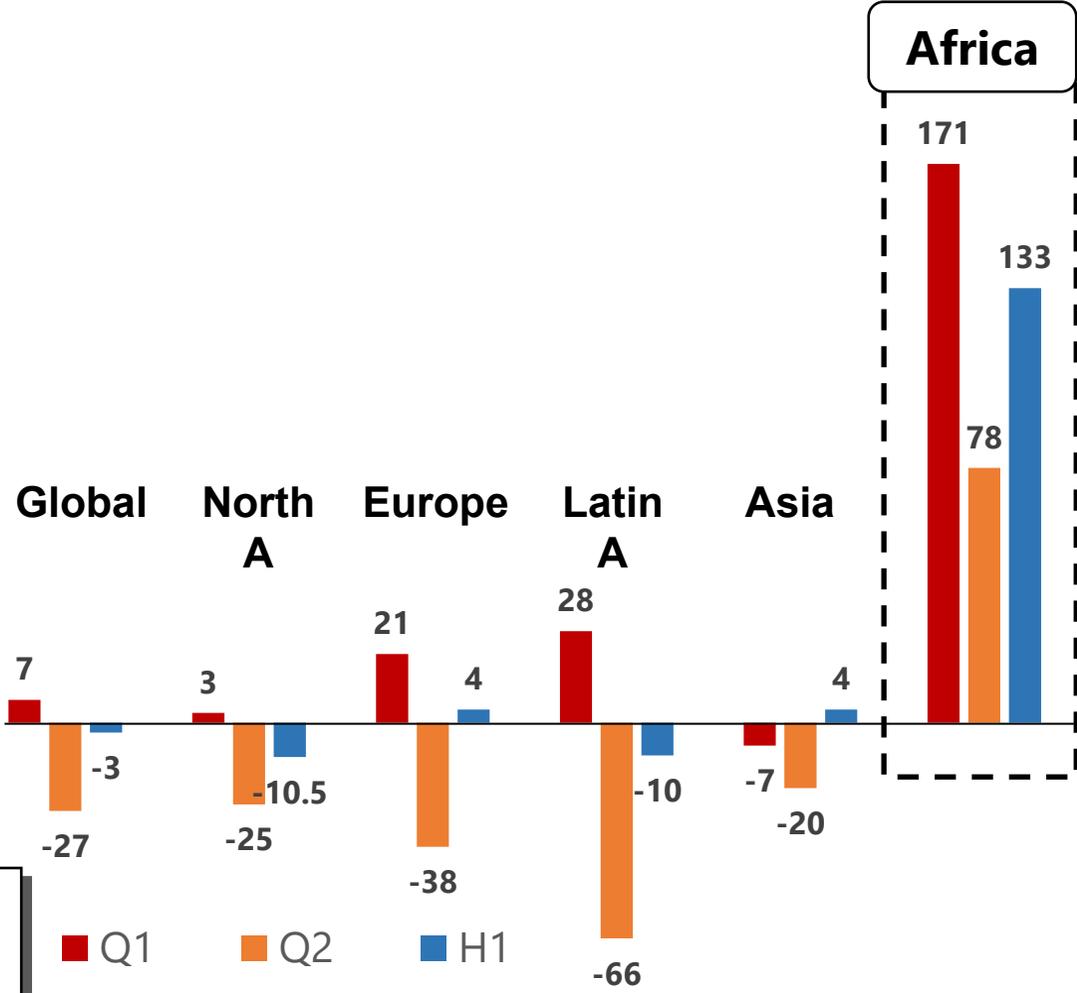
This could reduce reliance on fossil fuels, lower carbon emissions and address long-standing energy deficits.

African startups raised 5.2 Billion USD in 2021 and Africa is the only region with both Q1/Q2 of 2022 increase

**Total equity funding in Africa
(2015-2021)**



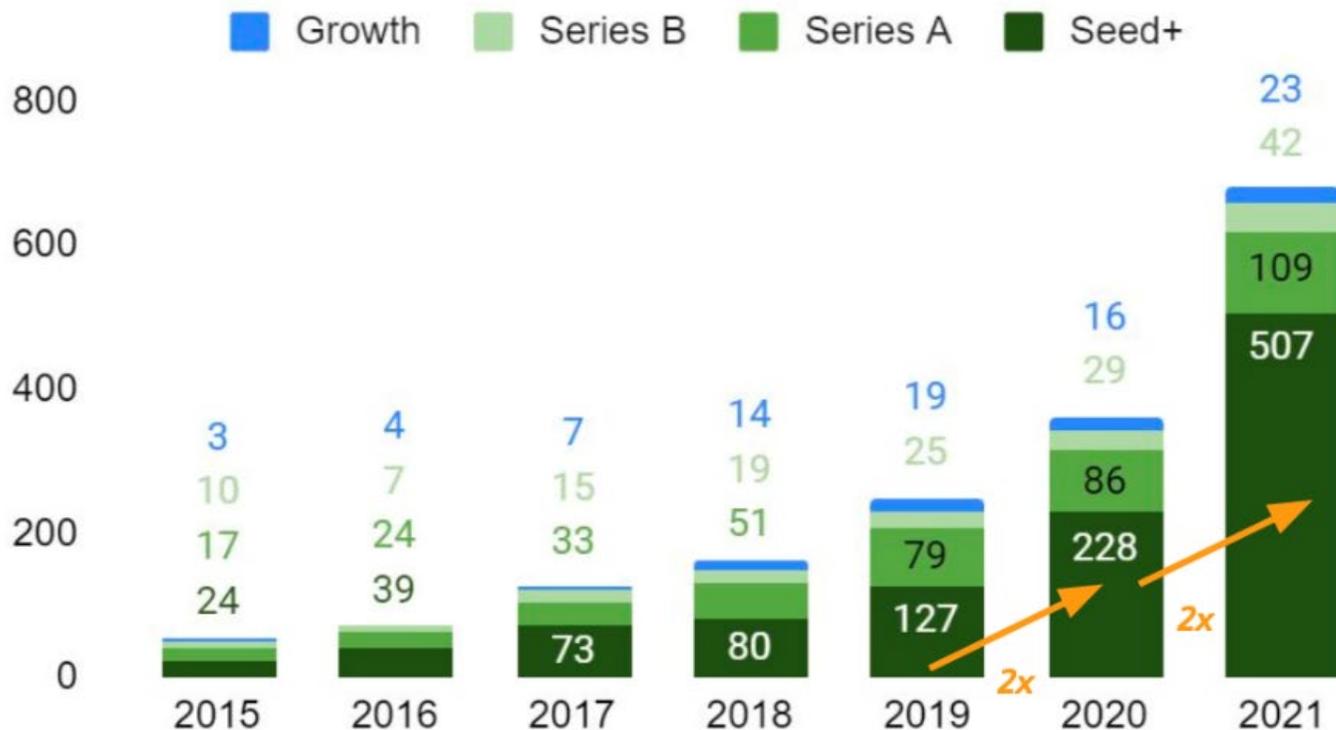
**YOY change % (2021 vs 2022) of Startup
Investment - By region**



During 2022 H1, 300 VCs invested 3.5Billion USD to Africa startups – but only 1% of global

Big Gap between Seed stage to Early - Series A/B Stages = Opportunities

Number of Deals



- Investments/Deal rounds at Seed-stage has increasing (x2 per year)
- Pipelines have been built
- However, the gap exists – a big challenge of fund raising at Series A/B stages

Investments/Engagement by Japanese Investors/Companies

Venture Capitals

CVC/Business Engagement

Impact Investment AP support

Africa Focused



Global



MUFG Innovation Partners

SoftBank Vision Fund



Access to Consumer Markets,
Leveraging ICT etc

Africa Focused Players expanding and Global Players also entering Africa

Ethiopia launches Fund, aimed at attracting foreign investments for State Owned Enterprises

Ethiopia launches fund to lure billions of dollars in foreign investment

Addis Ababa seeks to open up state-dominated economy as it tries to recover economic momentum



Ethiopia has more than 40 state-owned enterprises, including Africa's largest carrier Ethiopian Airlines © Tiksa Negeri/Reuters

- "Ethiopia is seeking billions of dollars of foreign investment as it presses on with reforms **to open up its state managed economy**"
- "The launch of Ethiopian Investment Holdings is a sign of shifting from the state-led development model such as **banking, logistics and telecoms.**"

Recent Engagement by Private Sector

Sumitomo Corporation



Sumitomo Launched Telecom services M-PESA set for Ethiopia Expansion



M-PESA set for Ethiopian expansion

Source: Stefan Magdalinski / Flickr CC BY 2.0 - IMG_3638 - image may be cropped, otherwise derivative

Sumitomo started providing mobile telecommunications network and services through Safaricom Telecommunications Ethiopia PLC in Addis Ababa.

6 October 2022

Recent Engagement by Private Sector, such as Sumitomo Corp

Sumitomo Launched Telecom services M-PESA set for Ethiopia Expansion



M-PESA set for Ethiopian expansion
Source: Stefan Magdalsinski / Flickr CC BY 2.0 - IMG_9638 - image may be cropped, otherwise derivative

Sumitomo started providing mobile telecommunications network and services through Safaricom Telecommunications Ethiopia PLC in Addis Ababa.

6 October 2022

Cerba Lancet Africa Strategic Partnership with laboratories



The partnership illustrates its strategy to support long term health response locally and increase patient access to a broader range of laboratory testing across the continent.

29 September 2022

Cerba Lancet Africa: Strategic partnership with International Clinical Laboratories in Ethiopia – Long Term Engagement



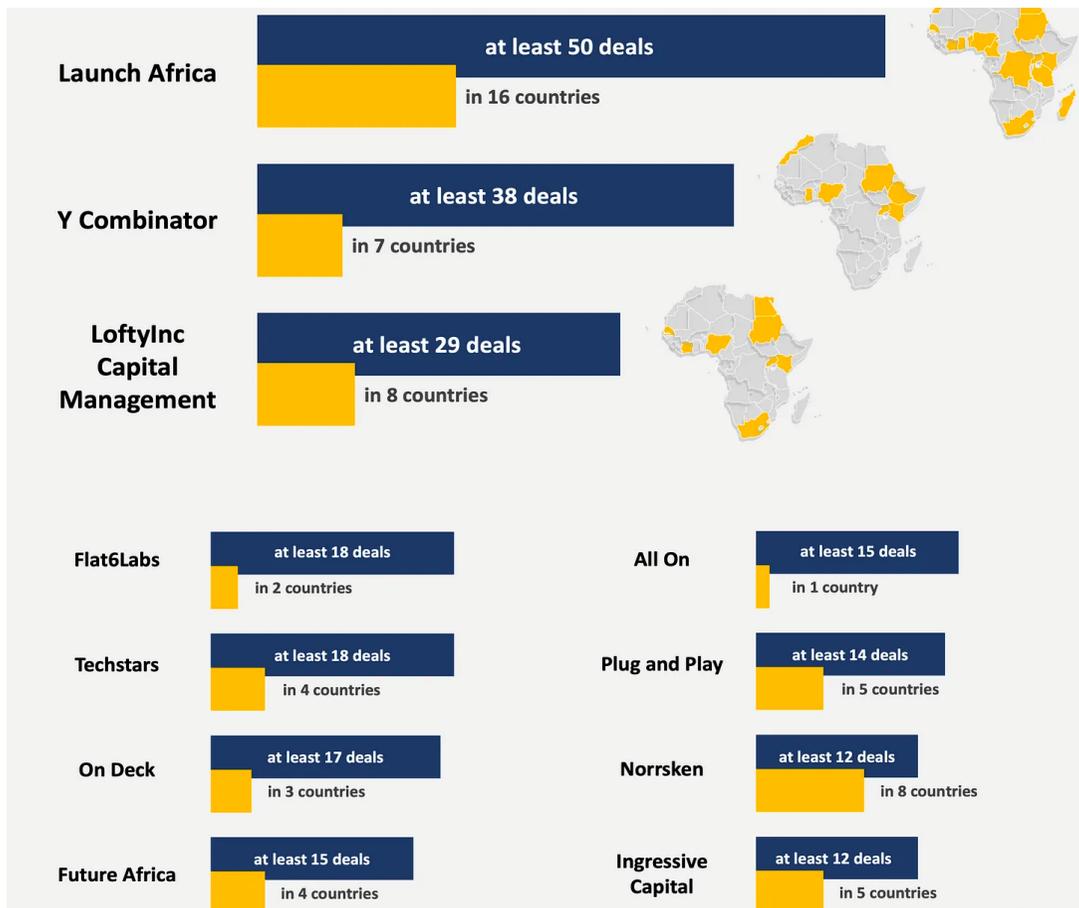
The partnership illustrates its strategy **to support long term health response locally** and increase patient access to a broader range of laboratory testing across the continent.

International Clinical Laboratories (ICL) will leverage the world-class expertise range of Cerba HealthCare and its existing pan-African network Cerba Lancet Africa to sustainably meet the diagnostic tool expectations of patients, physicians and hospitals nationwide.

Active Investors in Africa

Launch Africa, Y com, LoftyInc Capital are top 3 in 2022

Most Active Investors in Africa by number of deals in 2022 (as of mid Sep)

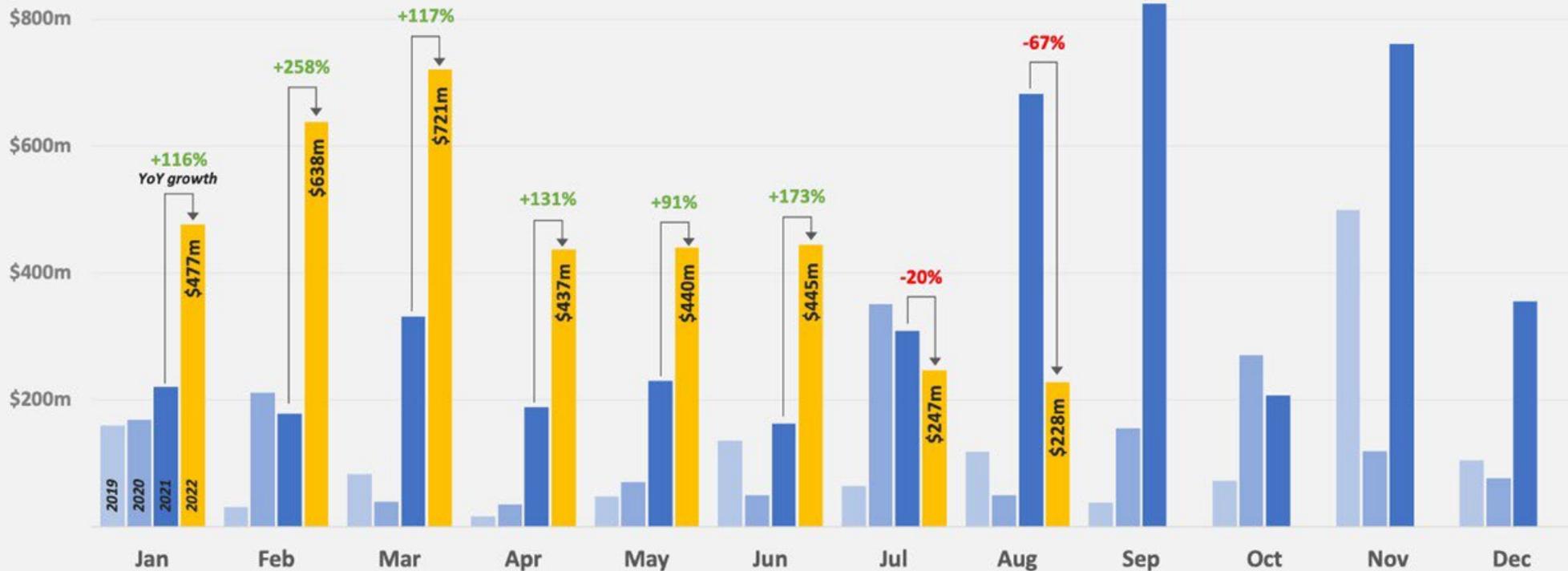


- More than 800 Investors made at least one 100K + investment in 2022
 - ✓ 33% YOY increase compared with 2021
- 75% of the total investments went to Big 4 (Nigeria, Egypt, Kenya and South Africa)
- Japanese VCs/CVCs are also present
 - ✓ Kepple Africa Ventures, Samurai Incubate
 - ✓ Mobility 54 / Health 54 by Toyota Tsusho

Until June 2022, the fund raising exceeded the previous year. After July, it slowed down

Monthly evolution of start-up funding in Africa (Jan 2019 - August 2022)

For more, visit thebigdeal.substack.com by Max Cuvellier & Maxime Bayen



As of August 31st, 2022 | Full database : thebigdeal.gumroad.com

Based on deals both publicly disclosed & shared confidentially by selected investors | Deals \$1m+ (2019), \$500k+-(2020) and \$100k+ (2021-)