

AATIF INVESTOR REPORTING

Report for the quarter ending 30/06/2024



Activity Report Q2 2024

Quarterly Developments

From a macroeconomic perspective the quarter showed a trend of stabilisation. Exchange rates between major currencies remained around the levels reached after the rebound in Q1 2024. On the interest rate side the long-term USD rates continued to reduce.

Commodity prices showed differing trends. While coffee and cocoa prices climbed to all-time highs, prices for most staple crops were lower than a year before. Inflation generally stabilised in the major economies such as Kenya and South Africa.

Regionally, several negative news stories stuck out. Zambia is going through the most severe period of drought over the last two decades. Farmers in the southern regions of Zambia that cannot make use of irrigation had little to no income from their fields during the current harvesting period. Social unrests in Nigeria and Kenya are showcases of a young population that faces severe issues to build their own future.

New Investment Activities & Disbursements

AATIF continued to disburse funds to finance the purchase of goods from farmers during the harvesting period in Eastern Africa. AATIF extended the facility with African Milling for two years following a review of the investment's performance to the Fund's satisfaction.

The pipeline of AATIF includes several positions that have not yet disbursed and for which the Investment Advisor is working to

bring the transactions to a close. The effort also includes an expansion of the collaboration of AATIF with other likeminded investors. For instance, the IA is targeting to expand the product coverage of asset base financings into Western Africa which, however, requires significant preparatory work to set up the needed infrastructure to operate such financings.

AATIF also saw an increase in opportunities that are related to investments in the expansion of local value adding producing capacities. These include the erection of new processing facilities, storage solutions and related expenses. In return, the demand by financial institutions shrank.

Existing Investment Portfolio

The investment portfolio showed strong performance in terms of credit quality, operational resilience against negative external factors and the expansion of revenues.

AATIF disbursed the second tranche to SAF Ingrédients who has put the onion dehydration plant into operation during the quarter and started production.

The ETG investment came to maturity and the company redeemed the facility paying the final instalment.

On the non-performing investments, AATIF received recoveries from ABC Holdings in an amount of about USD 5m. AATIF also received recovery payments related to the Wienco investment. Further recoveries are expected by the Fund in Q3 2024

while the Fund is pursuing closing the positions. Recoveries are to the benefit of the value of C-Shares and their NAV have continued to increase again.

Fund Performance & Liquidity

Gross income on the investments stabilised at around 10%. Recoveries contributed to the net operating gain for the first quarter in AATIF's financial year 2024/2025. The liquidity of the Fund remained high.

Social and Environmental Review

AATIF investee CKL Africa joined the Hazardous-waste Producer Responsibility Organization Kenya (HARPOK), a partnership supporting manufacturers' collective efforts to address and manage waste from hazardous products packaging. This engagement is aligned with implementation of the National Sustainable Waste Management Act 2022, which is followed through by the National Environmental Management Authority (NEMA). In Q2 2024, CKL was preparing its Extended Producer Responsibility (EPR) Plan for management of its waste.

Jointly with its co-investor IFC, the AATIF conducted a monitoring visit of the SAF Ingrédients onion dehydration plant in Senegal. The visit served to assess progress that the company made in implementing its Social and Environmental Action Plan. SAF has significantly advanced its organizational S&E management capacity and building an effective occupational safety and health and food safety system. The company has also started works to

install a biofuel boiler and a wastewater treatment system. Following the monitoring visit, AATIF and IFC made several recommendations on how to improve the implementation of the Action Plan in a number of areas and will follow up with the company on their realization.

Impact Review

SAF Ingrédients (SAFI) started building its outgrower scheme with local smallholder onion producers. In the trial, the company contracted around 600 local smallholder farmers for the 2024 harvesting campaign. First lessons of the trial showed that lack of access to finance and seasonal volatility of onion market prices have the potential to encourage side-selling which resulted in lower-than-expected rates of contract execution. Based on these learnings, SAF is planning to contract around 1'000 farmers for the next year and to continue providing targeted support, including access to finance.

Mount Meru Millers in Zambia initiated a heat recovery programme. As a first step, the company launched a study to identify the potential for waste heat recovery. Preliminary findings indicate a potential for heat recovery of about 30%. Implementation of the heat recovery will lead to savings on the use of coal and ultimately to emissions reduction. The next phase is to work out the cost to implement the programme.

The Endline Rapid Appraisal of AATIF's first investment that left the active investment portfolio at the end of 2023, Agrivision in Zambia, was completed. Findings of the appraisal point to a significant positive impact of the investment on the living and working conditions of employees, their families, and the

communities, as well as on land development. Amongst others, the overall number of employees has increased from 105 (2010) to 215 (2023), the total land area under irrigation grew 273%, and volumes of wheat production rose from 3,234 MT (2011) to 15,326 MT (2023). Furthermore, the appraisal finds positive impact along productivity, sales volumes and revenues, and notably in S&E management.

Technical Assistance (TA) Update

In Q2 2024, two new TA projects and three new rapid appraisal studies have been approved. One new project is with AATIF investee African Milling Ltd (AML), a wheat and maize processor in Zambia, aiming to strengthen smallholder farmer cooperatives in the AML sourcing network by assessing and improving leadership, financial management, business and contracting, good agricultural practices, mechanization, post-harvest management, health and safety, child labour and environmental management. This TA measure is considered a pilot project with potential for scaling up to reach more farmer groups and cooperatives in a second phase. The TA Facility Manager and AML have identified an expert consultant to undertake the project which will launch in Q3 2024.

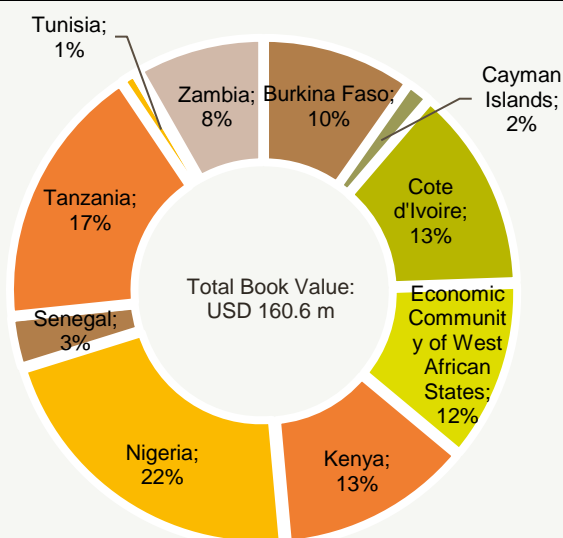
The TAF Committee approved a study researching the effects of climate change on rainfed crops in Zambia. Climate change is significantly affecting rainfed crop production in Zambia, with projections suggesting increasing impacts over time. Rising temperatures and changing rainfall patterns vary across regions due to localised factors such as soil and elevation, leading to different effects across the country. Smallholder farmers are most impacted by climate change due to limited access to irrigation. This vulnerability directly impacts

the farmer income and general food security, as well as the operations of the AATIF investee companies in Zambia, which heavily rely on smallholder farmer for sourcing rainfed crops such as soybean, maize, cotton, and sunflower. To support Zambian investees of AATIF the study shall support the understanding how climate change is affecting smallholders in Zambia and to provide recommendations on adaptation methods. The consultant team presented preliminary findings on the maize value chain at the AATIF Q2 2024 joint Board and Investment Committee meeting in Zambia in June 2024.

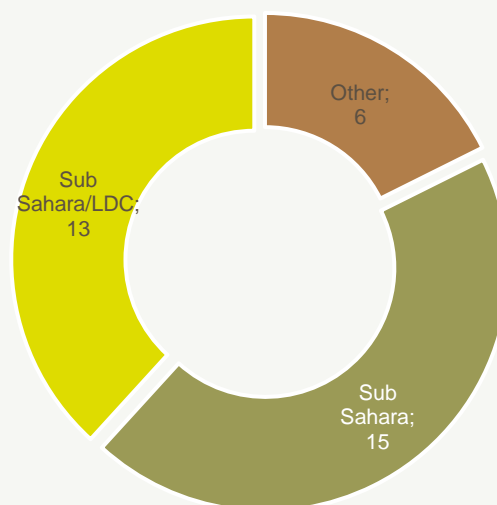
The TA Facility Manager met with AATIF investee 260 Brands (Seba Foods) who is currently receiving TA support to improve their social and risk management through the salary subsidy of a key new position of 'Environment, Health and Safety (EHS) Manager'. Through this project, the company has developed improved health and safety policies and delivered more regular EHS training on varying topics to its staff. Another investee that the TA Facility Manager was able to visit is AML. As well as the newly developed project to support the company's maize supply chain as described above, the TA Facility Manager is supporting the company to establish an operational Social and Environmental Management System (SEMS) and develop and implement a training strategy based on identified social and environmental (S&E) gaps for relevant staff members and management. The project is expected to be launched in Q3 2024.

Portfolio Overview as at 30/06/2024

Book value – Country & Rating Category



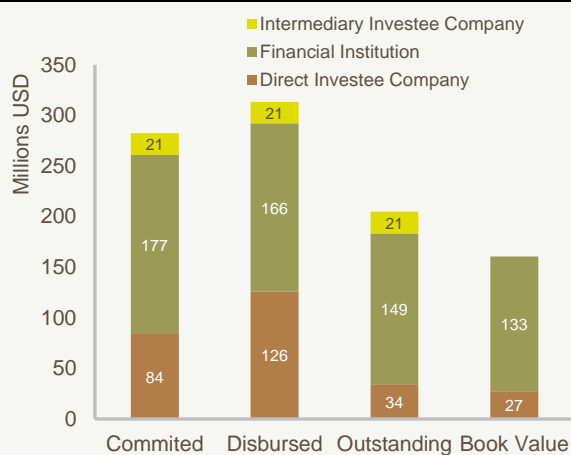
Transaction Geography (# of investees)



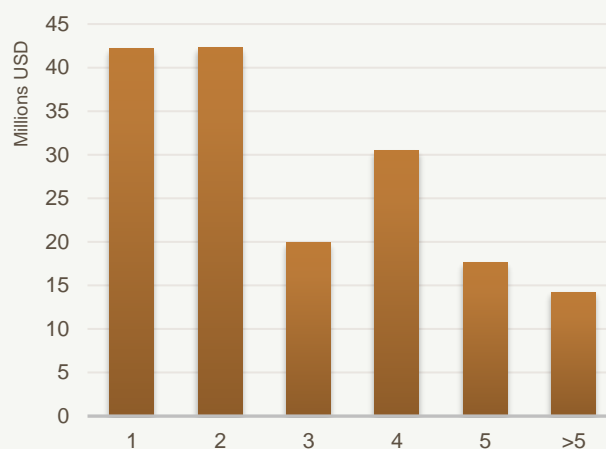
The country allocation of the investment is linked to the place where the legal residency of the investee/ the economic risk bearer is registered.

SSA: Sub-Saharan Africa
LDC: Least Developed Countries

Type of Partner Institution



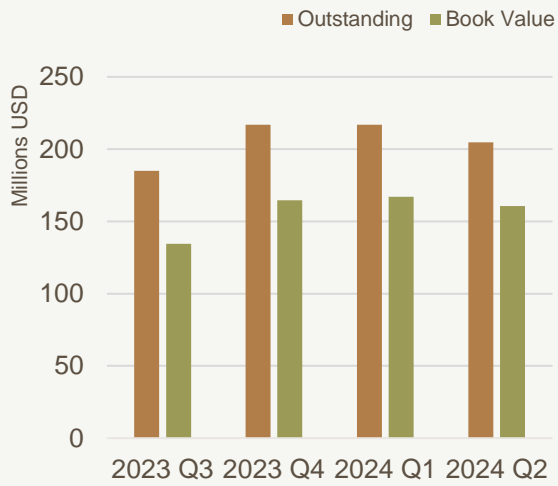
Maturities of the Portfolio (in years)



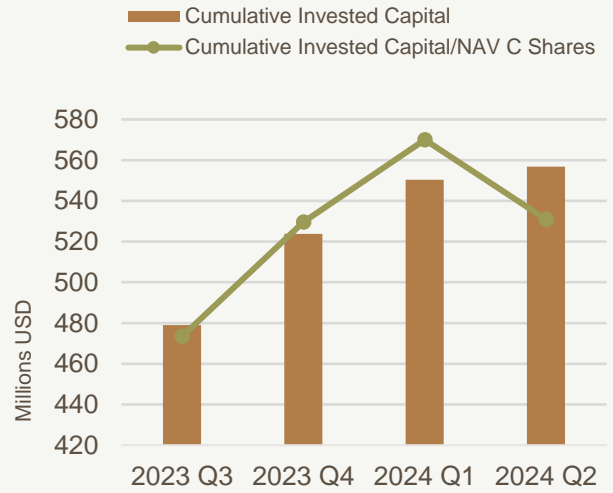
Provisioning Overview

Provisions on invested capital beginning Q2 2024	USD		49,850,571
Release of Provisions	USD	-	5,734,569
Increase of Provisions	USD	+	45,786
Write off	USD	-	-
Provisions on invested capital end of Q2 2024	USD	=	44,161,788
Net Movement during Q2 2024	USD	-	5,688,783

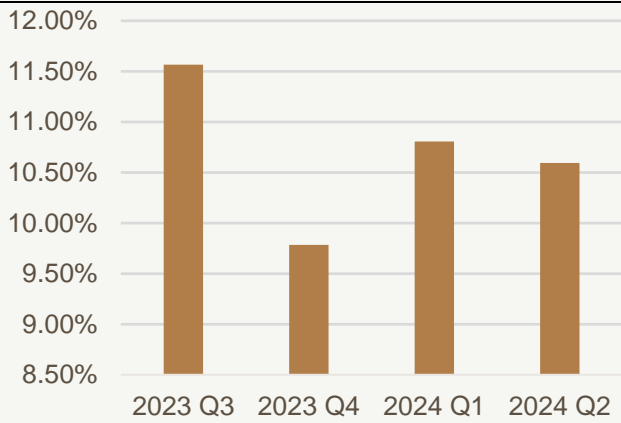
Investments Outstanding



Cumulative Invested Capital vs NAV C Shares

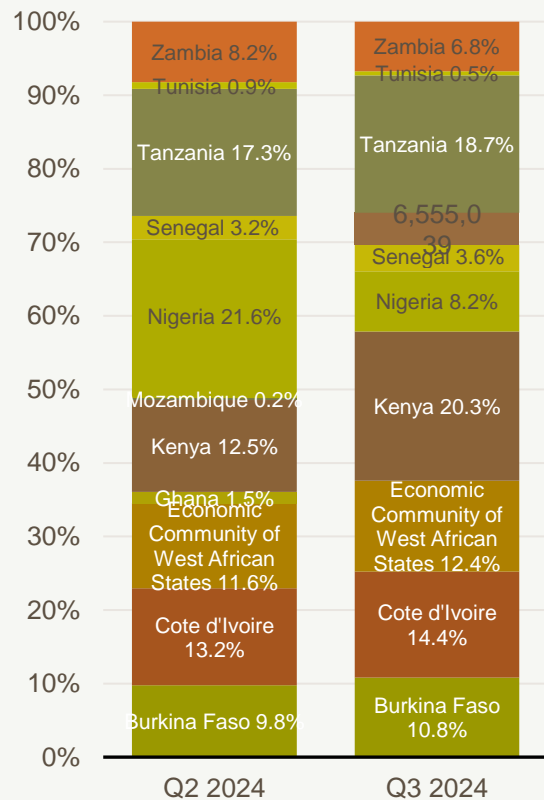
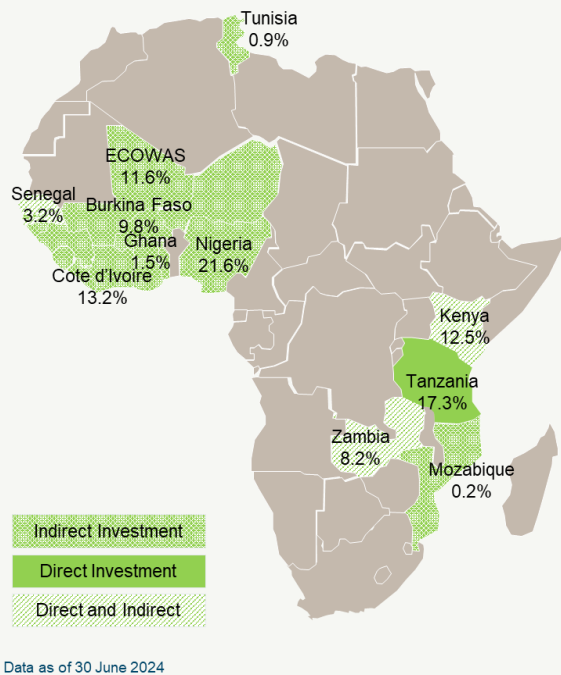


Gross Yield



Regional Use of Funding (Data as of different dates)

Funding from AATIF is generally used by investees for their activities across the region. Trading companies, for example, report the use of funding from AATIF in accordance with their revenues generated from their trading activities in respective countries. Due to the seasonality of the agribusiness, revenues linked to a specific country change throughout the year. While loan documentation limits the regional use of funds to the African continent, the single country allocation changes respectively. The methodology used by the IM to allocate the funding into the respective countries is explained below.

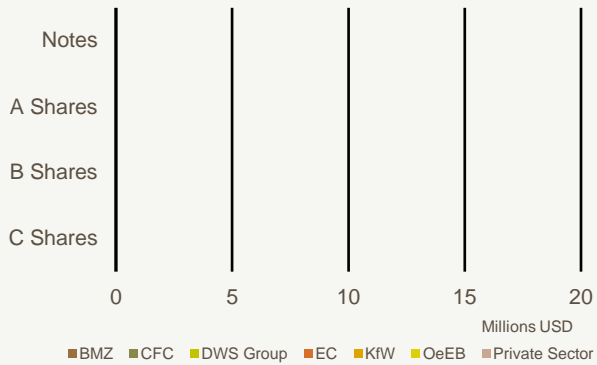


The "Use of Funding Allocation" applies the following methodology:

1. The net loan balance (after redemptions, provisions or write downs) is being used;
2. For direct investment companies (DICs), the country allocation is determined by the purpose of the loan;
3. For intermediary investment companies (IICs) and financial institutions (FIs), the country allocation is determined applying the distribution of the reported reference portfolio of loans to borrowers that are part of an agricultural value chain to the net value of AATIF's investment.

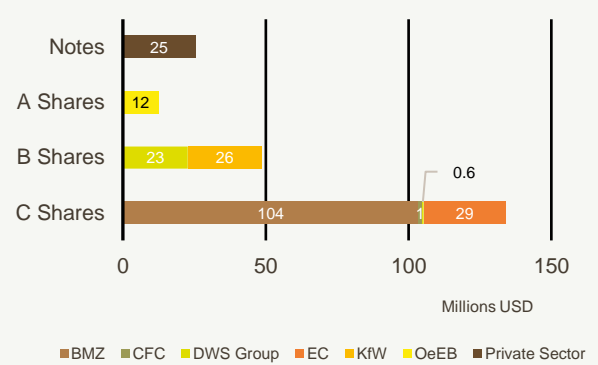
Investor Capital Structure as at 30/06/2024

Undrawn Commitments



Total amount of undrawn capital: USD 0

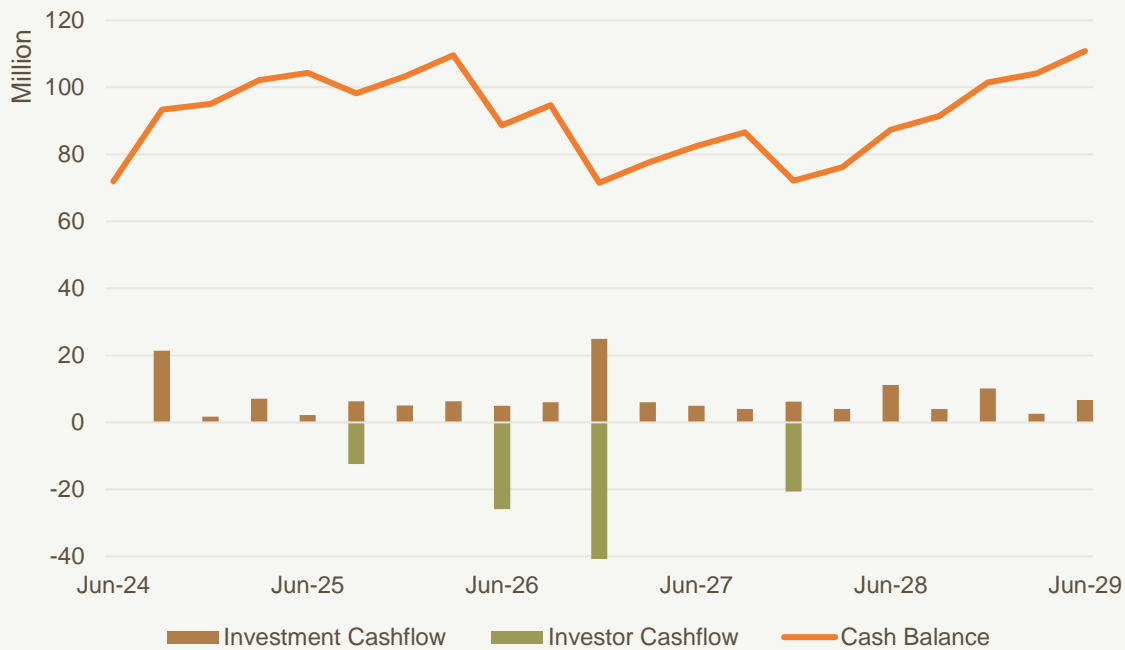
Net Asset Value (NAV) of Outstanding Shares



NAV of the Fund includes cash and other value elements

Asset-Liability Cash Flow Profile

Cash Flow Forecast as of 30/06/2024



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Initiator:



Collaboration Partners:



Investors



Disclaimer

All statistics, data and values presented in this report, unless otherwise specified, are based on non-audited figures of the financial model and reporting tool of the Africa Agriculture and Trade Investment Fund. Care has been taken in preparing the financial model and the statistics presented in this report but no representation, warranty or undertaking (express or implied) is given or will be made and no responsibility or liability is or will be accepted by the Africa Agriculture and Trade Investment Fund or any of their respective officers, directors, employees, collaboration partners, service providers or agents in relation to or concerning the content, completeness or accuracy of any information, opinion or other matter contained in this report.

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