

AFFIRMA
CAPITAL

Sustainability Report 2025





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Message from our CEO

Affirma Capital completed 5 years of its independent existence in August last year. Throughout this period, and certainly even more now, the world has seen upheavals of an order not experienced since World War II – the after effects of Covid, the advent of AI, tariff driven trade wars and deglobalisation.

Through all of this, one thing is directionally constant – the focus on improving sustainability and impact in every aspect of business. Impact includes everything from climate transition to financial inclusion and improved governance.

As Private Equity investors, we have the unique ability to shape the agenda in our portfolio companies and to ensure that we wire the DNA of our businesses to embed sustainability and impact in their business models and culture.

Affirma Capital has institutionalised this culture, with robust screening, diligence and active interventions in our portfolio companies through our ESG committee. This ensures the highest levels of focus on building sustainable businesses. That naturally leads to better financial outcomes for our investors with better operating efficiencies, and better exit premiums at the end of our investment horizon.

I am sure you will enjoy reading this report, and the compelling stories in the case studies.

Nainesh Jaisingh,
Founding Partner and CEO



OUR INVESTMENT PHILOSOPHY AND APPROACH



Who We Are

Affirma Capital is a leading mid-market private equity firm managing over US\$4 billion of assets across Korea, India, Southeast Asia, China, Africa, and the Middle East.

We have been investing in the Emerging Markets for over 20 years: since 2002, we have deployed over US\$6 billion in 99 companies and returned over US\$7 billion in cash to leading global institutional investors. In that time, we have built a consistent track record, delivering highly attractive returns at a significant premium to the MSCI Emerging Markets Index.

We partner with visionary founders and strong management teams, offering them targeted support at the most critical moments in their company's development. Our focus on a disciplined investment process, scalable growth, and best-in-class governance enables these companies to effectively navigate execution risk and to scale up in a sustainable fashion.

By leveraging our geographic reach, robust connectivity across our markets, and our experience in navigating multiple economic cycles and managing growth, we offer our investee companies unique insights, transformational growth opportunities and executional expertise.



23 Years Investing in Emerging Markets	US\$4bn Assets under Management	99 Investments	36 Investment Professionals
17 Years Average Tenure of Senior Team	US\$6.2bn Equity Invested Since Inception	64 Exits	Top-Quartile Returns

Track record as at December 2024



Our Investment Strategy

Building Emerging Market Champions

By combining local market expertise with a global mindset, we build regional champions that can also thrive on the global stage. Our proven value creation toolkit is structured around **three key pillars**.

Attracting Senior Talent

- ☼ We empower our portfolio companies by placing top-tier talent at the helm
- ☼ 80% of our companies have a C-suite executive or director appointed through Affirma Capital's extensive network, driving operational excellence

Inorganic Growth

- ☼ We fuel business expansion via targeted acquisitions, having completed 40+ bolt-on acquisitions since 2019
- ☼ Our hands-on support includes deal sourcing, shaping due diligence, deal execution, and seamless post-merger integration

Inter-Regional Connectivity

- ☼ Our platform leverages industry insights and expertise across emerging markets
- ☼ We actively engage team members from different regions, ensuring knowledge transfer and pattern recognition across our footprint

Our Investment Strategy

Our Partnership-Mindset

We partner with our portfolio companies to create sustainable growth. Our approach is collaborative and hands-on.

Strategic Support

We leverage our multi-disciplinary skill sets across industry, consulting, and financial backgrounds in working closely with our portfolio companies to achieve key strategic priorities and to implement best practice governance processes.

Local Partner of Choice

Our on-the-ground, local deal teams are deeply knowledgeable about the opportunities and challenges of our markets. We leverage our local networks, harnessed over 20 years, to help portfolio companies achieve their long-term goals.

Market Access

Through our international network, we offer unparalleled access to our portfolio companies looking to expand across markets and sectors.

Financing Preparation

With our extensive experience in running IPOs, minority sales and trade sales, we assist our portfolio companies to prepare for future financing needs.



Our Values

Our values are the cornerstone of our business and reflect our long-standing commitment to responsible investing.



- ☼ Our values are **transparency, honesty, ownership** and a commitment to achieve wins for all our stakeholders leading to **shared success**
- ☼ We have a culture of partnership and openness
- ☼ We give our team members “stretch” challenges that help them learn and grow
- ☼ We are value adding, reliable and honourable partners to our investee companies
- ☼ We are custodians of, and value creators, for our LPs’ capital

Our Senior Leadership Team

Our senior leadership combines global expertise with deep local operating experience, bringing diverse perspectives to the investment committee. Our seven Founding Partners have been investing together for over 17 years, executing the same mid-market private equity strategy to deliver strong, consistent performance for our investors.

Asia



Nainesh Jaisingh
Founding Partner,
Chief Executive Officer
Singapore

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Udai Dhawan
Founding Partner,
Head of India
Mumbai

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Gilbert Zeng
Founding Partner,
Head of China
Shanghai

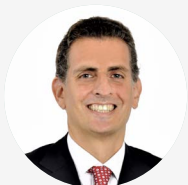
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Taeyub Kim
Founding Partner,
Head of South Korea
Seoul

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MENA



Taimoor Labib
Founding Partner,
Head of MENA & Chairman
of Africa | Dubai

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Sub-Saharan Africa



Ronald Tamale
Founding Partner,
Head of Sub-Saharan Africa
Johannesburg

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Governance



Ivo Philipps
Founding Partner,
Chief Operating Officer
Singapore

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Governance and Accountability



Best-In-Class Approach

Affirma Capital has embedded world-class governance standards, with tested processes and procedures originally established within an international bank and that have been continuously developed in line with global best practice over 23 years of investing in emerging markets.

We have centralised management of the governance framework, enabling our control and ESG processes to be consistently and scalably applied across our markets helping us to safely deliver a superior track record.

Our Risk Management Framework is designed in accordance with the Risk Management Guidelines issued by the Monetary Authority of Singapore, our firm's primary regulator. This framework outlines our approach to risk management, providing clear guidelines on how risks are identified, assessed and monitored.

We have an integrated risk management approach, with clear allocations of responsibility within our firm and rigorous oversight built into our systems and processes, gaining valuable insights from our risk assurance and internal audit functions.

Robust governance is critical to delivering on our promise to be responsible investors to our stakeholders.

Our governance structure comprises our Investment Committee, Executive Committee, Compliance Committee, ESG Committee and Portfolio Management Committee. We also have various board subcommittees, including those that oversee audit, risk, and remuneration.



“

The knowledge and expertise that is embedded in the Affirma Capital governance team and the processes that we have developed have repeatedly shown their resilience and proven their value-add to our investors and the companies we invest in. A long history of working with the same strategy in our markets, and the learning from that, is invaluable.

”

Ivo Philipps,
Founding Partner and COO

Business Ethics

Affirma Capital recognizes the high importance of integrity and ethics in conducting our business and in delivering on our promises to stakeholders.

We have a code of conduct that outlines our standards and expectations for all our employees and a robust policy framework overseen by our compliance team, including policies for anti-bribery, anti-corruption and managing conflicts of interest. We regularly review and update our policies to ensure they reflect global best practices and regulatory developments: this approach helps us cultivate a culture of accountability.



Technology Risks



Our COO office oversees the implementation of our technology policy across our firm, including monitoring the effectiveness of our cybersecurity, data privacy and related processes. Our technology platform and applications help us identify threats, assess our resilience to cyber-attacks, and mitigate potential threats through various defence mechanisms.

We work with best-in-class technology providers to ensure we have appropriate risk management processes in place and to provide comprehensive training to guide our employees on navigating technology risks, including regular cybersecurity awareness campaigns.

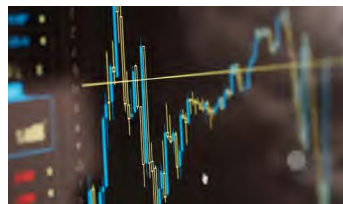
OUR ESG JOURNEY

An aerial photograph showing a winding asphalt road that curves through a dense, vibrant green forest. The road has white lane markings and a stone wall on its outer edge. Three vehicles are visible on the road: a white car in the upper left, a dark car in the lower left, and a motorcycle further down. To the right of the road, the forest meets a calm body of water, with a rocky shoreline and some small islands visible. The overall scene is peaceful and natural.

A Co-ordinated Approach from Origination to Exit

Our investment approach is centered on delivering superior and sustainable returns in our markets, whilst adhering to high standards of environmental stewardship, social responsibility, and sound governance. We embed ESG principles into our investment process, from origination to exit, ensuring that we create sustainable value for our investors and the communities and markets in which we do business.

We focus on four key areas:



Responsible Investment

Our values are the cornerstone of our business and reflect our longstanding commitment to responsible investing in emerging markets.

Our core values are transparency, honesty, ownership and a commitment to achieving wins for all our stakeholders in a way that leads to shared success. These values and approach to investing apply across our platform.



Climate Resilience

Our commitment to climate resilience is reflected in our investments in clean energy and our focus on driving resource efficiency in our portfolio companies.

We partner with our portfolio companies to optimise resource use, promote responsible waste management and to enhance operational performance. We work with our portfolio companies to build effective strategies to navigate the impact of climate change.



Inclusive Growth

We promote inclusive growth by fostering job creation, workforce diversity, and enhancing access to essential services. Through these efforts, our investments contribute to sustainable economic growth, gender diversity, and improved community well-being.

We leverage our multi-disciplinary skill sets to work closely with our portfolio companies to achieve these key strategic priorities.



Good Governance

Good governance ensures that our portfolio companies adhere to the highest ethical standards and sound risk management practices. We cultivate a culture of transparency and accountability within our portfolio companies, as with our investors.

Robust governance is critical to successfully integrating ESG into decision-making and delivering on our promise to be responsible investors to our stakeholders.

A Co-ordinated Approach from Origination to Exit

Our Impact Priorities



**Financial
Inclusion**



**Quality
Education**



**Quality
Healthcare**



**Climate
Resilience**



**Job Creation &
Innovation**

Guided by Global Best Practices

- Our responsible investment framework is guided by International Finance Corporation Performance Standards and Sustainability Accounting Standards Board
- We are proud to be a signatory of the United Nations-supported Principles for Responsible Investment
- We value industry collaboration and participate in the ESG Data Convergence Initiative

Our Policy Framework



Active
Governance
Structures

Clear Roles &
Responsibilities

Clear
Framework
& Processes

Culture of
Collaboration
& Ownership

In 2020, we adopted our **Responsible Investment and ESG Policy** which outlines our investment philosophy and articulates our ESG goals. Our Policy outlines our ESG management process from investment origination to exit, including roles and responsibilities across our firm.

Our centralised governance structures and strong interaction across regional teams help us build platform-wide learning on critical ESG elements. Collaboration and continuous learning are important to us and help us become better investors. We leverage over 20 years of investing in Emerging Markets to proactively manage material ESG risks and opportunities.

Our Approach to ESG Integration

ESG Integration is Key to Value Creation

- ☼ Strengthens risk management and investment returns
- ☼ Expands our investment universe by giving us tools to anticipate and mitigate key risks
- ☼ Requires that we evolve our approach to reflect important developments and innovations
- ☼ Underpinned by a long-standing commitment to deliver impact across our markets

Our Investment Committee is responsible for ensuring our ESG policy commitments have been met for all new investments and ongoing asset management. We also have an active ESG Committee that considers all investments before they go to the Investment Committee.

For each new investment, our deal teams consider material ESG factors and work to ensure that these factors are carefully considered as part of due diligence. Where required, we use key experts to support our deal teams and investee companies to address material ESG issues.

It is important that each transaction is supported by a clear value creation roadmap and specific steps to resolve material ESG elements. A proposed resolution is implemented either before concluding an investment or during the period of ownership.

Robust Integration

Integration into through-the-cycle investment decisions

Designated Oversight

Senior leadership has oversight of policy commitments

Shared Responsibility

Deal teams conduct assessment of material ESG factors

Clear Outcomes

Material risks require clearly articulated action plans

Transparency

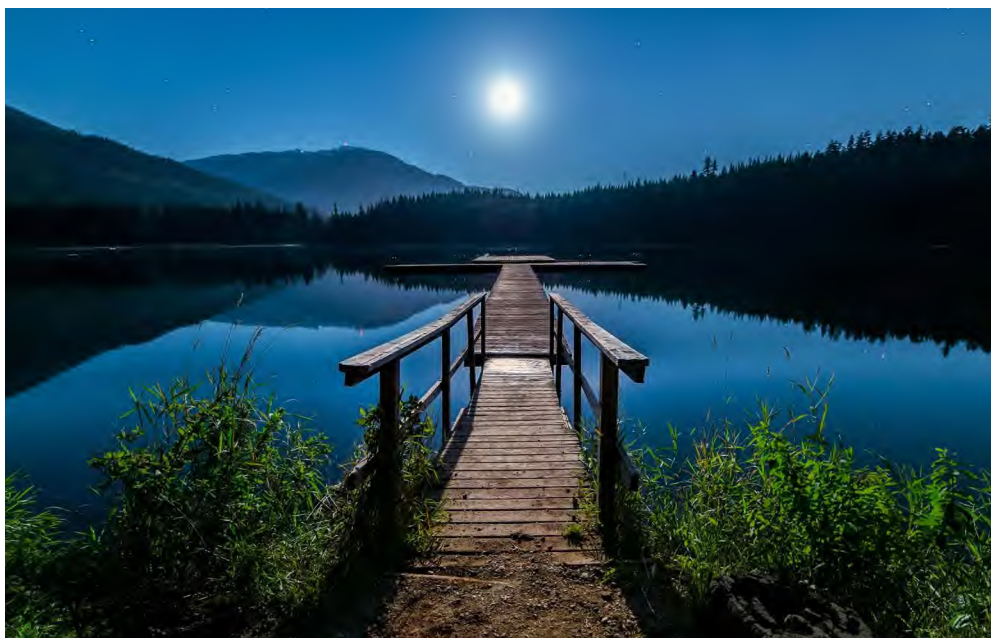
Proactive & transparent engagement with LPs

Guided by Materiality

We believe that sustainability and value creation need to be tailored to company and industry specific factors including business model, market dynamics and key stakeholders.

The assessment of materiality is central to our approach, empowering us to focus on an investment's most critical risks and opportunities – ensuring we deliver on our promise to deliver robust and sustainable returns to our investors.

We believe that an ESG element is material when it has, or has the potential to have, a significant impact on a company's ability to create or preserve environmental, social or economic value.



Identifying Risks and Opportunities

For each new investment, deal teams identify material ESG risk and opportunities and incorporate these into due diligence plans. This process is shaped holistically:

- ☼ **Deploying our Environmental, Social and Governance Risk Assessment matrix.** We ask specific questions which help to identify material issues and areas that require greater analysis and investigation. This process is supported by gathering insights and data through (A) discussions with industry experts, (B) studying precedent investments in the target company's sector, and (C) leveraging our investment platform's extensive experience across multiple industries and geographies.
- ☼ **Carefully considering the reputational considerations** of making the proposed investment through our deep networks and on-the-ground presence in key markets and utilising reputational due diligence to give us comfort on the activities of the potential target company, its shareholders and management team.
- ☼ **Gathering information and insights** through multiple interactions with the target company and its ecosystem. This comprises management at various levels in the organisation, engagements with key suppliers and customers, and discussions with funders past and present.
- ☼ **Developing a coordinated due diligence strategy** to ensure all parties are evaluating critical ESG matters from several vantage points. This allows us to have holistic visibility on key concerns upfront and throughout the investment process.

Through-The-Cycle Engagement

We actively work to equip deal teams with the tools, resources and insights to identify, diligence and manage material ESG factors. We also support deal teams, and investee companies, to monitor evolving ESG developments during the ownership period.

Rigorous portfolio management is crucial to delivering our promises to our stakeholders, and to effectively manage ESG risks during the ownership period.

We recognize that our ability to implement ESG practices varies significantly based on industry, geography and whether we have a controlling or minority stake in a potential investee company. In control situations, we work with investee companies to appropriately integrate and monitor progress on material ESG issues into their business processes.

Where we have restricted levels of influence to incorporate ESG considerations into an investment, our governance structures carefully consider the ramifications and appropriately incorporate the applicable elements of our policy commitments.



Through-The-Cycle Engagement

ESG Management Process



New Investments

- ☼ Identify material ESG factors
- ☼ Engage with specialist DD providers
- ☼ Escalate material risks or gaps to ESG Committee
- ☼ Develop robust action plans



Portfolio Management

- ☼ Monitor value creation plans
- ☼ Engage ESG Committee on new or evolving material ESG issues
- ☼ Maintain transparent and robust communication with LPs



Exits

- ☼ Measure progress on ESG interventions during holding period
- ☼ Disclose key ESG developments
- ☼ Collate case studies outlining key ESG developments

- For each **new investment**, our deal teams consider material ESG risks and opportunities and ensure that these elements are considered as part of a robust due diligence plan. This process is documented as part of our internal processes.
- Any material ESG risks or gaps found during **due diligence** are escalated to the ESG committee for consideration and proper resolution. Where required, external advisors may be engaged to carry out additional, targeted diligence on the identified issue.
- The **ESG Committee** reviews ESG risk assessments and due diligence plans and outcomes and actively engages with deal teams before ultimate decision-making by the Investment Committee.

- Our approach is **collaborative and hands-on**. Our deal teams work with our investee companies, when possible, to develop a plan for the management of material issues. These plans have key milestones, timelines, and allocations of responsibility, and we work to address these issues within a reasonable period during the investment period.
- If new concerns emerge, regarding an existing or new material issue, this is evaluated alongside our ESG Committee to ensure appropriate steps are undertaken and included in our **portfolio management** activities.

Continuous Learning

We have annual ESG-focused training for all employees. Our training program considers global developments whilst capturing the nuances of our various markets. We leverage lessons learned from our investment history, including exited investments, to share crucial insights.

Our training program also includes Anti-Bribery Corruption and Anti-Money Laundering training conducted by an international law firm or specialist agency. We have also implemented comprehensive training to guide our employees on navigating technology risks, including cybersecurity.



Stakeholder Engagement

We value continuous dialogue with our stakeholders. This provides unique insights to strengthen our responsible investment activities.

Our stakeholders include our investors, portfolio companies, our firm and portfolio company employees, regulators and industry bodies. We are proud signatories of the **United Nations Principles for Responsible Investment** (UN PRI) and participants in the **ESG Data Convergence Initiative** (EDCI).



LPs

- ☼ Quarterly portfolio calls
- ☼ Annual General Meeting
- ☼ LP surveys
- ☼ Sustainability report

Portfolio Companies

- ☼ ESG risk assessment
- ☼ Implementation of ESG action plan
- ☼ Board-level engagement
- ☼ Ongoing monitoring activities

Employees

- ☼ Monthly town halls
- ☼ Strategy sessions
- ☼ Training sessions
- ☼ Access to external development courses

Regulators

- ☼ Review rule proposals, circulars & guidelines
- ☼ Surveys and industry consultation papers
- ☼ Networking events with regulators and peer firms

Case Studies



Delivering Manufacturing Excellence and Job Creation

EPack is India's second-largest Original Design Manufacturer (ODM) of air conditioners and small home appliances. The company plays a key role in fostering economic growth and employment in the country.

With manufacturing facilities across India, EPack has created over 4,000 jobs across various segments, from factory operations to research and development (R&D). The company's focus on in-house production— with 70% of components manufactured internally—ensures quality control, supply chain efficiency, and localized job opportunities.

Local Manufacturing and Job Creation

EPack has 3 ISO-accredited manufacturing sites across India, primarily in non-metropolitan areas. EPack's manufacturing sites have expanded the industrial infrastructure of those areas, whilst driving significant local employment.

Since our investment, EPack has created 2,074 new jobs, while achieving a 246% increase in the number of women employed.

Integrated Supply Chain

EPack has integrated manufacturing operations across its 3 locations. The company has the highest level of backward integration for Room Air Conditioners (RACs) at a single location in India, achieved organically. EPack manufactures its products and their various components at the same site.

EPack's **vertical integration strategy** has enhanced the quality of its products and reduced its reliance on third-party suppliers. This has given the company greater control over manufacturing lead times, costs and quality. Additionally, this has boosted customer loyalty.

- ⚙ EPack's vertically integrated strategy has unlocked significant operating benefits by utilizing the same industrial capacity to manufacture core products and their component parts.
- ⚙ This has had a notable impact on cost optimisation and margin resilience.

Robust R&D

Innovation is a cornerstone of EPack's business. The company has 4 R&D centres across India, with 66 full-time employees. The R&D function's core areas of focus include researching technological innovations, manufacturing process optimization, new product development and enhancing environmental protection and energy efficiency.

EPack has had important R&D breakthroughs. The company is amongst the first RAC original design manufacturer in India to manufacture 5mm copper tubing for heat exchanges, significantly reducing product weight and input costs, while improving product efficiency. EPack has also implemented R32 refrigerant use (refrigerants with lower global warming potential).



Climate Impact

EPack is addressing the impacts of climate change through various carbon-neutral initiatives. The company also invests in R&D for energy-efficient solutions across its product categories. Its commitment to environmental sustainability is also reflected in its best-in-class operational practices.

EPack's Various Carbon-neutral Initiatives

- ☼ Sustainable manufacturing processes
 - 2 out of 3 manufacturing locations are powered by renewable energy
 - Manufactures RACs with refrigerants that have lower global warming potential
- ☼ Investments in R&D for eco-friendly technologies
- ☼ Established proper e-waste management systems
- ☼ Developed business continuity plans to address climate-related disruption

Critical Value Creation Initiatives

We have worked with EPack to expand its operating footprint in India. We continue to work with the company to optimize its governance systems, through targeted appointments and investing in core business processes.



Leveraging tech innovation to build a global champion

TBO is one of the **world's leading travel distribution platforms**, simplifying the process of distributing travel for both suppliers and buyers.

TBO has built a proprietary technology platform that acts as a bridge between travel suppliers such as airlines, hotels, car rental providers, sightseeing providers with travel buyers such as travel agencies and tour operators.

Global Platform

TBO's tech platform enables seamless transactions within the global travel ecosystem. TBO connects over 159,000 buyers with over 1 million suppliers across 100+ countries.

The company has an on-the-ground presence in over 47 countries, having spent several years building the technology and physical infrastructure required to transform the business into a global champion in the travel distribution sector, supporting transactions in over 55 currencies and 11 languages. The company has a dedicated team of over 2,000 employees spread across its global footprint.

TBO's evolution demonstrates the important role technology plays in promoting inclusive and sustainable growth. Investments in technology are critical for achieving economic progress, job creation and global connectivity. TBO also demonstrates India's pivotal role in developing and implementing technological innovations for a global marketplace.

Critical Value Creation Initiatives

During our ownership period, we've worked closely with the founders to transform TBO from a predominantly India focused business into a global champion

This was achieved through strategic M&A initiatives and organic expansion into new verticals and geographies. We also shaped TBO's IPO strategy, culminating in its landmark listing in May 2024.

A Landmark IPO

- TBO's IPO crystallised **double-digit returns** for our investors: ~11x MOIC (USD). We had previously divested a 15% stake in the company to General Atlantic and, while we partially exited our stake in the IPO, we maintain a significant shareholding.
- TBO's IPO received a resounding response and was **over-subscribed ~86 times**, attracting marquee global and domestic investors.



“

We are grateful to Affirma Capital who have supported us immensely during the last five years, including during the COVID pandemic, and have been true value-add partners in our scale-up journey.

”

Gaurav Bhatnagar and Ankush Nijhawan
Co-founders and Joint Managing Directors, TBO



Supporting regional power stability and economic growth

We have been a strategic partner to Copperbelt Energy Corporation Plc (CEC) since our initial investment in 2014, acquiring a 34.64% equity stake through a structured equity investment.

In December 2023, we executed a USD145m single-asset (GP-Led) continuation transaction, one of the largest of its kind in Africa. This innovative transaction delivered a 3x MOIC return (USD) for our exiting investors, while bringing on board new investors, Norfund and KLP (Norway's largest pension fund).

This transaction also ensured uninterrupted operational and governance stability for CEC, allowing its management to focus on executing its growth strategy in renewable energy and power trading.

A Landmark Continuation Fund

- ☀ The CEC continuation transaction reflects our commitment to long-term, impact-driven investment strategies, which not only deliver financial returns but also enable meaningful contributions to the sustainable development of Africa's energy infrastructure.
- ☀ We've partnered with Norfund and KLP, institutions with specialized expertise in renewable energy and sustainable investments.

A Leader in Africa's Energy Sector

CEC owns, operates, and maintains power transmission, generation and distribution assets servicing customers in Zambia and the DRC, and is one of the largest international power traders in the region. It serves critical industries such as copper and cobalt mining. CEC maintains over 1,000 kilometres of high-voltage transmission lines, numerous substations, and the region's only power interconnector from Zambia into the DRC.

Facilitating Regional Power Stability

CEC is a leading member of the Southern African Power Pool (SAPP), a cooperative initiative among Southern African nations to optimize energy resources and infrastructure.

This strategic positioning allows CEC to support regional power stability and economic growth, especially for the energy-intensive green-metals mining industry, which underpins the transition to clean technologies globally.

- ☀ CEC has established itself as the largest institutional power trader in the SAPP, leveraging its infrastructure and market expertise to support regional energy stability.
- ☀ The company's power trading operations, which now account for ~25% of total revenue, allow it to source electricity from diverse suppliers within the SAPP network, mitigating risks associated with hydropower shortages caused by recurrent droughts.
- ☀ CEC's ability to augment supply during shortages has been vital in maintaining uninterrupted power for mining operations, thereby safeguarding regional economic activity.

Critical Value Creation Initiatives

Under our guidance, CEC has made substantial investments in renewable energy. Between 2022 and 2023, the company commissioned 94 MW of solar power across the Riverside (34 MW) and Itimpi (60 MW) plants. These projects, completed within just 18 months, mark a significant milestone in Zambia's renewable energy journey. Building on this momentum, CEC plans to commission the Itimpi II PV (136 MW) and Garneton South PV (20 MW) projects by 2025, bringing its total solar capacity to 250 MW.

These initiatives aim to address the vulnerabilities of Zambia's hydroelectric-dependent grid, which has suffered from frequent droughts. By diversifying the country's energy mix, these solar investments enhance grid reliability and reduce reliance on expensive, fossil-fuel-based imports.

CEC's renewable energy projects are funded through innovative mechanisms, including Zambia's first-ever USD 200 million Green Bond underwritten by marquee regional and global financial institutions.

This pioneering financial instrument has set a benchmark for sustainable financing in Africa, enabling the company to expand its solar portfolio while aligning with global ESG standards.



Providing High-quality Early Childhood Education

Paddington Enterprises operates 14 preschools across Singapore under the Little Paddington Preschool and Growing Up Gifted brands. The company is committed to delivering high-quality early childhood education while fostering a diverse and inclusive workforce.

Paddington Enterprises has all-women teachers and a board with 50% women. The company is well-positioned to become the premium preschool operator of choice across Southeast Asia.

Award-winning Curriculum

Little Paddington's curriculum is designed to help children thrive by fostering an engaging, supportive environment for emotional, social, and academic growth. It blends child-led experiential learning with structured preparation for primary school, emphasizing bilingualism, creativity, and low teacher-to-child ratios. Specialized ateliers provide hands-on discovery across diverse fields, inspiring a lifelong love for learning.

- ☼ Little Paddington is celebrated for its excellence in early childhood education, earning accolades such as the Platinum Level 'Health Promoting Preschool Certification' from Singapore's Health Promotion Board and SPARK Certification at several centres
- ☼ Named "Preschool of the Year" by the Southeast Asia Business Awards 2021 and "Most Nurturing Preschool" by the Parent & Baby Awards, highlighting its commitment to quality and innovation

Critical Value Creation Initiatives

We have actively worked with Paddington Enterprises to drive growth through various initiatives including robust expansion of the company's school footprint.

We have also led the acquisition of new centres and transformed the company from a single brand to multi-brand business that can cater to a wider customer base. When we first invested in the company, it had 5 schools – this has increased to 14 during our ownership period and is continuing to grow.

We have strengthened the management team through critical senior appointments, whilst also optimizing operational and governance systems (including HR and finance) to support the growth and evolution of the business. We also appointed an Executive Chairwoman with extensive expertise in education and business expansion.

We have transformed business systems to improve efficiency, communication, and organizational effectiveness across all centres including implementation of MIS, financial reporting and KPIs. Targeted investment in technology has also helped to automate administrative functions and provide timely data and standardization of business processes.



“

Affirma Capital's management team has been invaluable in paving the way for business expansion, by opening doors and successfully negotiating opportunities for inorganic growth and acquisition. The team has also provided us with strong business insight and strategic guidance that is helping shape our overall business direction.”

”

Christine Angco

Executive Chairwoman, Paddington Enterprises



Providing Access to Quality Healthcare

Nerhadou International (Nerhadou) manufactures and distributes pharmaceutical products in Egypt and export markets.

Since its founding in 1996, Nerhadou has focused on enhancing the health and lives of millions across the Middle East and Africa.

Through its innovative product offerings, most notably its oral dispersible film (ODF) technology, the company has **revolutionized drug delivery in Egypt and the GCC region**. ODFs offer advantages such as instant absorption, ease of use, and suitability for emergency medical interventions, and significantly improving patient outcomes. Notably, Nerhadou remains the only player in Egypt and the GCC region to offer ODF formulations.

- ☼ The company has received multiple awards for its unique product offerings and contributions to the pharmaceutical industry.
- ☼ Nerhadou is a pioneer in the nutraceutical segment in Egypt.
- ☼ With our support, Nerhadou remains committed to robust R&D and technological advancements.

Regional and Global Footprint

- ☼ **Geographic Presence:** Nerhadou's operations span Egypt and the GCC region, with plans to expand further into Saudi Arabia and other international markets.
- ☼ **Export Strategy:** The company has identified over 20 countries for export opportunities.
- ☼ **Partnerships:** Nerhadou has leveraged our deep networks to finalize agreements with leading pharmaceutical distributors in the UAE, while exploring additional opportunities in KSA.

Local Manufacturing and Job Creation

Nerhadou's manufacturing facility in Egypt underscores its **commitment to local production and employment**.

The company employs over 860 staff members. Nerhadou has built an impressive 15,000 sqm manufacturing facility, comprising production areas, warehouses, and laboratories. The company holds multiple ISO certifications, reflecting its adherence to global quality standards and a focus on safety and operating efficiency.



Critical Value Creation Initiatives

Since our investment, we have actively collaborated with the company to expand production capacity by 50% through a robust facility optimisation plan, addressing increasing demand in Egypt and export markets.

We led the recruitment of the senior leadership team including CFO, HR Director, and Export Director. We have also implemented best-in-class governance structures, ensuring efficiency and compliance. Collectively, our interventions have resulted in a **significant upsizing of EBITDA** during our ownership period, and a streamlined balance sheet to support Nerhadou's growth initiatives.

- ☼ Through its strong market presence, Nerhadou offers innovative and high-quality products to meet the evolving healthcare needs of consumers.
- ☼ As a fast-growing regional leader, Nerhadou has **impacted over 100 million lives** across over 20 countries.
- ☼ Nerhadou's trajectory contributes to better health outcomes, whilst also fostering job creation and strengthening Egypt's position as a hub for pharmaceutical innovation.



Leveraging Technology to Unlock Healthcare Access

In 2024, we invested in Beijing Xing Han Boehner Pharmaceutical Technology (also known as Yaodou), a leading integrated digital pharmaceutical platform in China.

The company has revolutionized the sector by **pioneering technology-backed solutions** that connect upstream players (e.g. pharma companies and distributors) with downstream players (e.g. pharmacies and primary healthcare institutions) – reliably and at scale.

Solving a Longstanding Industry Challenge

- ☼ China's outside-of-hospital pharmaceutical transaction and service market is fragmented and regionalized.
- ☼ Large pharmaceutical sellers struggle to serve smaller, and often geographically scattered buyers. On the other hand, small pharmaceutical sellers are constrained by the lack of scale and resources.
- ☼ As a result, buyers are underserved in terms of variety, quantity and quality of products. Business models can also lead to slow product delivery, and insufficient pre-sale advice and after-sale services.

Reliability, Efficiency and Scale

Through its online platforms and logistics network, Yaodou provides upstream players a time-efficient and cost-effective way to access diverse buyers, while **improving the accessibility of safe and affordable products and services** for pharmacies and primary healthcare institutions in areas with historically limited healthcare resources.

- ☼ **Upstream suppliers:** Yaodou has developed a comprehensive upstream supplier collaboration framework, encompassing direct business partnerships with c.160 pharmaceutical manufacturers and their authorized agents, alongside over 4,000 upstream pharmaceutical distribution companies. This network involves nearly 10,000 distinct drug SKUs.
- ☼ **Downstream customers:** Yaodou's downstream distribution channels encompass over 6,300 downstream pharmaceutical companies, more than 30,000 chain pharmacies, and nearly 200,000 primary healthcare institutions. Since its inception, Yaodou has achieved a cumulative Gross Merchandise Volume (GMV) exceeding 23 billion RMB.
- ☼ **Geographic footprint:** Yaodou has built offline fulfilment capabilities, and a self-controlled nationwide logistics network with 10 hubs that service customers across China's vast footprint.

Critical Value Creation Initiatives

We have helped lead the transformation of Yaodou's business activities by shaping a strategic alliance between the company and logistics giant, and our former investee company, ZTO Express.

The parties have set up a partnership to provide specialized logistics services for the pharmaceutical industry, enabling Yaodou to serve more customers. This will strengthen Yaodou's offline capabilities, as it leverages ZTO's sophisticated express delivery, freight and warehousing expertise to better support business flows on Yaodou's network.



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