



RENEW™

IMPACT REPORT

2019 - 2020

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RENEW's work in Ethiopia is undertaken with financial support from the Government of Canada, provided through Global Affairs Canada. The project in Ethiopia, Accelerating Business Growth, aims to achieve sustainable job creation for low-skilled workers, including women and young adults, through a dynamic and growing small and medium business sector.

PLEASE NOTE: The information included in this report relating to the performance of Impact Angel Network (IAN) portfolio companies is preliminary and has not been audited. Information about any one company in the portfolio is provided as a recounting of the Impact Angel Network's interactions with one company its members have invested in and happenings at that company. Such information is not intended as performance data related to the Impact Angel Network's investment in the company described. Information about one or more IAN portfolio companies pertains only to the company/ies described and may not be indicative of other companies in the IAN's portfolio or the performance of investments in them. Any discussion of the performance of companies or investments or their social impact is no guarantee that such performance or impact will be realized by other IAN portfolio companies or other investments managed by RENEW or in the future.

Letter from Laura Davis

Dear Reader,

Thank you in advance for taking a moment to read about the impact of RENEW's work in 2019 and RENEW's model. Though COVID-19 was not on our radar until the very end of last year, it is important to acknowledge that things have changed dramatically around the globe since then. As I write, we are hopeful that Ethiopia and much of Africa has in some ways been spared from the health crisis, but we are deeply aware that we have not been economically spared. Thankfully, as we look across the landscape at our pipeline, portfolio and the other companies we support with our partner, Global Affairs Canada, we see resilience and innovation.

Matt and I decided to stay in East Africa along with our young daughter to weather the storm with our team and companies. It was not an easy decision given that the region's healthcare infrastructure would likely not be able to handle a sizeable outbreak. But we felt that the economies in East Africa would likely need investors to step in where government stimulus programs do not exist to help support and restart local businesses.

So I write to you from Ethiopia, where we have turned our office into a business continuity "command center". We are helping companies re-purpose

Warm regards,



Laura Davis

Laura Davis for the RENEW team

assets, pivot operations, and establish new partnerships with other companies in the IAN's portfolio and our network. Data is now coming forward that confirms our initial read that developing countries, especially in Africa, will be impacted far worse economically than the developed world due to the global shut down of commerce and trade. And while we are aware that RENEW and the IAN will not prevent this across Africa, or even Ethiopia, we know small investments will go a long way.

Now, to quickly summarize the last year, February 2020 marked eight years that RENEW and the IAN have been in Ethiopia. Before we arrived, there was one PE firm; now, there are over a dozen. RENEW's Impact Angel Network (IAN) is the most active SME investment group in Ethiopia, and we have already achieved two exits! Before the IAN, most of the private sector had no option for financing. Unless you had a micro-enterprise or a huge company, there was nowhere to get \$500K in much needed growth capital. Now, entrepreneurs are advised to speak with RENEW's angel network or pitch on Chigign 'Tobiya, the investment TV show RENEW helped launch. The work is not just happening in East Africa, but it's happening around the world with the Impact Angel Network.

As we look backwards and forwards, we stand with the business community and those who are impacted by the economic crisis in East Africa. Together, we will get through this.



The “Missing Middle” A Problem and Opportunity

East Africa is home to some of the fastest growing economies in the world and has recently begun to attract the interest of global private equity funds. But, after eight years operating in the region, RENEW has found that SMEs need a ‘capital plus’ approach, meaning providing access to financing alongside management development. According to the World Bank, “limited access to ... targeted technical assistance in areas like financial management, human resources and governance constrain[s] these enterprises from growing, realizing their full potential, and moving from ‘small to significant’.”

This is why RENEW believes that an opportunity exists for the development community and the investment community to partner and provide innovative blended financing models that are beyond the pure capital or pure assistance programs, rather one that combines three critical elements: financing, management development and trade linkages.

54%

The percent of financially constrained SMEs in Sub-Saharan Africa. The largest proportion in the world according to the IFC.

Walji, Aleen. “It’s a Capital (Plus Advisory) Problem, Not a Pipeline Problem.” World Bank. 2012. <http://blogs.worldbank.org/dmblog/investment-platform-signals-expanded-focus-for-development-marketplace>
Photo by Ian Christmann: www.ianchristmann.com

About RENEW

Many know that the private sector is Africa's future, but few understand how to unlock it.

At RENEW, we help development stakeholders and investment partners build world-class companies and influence ecosystems in Africa that create jobs, empower women and build prosperous nations.

RENEW has a seasoned team of professionals located in-country to help investors tap into the growth of some of the most opportunity-rich, yet challenging countries in the world. Our team includes investment analysts, business consultants, attorneys, marketing professionals and economic development specialists.

RENEW's blended finance model approach and milestones achieved to date have been profiled in some of the world's top media publications, including the Washington Post, Forbes and Reuters, among others.

\$375,000

The approximate average size of the IAN's investments

The Exchange

RENEW's blended finance model, known as The Exchange, contains three critical elements that have led to our success to date: 1) partnerships with the development community to subsidize the costs of investing in emerging markets, 2) innovative pools of capital, and 3) RENEW's Core Training Program.

RENEW has built several pools of innovative capital including the Impact Angel Network (IAN). The IAN is a global network of impact investors founded, organized and managed by RENEW. The IAN provides long-term risk capital for SMEs and primes the development of domestic angel networks.

RENEW's Core Training Program focuses on building management capacity through The Exec's Program, CFO100 training, the PE500 training, and Women in Finance training. The model allows SMEs to access risk capital and develop management skills. The platform develops a focal point for companies and investors to close investments and establish a track record with support from a skilled investment team. As companies perform, other rungs of the capital market develop and companies scale and create more jobs.

710 SMEs trained on private equity since 2016

61 Executives trained and graduated



Accelerating Business Growth (ABG)

\$56MCAD

Attracted to ABG supported companies

5,806

Jobs supported of which

62%

Are held by women

In 2016, RENEW signed a collaboration agreement with Global Affairs Canada for a program known as Accelerating Business Growth (ABG). The ABG program is a public-private partnership that aims to support high potential, responsible small and medium enterprises (SMEs) in Ethiopia. It provides them with the tools, resources and training they need to attract and efficiently use finance to scale, thereby enabling them to play a stronger role in the Ethiopian economy. The goal of this partnership is to increase the awareness and understanding of private equity investing in Ethiopia, increase the number of investments being made in Ethiopian SMEs by addressing the current financing gap, help companies transform into market leaders, and ultimately lead to sustainable job creation for low-skilled workers, including women and youth.

The ABG project implements an innovative blended finance model RENEW has developed, called The Exchange, which is helping Ethiopian SMEs access critical finance and growth services. The Exchange is made up of: 1) The Exchange Platform – a physical and virtual investment platform where investors gain access to deals, due diligence and legal experts, and deal-making support, and where SMEs access management training (PE500, CFO100, The Exec’s Program) and capital, 2) the Impact Angel Network (IAN) – the largest North American-based angel network dedicated to investing in African SMEs, and 3) Chigign Tobiya – a reality TV show which airs weekly on Ethiopian television to create awareness and excitement for entrepreneurship and angel investing for millions of Ethiopians.

Learn more at www.renewstrategies.com/the-exchange/the-exchange.

Photo courtesy of Global Affairs Canada

Canada 

RENEW's Commitment to Gender Equality

\$42B

The funding gap for women
business owners in
Sub-Saharan Africa

After building one of the most active SME investment firms in Ethiopia and studying SME performance in East Africa for a decade, RENEW understands the challenges faced by SMEs and women-business owners and executives. In partnership with Global Affairs Canada, RENEW has trained hundreds of women executives and business owners in Ethiopia, invested in a dozen companies and learned first-hand what is holding SMEs back from realizing their full potential. Our strategy addresses the constraints that SMEs face in East Africa to deliver good jobs and empower women and realize their growth potential.

RENEW aligns with the U.N. Sustainable Development Goal (SDG) #5 - "Achieve gender equality and empower all women and girls" - and SDG #8 - "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". By advancing these goals in particular, with its focus on inclusivity and sustainability, RENEW will contribute to the achievement of many of the other 16 SDGs.

The Impact Angel Network's Women's Fund

In 2019, RENEW and the IAN capitalized a fund dedicated to investing in women-owned and led companies in Ethiopia and Uganda. Here are two stories from the fund.

Travel Ethiopia: Samrawit Moges and her husband founded Travel Ethiopia in 1994, using their personal savings as start-up funding. What was once a five-person company, Travel Ethiopia now employs 41 individuals, 40% of which are women. In 2019, Samrawit lost her husband and she fully took over the company they had built together. Determined to leave a legacy, Travel Ethiopia is the first company to train and hire female tour guides. She finished The Exec's Program and, in late 2019, received an investment from the Impact Angel Network. The investment helped Travel Ethiopia enhance its corporate governance and bring on a professional consultant. Since the start of COVID-19, Samrawit has focused on building internal systems for when the tourism market bounces back and has pivoted her current business to offer services to help other companies RENEW supports to scale, such as Deliver Addis.

Kijani Baby: Kijani is a cloth diaper company founded and led by Valerie Muigai and her husband, Muigai Ndoka. Valerie launched Kijani in 2013. After buying cloth diapers for her first child, she learned how to make her own diapers for their second child. When the couple moved to Uganda, she brought the extra diaper fabric and began making diapers for friends as baby gifts, at which point she realized there were no modern cloth diapers available in the Ugandan market. The couple saw an opportunity and established Kijani Baby. The investment helped Kijani Baby to create well-paid jobs and good work environments for their employees.

\$14.3M CAD

The amount of financing ABG has helped women-owned companies attract





About the Impact Angel Network

The Impact Angel Network (IAN) is a global network of more than 150 impact-oriented investors and families that seek to realize significant, measurable social impact and attractive financial returns on investments in Africa. The IAN's objective is to become a major actor in Africa's private sector by filling a gap called the 'missing middle', through investments and management support aimed at building great companies that provide good jobs, support their local economy and deliver solid returns to investors. The IAN's vision is to grow to over a thousand members around the world and invest in and build hundreds of high-growth companies across sub-Saharan Africa. The group is currently one of the most active private equity investors in Ethiopia.

Learn more and apply to join at www.renewstrategies.com/impact-angel-network/join.

151

The number of families in the Impact Angel Network as of December 31, 2019

The Portfolio

Indicator	Value as of Dec. 31, 2019
First close	July 2013
Total companies under management	11
Average investment size	\$379,676
Total IAN capital under management	\$3,123,554
Sectors	Fast-Moving Consumer Goods (3), Agribusiness (1), Textiles (1), Healthcare (1), Technology (1), Logistics (1), Trading (1), Tourism (1), Restaurant (1)
Market focus	Domestic only (5), Export "also" (6)
Total jobs supported by the portfolio	2,927, 76% held by women
Total jobs created post-investment	2,017
Smallholder farmers supported	7,700
Total annual sales for 2019 (operating companies only)**	\$4,360,377
2019 sales growth (excluding exited company)**	17.3%
2019 profit growth**	(\$1,619,611)

**Sales and profit figures do not include sales of Queen of Sheba and Kijani Baby

Photo by Ian Christmann: www.ianchristmann.com

Building the Angel Investment Ecosystem

In 2018, RENEW launched Chigign Tobiya (“Ethiopia Emerges”) which aired on Fana Television to create awareness and excitement for entrepreneurship and angel investing for millions across Ethiopia, including the more than 750,000 college students attending higher education facilities. RENEW and the investors are now looking at a new phase for the show in partnership with the development community to document its impact. The show included several angel investors including a local real estate mogul.

40M

Number of viewers reported to have watched Chigign Tobiya according to the broadcasting station



Heroes of Ethiopia's Private Sector

Name: Tesfalidet Hagos

Company: Luna

Founded: 2002

Number of Employees: 1,055 individuals of whom 46% are women

Tes's thoughts on what he learned about strategic planning through RENEW's Exec's Program:

RENEW's Exec's Program helped me to start thinking more strategically. I am not working like a technician anymore, but instead like an entrepreneur. As a manager, it has helped me free myself so I build systems, properly delegate jobs and design standard indicators. I now see my company from a higher position instead of getting constantly caught in the day to day issues.

Our efficiency has increased, and we expect it to continue to increase because we can see most of the operations and because we plan rather than react. We know the way we will move on. The issues and crisis will come, but they won't affect us seriously if we do the work to prepare.

Photo by Ian Christmann: www.ianchristmann.com

Heroes of Ethiopia's Private Sector

Name: Amakelech Lulu

Company: Gishen Pharmacy

Founded: 1994

Number of Employees: 94 individuals,
of whom 80% are women

Amakelech's thoughts on what she learned about financial management through RENEW's Exec's Program:

The Exec's Program has given me a lot of confidence related to my financial management. Now I say to my finance manager 'What is this?' and 'How can I do that?' Through the program, I learned not to be intimidated by financial management, and I learned how to follow up and ensure I have proper cash flow management. Now, I sit with my finance manager regularly. At first, he was surprised because he'd never had a company owner ask him these kinds of questions. He was surprised that I knew the right terms for things. I had even taken an accounting course before, but it hadn't prepared me to be an entrepreneur.



Photo by Ian Christmann: www.ianchristmann.com

Heroes of Ethiopia's Private Sector

Name: Rahel Moges

Company: Ethio Green Injera

Founded: 2012

Number of Employees: 85 individuals,
of whom 85% are women

Rahel's thoughts on what she learned about habits through RENEW's Exec's Program:

I have taken so many trainings in the past and I can tell you I have ten notebooks that are on the shelf that I haven't used. Honestly, we normally come to the training and then after the training, we go back to business as usual. When I came to The Exec's Program, the first segment was about mindset. If you are like me, you may wonder what mindset has to do with growing your business, but the program helped me realize it's foundational. The right mindset has to be there and everything else can be built upon it. When the right mindset is there, you can begin building the right systems for your financial management, marketing and sales, and other key components for your business.



Heroes of Ethiopia's Private Sector

Name: Isaias Lemma

Company: Sadura Food Processing

Founded: 2015

Number of Employees: 40 individuals, of whom about 60% are women

Isaias' thoughts on what he learned about governance through RENEW's Exec's Program:

The Exec's Program helped me understand and appreciate the importance of a board and how it should work. Having a board of directors is definitely beneficial to my business. It helps us to: 1) be accountable to what we are doing; 2) find support whenever necessary; and 3) bounce off and generate new ideas. If I didn't have a board, I wouldn't feel accountable to targets vs. actuals and other deliverables. The biggest benefit of having a board is to brainstorm ideas, get consensus and expedited support when I am faced with challenges in my business.



Photo by Ian Christmann: www.ianchristmann.com

Investor Profile: Ivan Lubogo

Ivan Lubogo was born in Uganda but now resides in the United States where he is a Senior Vice-President of Sales at a publicly traded U.S. med-tech company.

Ivan had known Matt and Laura Davis, founders of the Impact Angel Network (IAN), for several years before he joined the IAN in 2017. He traveled to Ethiopia and Uganda for an Econ-Tourism Trip in 2019. He commented that he joined the network because "RENEW had done something incredible in getting capital to African entrepreneurs." Being involved in a startup himself, he appreciated how hard it is to support entrepreneurs and for them to attract financing. Previously, he had made several angel investments in his home country of Uganda and now does so with the Impact Angel Network.



Let's Go Regional

Plan: Open and manage The Exchange in five cities across East Africa
Timeline: 5-7 years

Outcomes:
Increased participation by women in East Africa's private sector.

Improved financial, social and environmental performance of SMEs in East Africa that are driving sustainable and responsible growth.

Increased effectiveness of East African government and financial institutions to support SME financing and trade.

Increased funding flowing to East African SMEs from investors and lenders to close the financing gap known as the missing middle.

Our vision is to invest in 20 countries across Africa and help thousands of investors invest billions of dollars into hundreds of companies...

Photo by Ian Christmann: www.ianchristmann.com

About RENEW: Core Competencies and Offering

Capital market formation: The Exchange is unique; where accelerators and traditionally incubators work with companies on the “demand side” of the capital market, The Exchange supports investors on the “supply side” of the capital market and makes these markets more efficient. The Exchange organizes investors, provides them with insights on how to invest in a country and supports them to make investments.

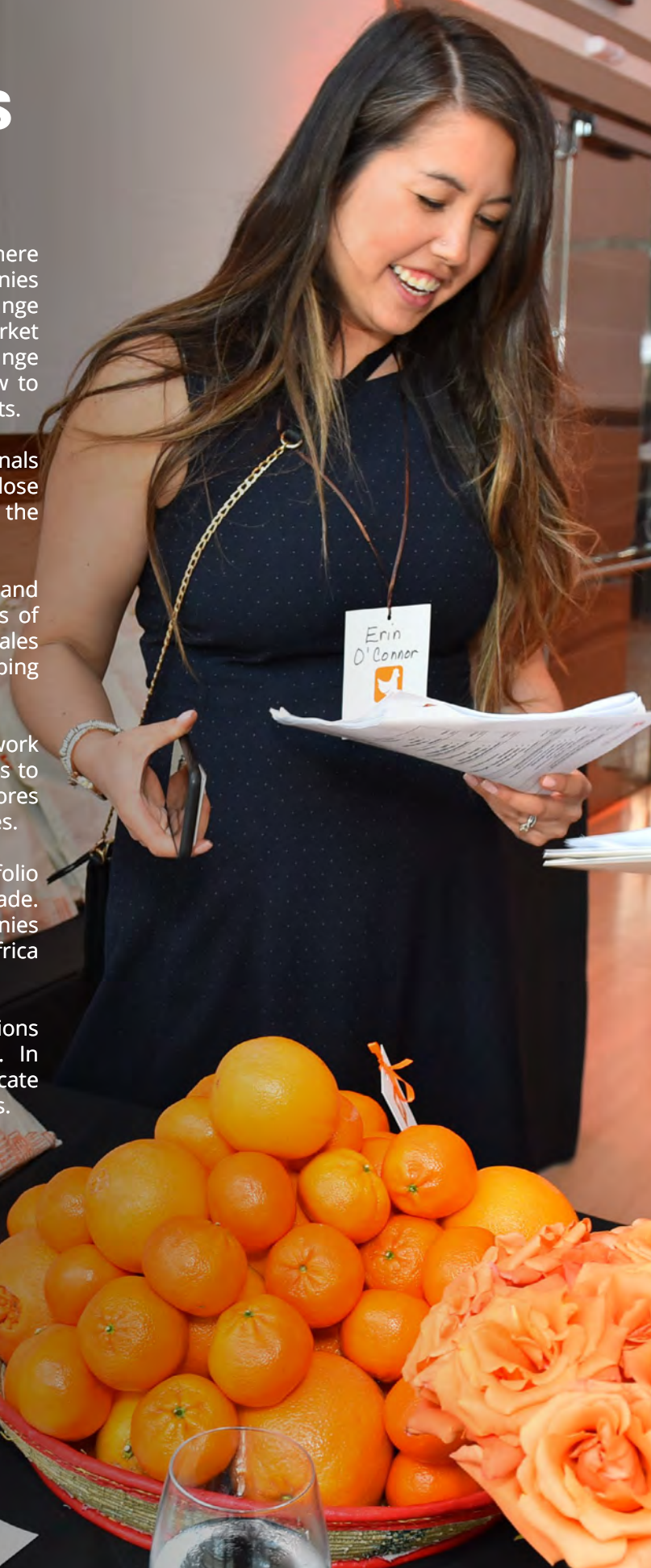
SME investing: RENEW’s legal and investment professionals work with investors to find, vet, negotiate, structure and close investments in SMEs, narrowing the missing middle gap in the capital market.

Executive training: RENEW trains executives of pipeline and portfolio companies to help them understand the basics of planning, governance, finance, execution, marketing, sales and corporate stewardship. RENEW also focuses on helping companies implement gender-smart policies.

Policy advisory: RENEW’s legal and investment teams work with government agencies to make tactical improvements to regulations and policies to better their “doing business” scores and make it easier for investors to support local companies.

Trade: RENEW supports SMEs and investors’ portfolio companies to scale through regional and international trade. RENEW’s business consultants specialize in helping companies design and implement plans to enter new markets in Africa and abroad.

Ecosystem building: RENEW launches strategic interventions that encourage local capital formation and investing. In Ethiopia, RENEW launched a popular television show to educate the country about how to invest and grow local companies.





The Team

Matthew Davis, CFA
Partner & CEO

Laura Davis
Partner & Investor Relations

Tom Scriven, CFA
Partner & General Counsel

Prasoon Raghuwanshi
Senior Investment Manager

Emily Ziethen
Senior Sales & Marketing Manager

Justin Reesor
Operations Manager

Erin O'Connor
Marketing & Investor Coordinator

Tsegamlak Solomon
Legal Counsel - Ethiopia

Teddy Fantahun
Office Coordinator

Yoseph Getachew
Portfolio Manager

Dagmawit Shiferaw
Project Manager

Filseta Asrat
Project Coordinator

Mary Adoi
Legal Counsel - Uganda

Kirsten Newman
Associate General Counsel

Tamiru Belayneh
Finance & Accounting Manager

Megh Puthia
Senior Investment Analyst

Shail Bhandari, CA
Junior Investment Analyst

ADVISORS

Tom Gibson

Amb (Ret.) John Simon

Tanya Cole

Addis Alemayehou

Snapshot of RENEW

Founded:	July 2007
Owners:	Matthew Davis, Laura Davis, Tom Scriven
Legal Structure:	Delaware LLC; registered as an investment adviser in Colorado
Locations:	U.S., Canada, Ethiopia and Uganda
Clients:	"Impact Angel" investment vehicles, other investment vehicles and development organizations
Services:	Capital market formation, SME investing, executive training, policy advisory work, trade facilitation, ecosystem building
Value Proposition:	Help development organizations design and implement projects that create jobs, empower women and influence the private sector ecosystem
Geographic Focus:	Sub-Saharan Africa, specifically East Africa
Sector Focus:	Generalist, agro-processing, light manufacturing and services
Investment Strategy:	Target small investments with local angels (\$50K), medium investments with innovative finance pools (avg. \$500K) and larger investments with RENEW Africa Holdings, LLC. Fills three rungs of the missing middle and helps SMEs scale into market leaders. Exit to larger funds in the region.
Team:	Two partners are CFA® Charterholders. The team is made up of seasoned investment, legal and business professionals with extensive experience working in Africa and South Asia.



EAEES
East Africa Emergency Services



METAD
Sustainability at its Best™

ROADRUNNER
Technology Solutions

dVentus
TECHNOLOGIES

SADURA
FOOD PROCESSING PLANT PLC

Dest
ETHIOPIA • ESTABLISHED 1993



FC SPECIALTY RESTAURANT PLC


Twins Juice
to our future

Queen of Sheba

== WOMEN'S FUND ==



Thank
you for all
of the support!
- The RENEW
team



Bring The Exchange to Your Country

Are you a public servant or a development professional working in Africa? Email us at renew@renewstrategies.com if you are interested in learning more about bringing The Exchange model to your country to help fill the gaps in the capital markets.

Apply to Join the Impact Angel Network

Are you a global traveler, philanthropist or angel investor interested in learning more about investing in businesses in Africa? Visit www.renewstrategies.com to apply to join the network or email us at renew@renewstrategies.com if you would like to set up a call with a RENEW partner.

With Gratitude

A special thank you to the members of the Impact Angel Network for believing in the vision and investing with us, our entrepreneurs and their staff for their hard work and perseverance, our development partners for their support to make this investment model possible, and the RENEW team for their hard work on the ground and around the world.

www.renewstrategies.com | renew@renewstrategies.com



RENEW™