OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

SAHEL CAPITAL HOLDINGS DISCLOSURE STATEMENT

SAHEL Capital

November 2025

www.sahelcapital.com

Sahel Capital Holdings (the "Signatory") hereby affirms its status as a signatory of the Operating Principles for Impact Management. Total capital raised stands at US$100.9 million as of 31 October 2025. The disclosure statement covers the following Funds.

- Fund for Agricultural Finance in Nigeria ("FAFIN") – USD 65.9 M (Equity Fund)
- Social Enterprise Fund for Agriculture in Africa ("SEFAA") – USD 35.0 M (Debt Fund)

The reporting period for the purposes of this verification runs from 1st November 2024 to 31st October 2025.

PRINCIPLE 1: DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Sahel Capital is a private investment firm dedicated to transforming the food and agriculture landscape in sub-Saharan Africa. With extensive experience across diverse crop and livestock value chains, integrated processing, packaged foods, and related services, we aim to be recognised as Africa's leading agribusiness investment firm. Our mission is to Provide Capital, Leverage Knowledge, Build Companies, Generate Returns, and Impact Lives.

As Fund Manager and Investment Advisor for the Fund for Agricultural Finance in Nigeria (FAFIN) and the Social Enterprise Fund for Agriculture in Africa (SEFAA), Sahel Capital has raised $100.9 million.

Both funds incorporate Technical Assistance (TA) facilities that enhance investment performance through environmental, social, gender, and climate-focused interventions. To date, they have implemented over 60 TA projects across portfolio companies.

Through these initiatives, Sahel Capital contributes to key SDGs; notably SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work & Economic Growth), SDG 9 (Industry, Innovation & Infrastructure), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action).

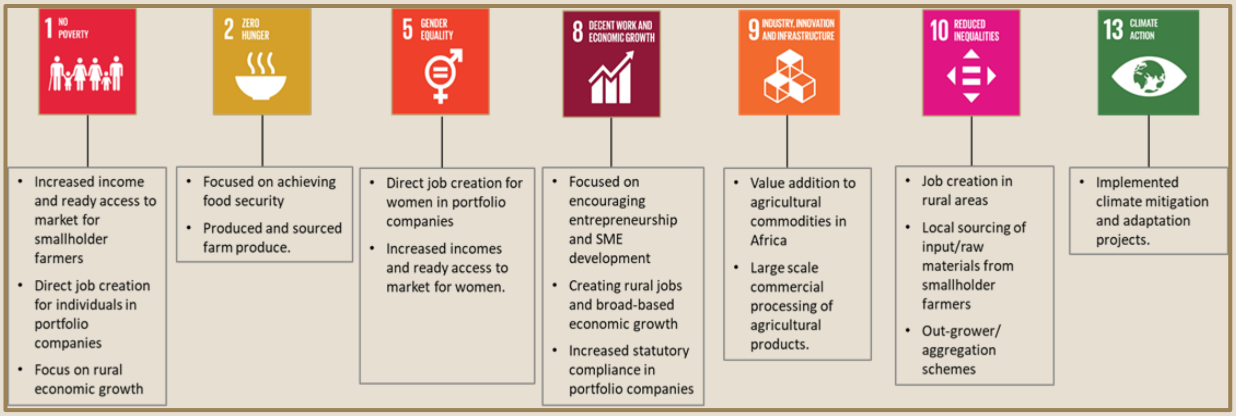

Figure 1: Alignment of Sahel Capital with the SDG Goals

Fund for Agricultural Finance in Nigeria (FAFIN) is an innovative private equity fund designed to provide long-term, growth-oriented capital to Nigeria's agricultural small and medium enterprises (SMEs). FAFIN combines commercial investment mechanisms with technical assistance interventions to drive profitability and sustainable impact in agribusinesses that are critical to national food security and rural economic transformation.

FAFIN employs a hybrid financing approach, deploying equity, quasi-equity, and structured debt instruments to meet the diverse capital needs of agribusiness SMEs operating across multiple value chains and regions in Nigeria. The fund targets enterprises with strong management capacity, scalable business models, and high potential for social, environmental, and economic impact.

The fund was established in response to a US$5 billion gap in long-term agribusiness financing in Nigeria, and its design reflects the need to crowd in both domestic and international investors while ensuring measurable development outcomes.
FAFIN's investor consortium comprises leading development finance institutions and sovereign entities, including AfDB, BII, DGGF (Triple Jump), KfW Development Bank, FMARD, FMF, and NSIA.

The Social Enterprise Fund for Agriculture in Africa (SEFAA) is an impact-driven investment vehicle dedicated to strengthening the business ecosystem for smallholder farmers across thirteen Sub-Saharan African countries: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Kenya, Malawi, Nigeria, Tanzania, Togo, Uganda, and Zambia (Figure 2).

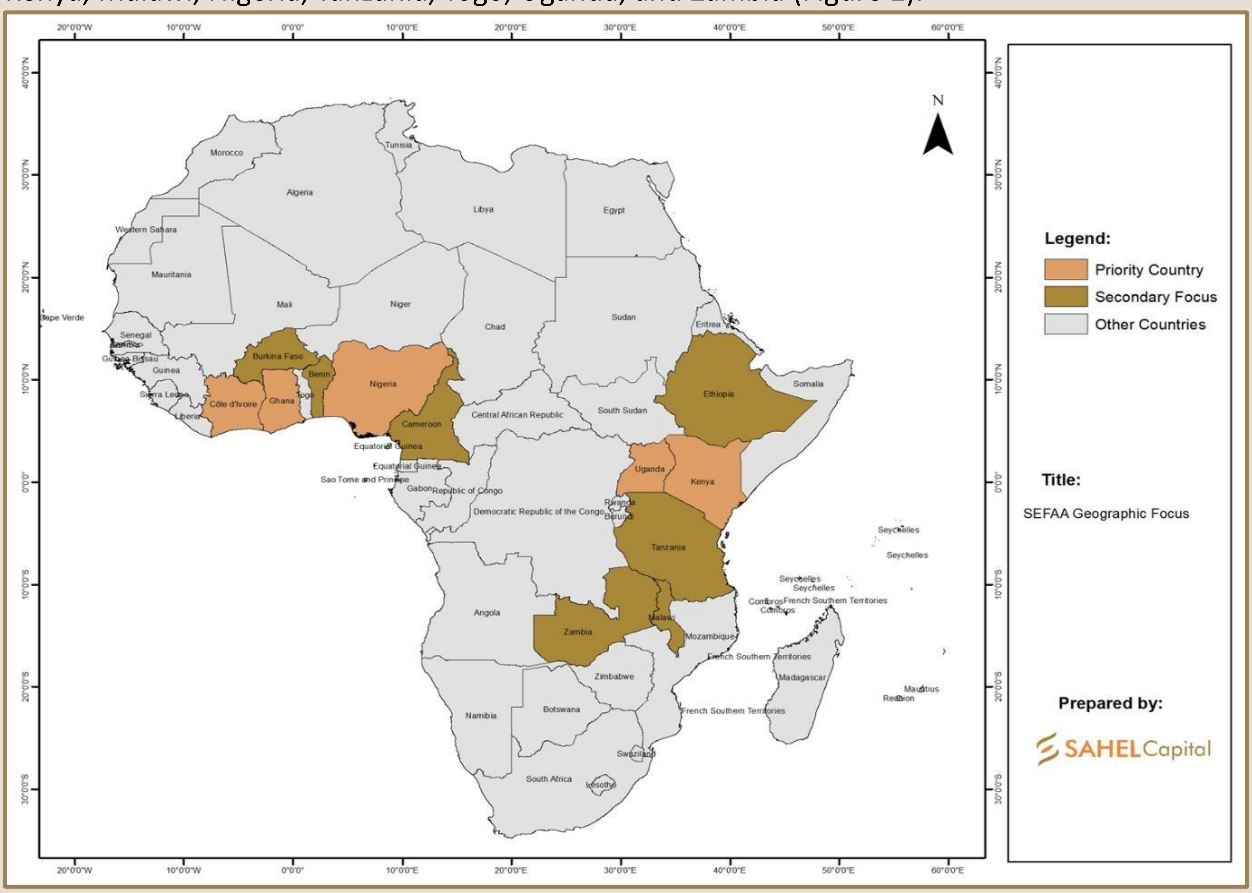

Figure 2: SEFAA Geographical focus

SEFAA provides growth capital to Social Agricultural Enterprises (SAEs) and intermediaries that enhance productivity, improve market access, and deliver tailored financial solutions to smallholder farmers and other SAEs.

SEFAA's theory of change (Figure 3) posits that meaningful poverty reduction can be achieved by improving SHF productivity through investments in viable SAEs serving rural markets.

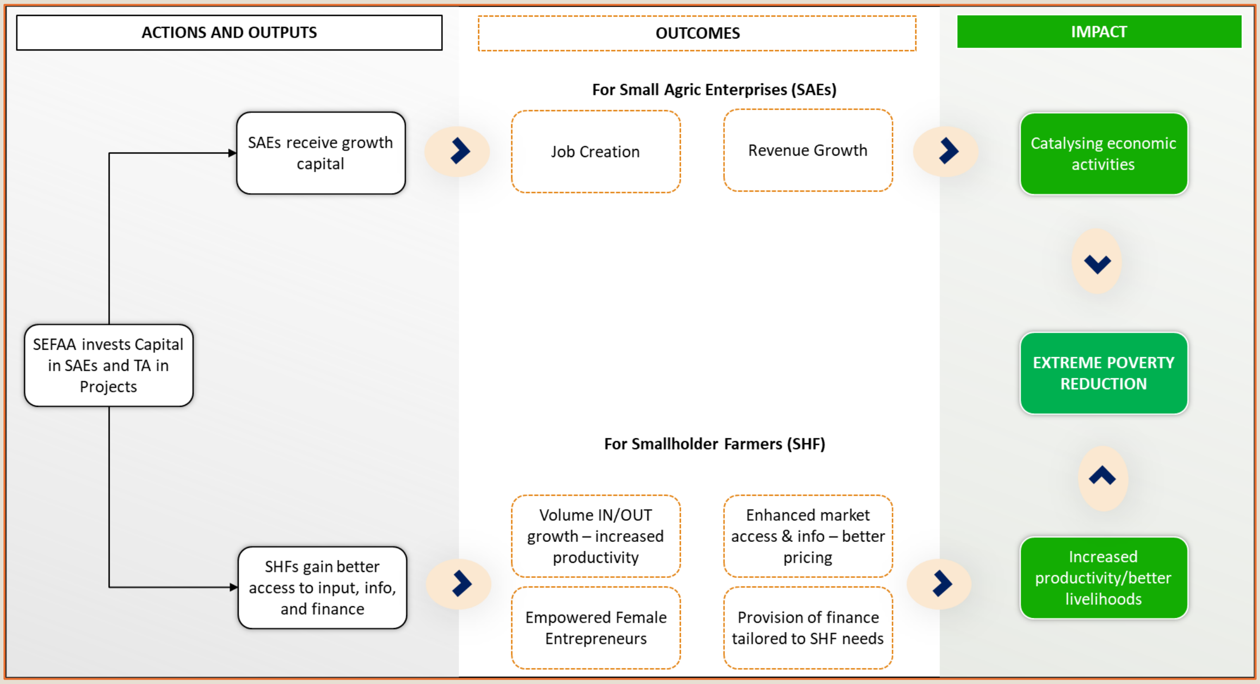

Figure 3: SEFAA's theory of change

PRINCIPLE 2: MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognising that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

All investments are evaluated based on key impact themes and the theory of change to ensure compliance with the impact thesis and investment model.

SEFAA's investment focuses on the financial and social growth of the farmers from whom the portfolio companies aggregate their produce/raw materials. This requirement is a critical investment criterion of the Fund, which must be met by all prospective pipeline companies. Specific ESG and Impact metrics in line with the portfolio companies' operating strategy and value chain are collected on a quarterly basis, and the performance of each portfolio company is analysed.

In alignment with the Fund's investment methodology and strategy, potential and current portfolio companies are informed about the importance of ESG and impact data and its benefit to the growth of the companies' triple bottom lines. Quarterly training is also provided to all portfolio companies.

The annual portfolio impact target is evaluated as part of the Fund's annual non-financial performance indicators. The Funds' annual performance is evaluated based on their financial returns and achieved ESG/Impact indicators. The financial and non-financial performance ratios are aggregated across the Funds' portfolio companies and presented to its investors on a quarterly and annual basis.

Since its inception, SEFAA has provided direct and indirect support to over 301,990 smallholder farmers, created 5,597 additional jobs. In addition, four of SEFAA's portfolio companies are women-led.

A part of the employee bonuses is also based on the achievement of specific impact key performance indicators linked to the Fund's targeted annual impact. Sahel Capital publishes an annual Impact Report, which highlights the aggregated data across the portfolio companies and presents impact initiatives implemented across the portfolio companies.

PRINCIPLE 3: ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

We adopt robust and globally accepted ESG and impact standards (pre- and post-investment) to assess and measure the impact of our investments across our portfolio companies (Figure 4). We also conduct impact baseline assessments based on the funds' impact targets and the portfolio company's expected impact goals. Each portfolio company is required to designate an ESG/Impact lead and implement an ESMS for managing operational E&S risks.

Figure 4: ESG Integration framework

Our investment approach integrates ESG due diligence consistent with national and international regulations, standards, and guidelines. The performance of portfolio companies is benchmarked against baseline impact data collected at the start of each investment. Portfolio companies provide quarterly reports on environmental, social, and impact metrics, which enable systematic tracking of progress and facilitate ongoing evaluation throughout the investment period.

The Funds provide technical assistance to enable portfolio companies to reach their impact goals, build stronger systems, and comply with applicable regulations and global standards. In 2025, SEFAA facilitated over 21 TA initiatives such as ESMS development, training programs for companies and smallholder farmers, ERP deployment, EUDR certification support, and legal advisory services. We share quarterly ESG and impact performance updates with investors to ensure transparency.

PRINCIPLE 4: ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact?

The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.
In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context.

The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practices.

We evaluate the expected impact of every investment during the due diligence stage, assessing its financial, social, and environmental potential, particularly its ability to enhance smallholder farmers' income and productivity. Following the due diligence process, alignment with the fund's impact objectives must be confirmed before Investment Committee approval.

Under SEFAA Fund's investment requirements, portfolio companies are evaluated on ESG and Impact KPIs in accordance with the Principal Adverse Impact (PAI) indicators of the Sustainable Finance Disclosure Regulation (SFDR). Compliance with SFDR ensures adherence to global ESG standards and practices.

Before disbursement, a baseline impact assessment is carried out. Post-investment, ESG and impact performance are jointly tracked by Sahel Capital's ESG team and the investee company's designated ESG officers. The baseline data is recorded and used to measure ongoing performance. Impact parameters are aligned to the value chain, geography, and operational model.

Sahel Capital further utilises the Fund's technical assistance facility to deliver targeted interventions that strengthen impact performance.

PRINCIPLE 5: ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

For each investment, the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Our in-house ESG specialist supports the investment team throughout the investment process and provides ESG oversight across all the portfolio companies.

Our ESG policy and guidelines are tailored to the integrated performance standards of the International Finance Corporation (IFC), operational safeguards of the African Development Bank (AfDB), British International Investment's (BII's) Code of Responsible Investing, KfW Development Bank sustainability guidelines, Dutch Good Growth Fund ICSR Principles, and Nigerian Sustainable Banking Principles.

For additional details on our Funds Environmental and Social Management Systems (ESMS) please refer to FAFIN ESMS and SEFAA ESMS.

Our approach to ESG helps to mitigate identified risks, unlock opportunities, and develop value creation across the portfolio companies, thus promoting a sustainable ecosystem. Depending on the investment size and value chain, ESG due diligence is carried out by either the in-house ESG expert or by external consultants based on their areas of expertise. As an output of the ESG due diligence, an environmental and social action plan (ESAP) is developed for each portfolio company highlighting appropriate mitigating measures for identified risks and approaches to enhance the opportunities.

The ESG and Impact team provides continuous support, such as quarterly training to portfolio companies to integrate ESG standards in their operations and promote best operating practices to enable sustainable value creation and develop a sustainable ecosystem through our responsible investment strategy.

PRINCIPLE 6: MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Following the baseline impact assessment for an investee, Sahel Capital reports the relevant impact metrics in quarterly reports to the investment committee, shareholders, and other relevant stakeholders.

This periodic reporting helps to assess the progress towards the impact expectations for each investee and to determine areas of opportunity and improvement at each of the portfolio companies. Sahel ESG and Impact team generate quarterly reports for each portfolio company, analysing the aggregated quarterly data against the baseline data. This is used to track and monitor the performance of each portfolio company and highlight areas of improvement.

Annually, Sahel publishes the aggregated portfolio companies' ESG and development impact data in its Impact Report, highlighting the portfolio companies' individual achievements. https://sahelcapital.com/2024-impact-report/

PRINCIPLE 7: CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Sahel Capital works closely with the executive teams at portfolio companies to resolve ESG issues highlighted in the Environmental and Social Action Plan (ESAP) and impact opportunities identified by the baseline impact assessment, prior to an exit. During the exit process, we support the founders/management to ensure the sustainability of the ESG strategy and activities, even after our exit. This sometimes involves a transition phase where Sahel continues to support the company around board governance and other relevant ESG initiatives.

As part of our exit strategy, we try to strengthen governance, document ESG and operational processes, improve data and traceability, ensure regulatory compliance, and demonstrate measurable impact.

Sahel has recorded three exits under FAFIN and eight[1] exits under SEFAA.

PRINCIPLE 8: REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESSONS LEARNED.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

To ensure continuous learning and accountability, Sahel Capital operates a structured impact management and monitoring process. The firm collects, analyzes, and documents ESG and impact data from each portfolio company every quarter and at year-end. The findings are synthesized into comprehensive impact reports that measure outcomes against defined indicators such as job creation, gender inclusion, environmental stewardship, and smallholder farmer resilience.

Each portfolio company submits quarterly and annual ESG and impact reports outlining progress on environmental, social, and governance performance indicators. Sahel Capital's ESG and Impact team reviews these reports to assess implementation of environmental and social action plans

[1] This includes 8 loan repayments

(ESAPs), track progress toward agreed impact targets, identify gaps or areas requiring corrective action, and highlight initiatives that can be replicated across the portfolio.

PRINCIPLE 9: PUBLICLY DISCLOSE ALIGNMENT WITH THE PRINCIPLES AND PROVIDE REGULAR INDEPENDENT VERIFICATION OF THE ALIGNMENT.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This disclosure statement reaffirms Sahel Capital's alignment with the policies and procedures of the Operating Principles for Impact Management and will be updated annually. The disclosure statement will be published on the Sahel Capital website.

In compliance with the requirements of the Operating Principles for Impact Management, Sahel Capital Holdings' independent verification statement will be carried out by 2026.

SAHEL Capital

Sahel Capital Mauritius Limited

- 5th Floor, Nexsky Building, Ebène, Cybercity, 72201, Mauritius

Sahel Capital Agribusiness Managers Limited

- 34b Fola Osibo Street, Lekki Phase 1, Lagos, Nigeria
- Indigo, General Mathenge Road, Westlands, Nairobi, Kenya

Sahel Capital Agribusiness Managers SAS

- 2 Plateaux Vallon, Angle Rue J87 et J95, Abidjan, Côte d'Ivoire