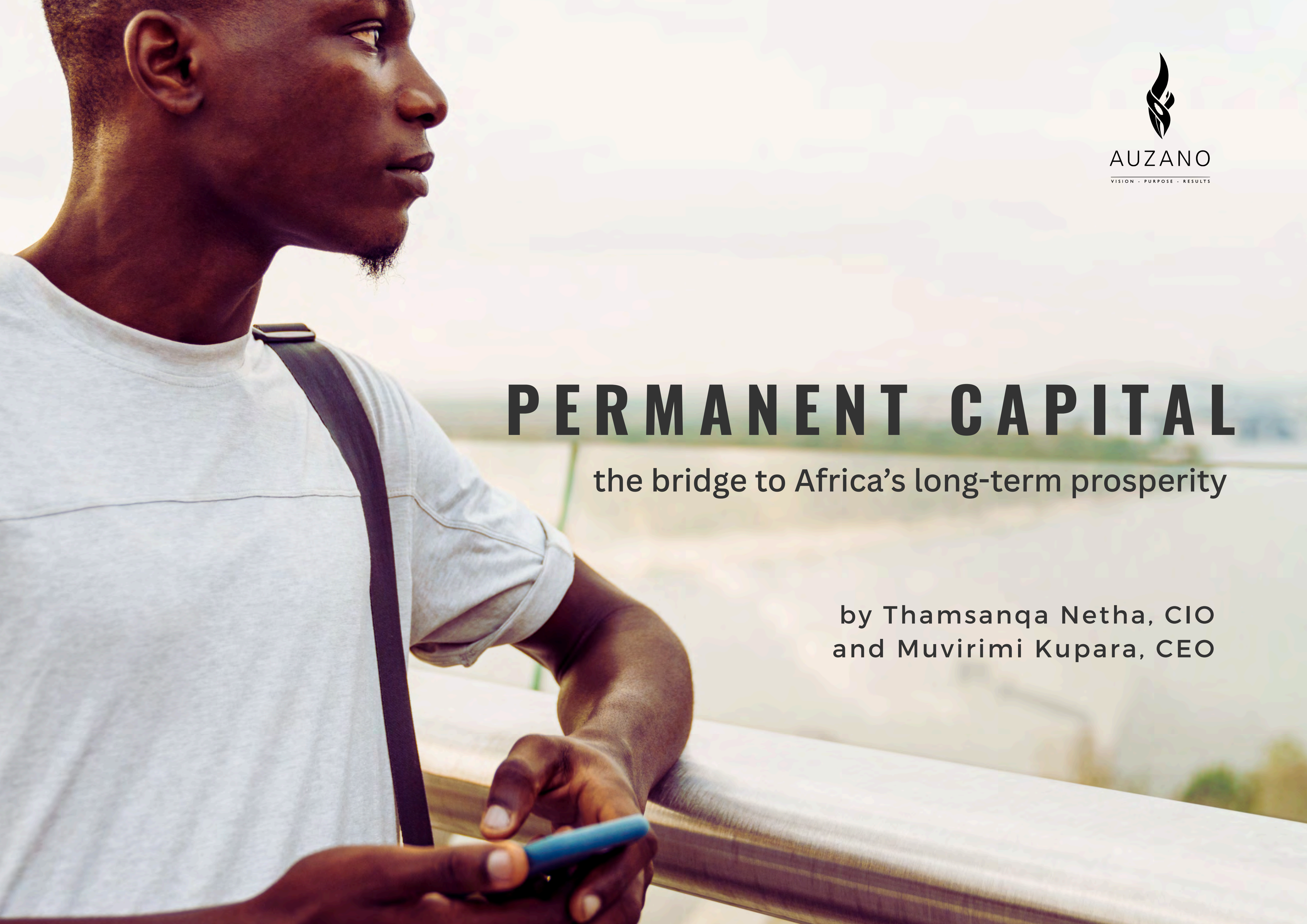

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PERMANENT CAPITAL

the bridge to Africa's long-term prosperity

by Thamsanqa Netha, CIO
and Muvirimi Kupara, CEO

Africa stands at a generational inflection point.

With over 1.4 billion people, more than 60% under the age of 25, and a growing urban middle class, the continent is poised to become one of the world's most dynamic economic frontiers.

It is home to vast arable land, critical minerals, renewable energy potential, and an accelerating demand for infrastructure, healthcare, logistics, and housing. Yet for all its promise, Africa remains undercapitalised.

Traditional capital models often fail to appreciate the nuances and cycles of the continent's markets.

The result? Too many missed opportunities, underdeveloped industries, and businesses unable to reach scale.

Unlocking Africa's true potential requires more than capital it demands patience, local knowledge, and a deep commitment to building for the long term.

In the traditional investment landscape, the majority of institutional capital is channeled through Private Equity (PE) and Venture Capital (VC) funds.

These vehicles are typically structured with fixed lifespans—most commonly 10 years—and comprise two parts: a limited investment period (usually the first 3–5 years) followed by a defined window for creating value in the business before making an exit.

While this model has been effective in mature, liquid markets, it often presents significant challenges in emerging and frontier economies like those in Africa.

The core issue is time.

Once capital is deployed, fund managers are under pressure to generate returns within a short window of time. This often results in:

- **Premature exits**, where companies are sold before their full potential is realised.
- **Short-termism**, where decisions are driven by exit deadlines rather than long-term value creation.
- **Underinvestment in infrastructure**, which typically requires patient capital and longer gestation periods.
- **A reluctance to engage in deep operational transformation**, which can take many years in markets with regulatory complexity, talent shortages, or fragmented supply chains.

This time-bound pressure creates a “race against the clock”, leaving little room to navigate macroeconomic cycles, currency fluctuations, or geopolitical shifts that are part and parcel of investing in Africa.

Permanent capital, by contrast, is a structure that is not subject to fixed fund life cycles or predetermined exit timelines. It is often deployed through holding companies, listed vehicles, family offices, or evergreen funds. This model enables capital to be invested with flexibility and vision, allowing investors to stay the course until value is fully realised whether that takes 7, 15, or even 30 years.

In essence, permanent capital is not just a funding mechanism it is a mindset. One rooted in patience, partnership, and the belief that African markets, when approached thoughtfully, can generate not only attractive financial returns but also profound, lasting impact.

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This structural freedom aligns far better with the realities and opportunities in Africa for several reasons:

1. **Long-Term Transformation Requires Long-Term Commitment:** Building resilient African businesses often means starting with informal or semi-formal structures, addressing governance gaps, investing in capacity, and weathering external shocks. These are not short-term fixes they require multi-decade engagement.
2. **Infrastructure and Natural Resource Investments Are Inherently Long-Term:** Critical infrastructure projects whether in energy, logistics, or agriculture may require 5–10 years just to stabilise cash flows, let alone deliver returns. Permanent capital allows investors to stay invested through construction, commissioning, scale-up, and optimisation.
3. **The African Business Cycle Is Not Linear:** Currency volatility, political transitions, shifting policy environments, and global commodity price changes all affect timelines. Permanent capital provides the resilience to absorb these shocks and the flexibility to recalibrate strategies without the forced urgency of an impending fund sunset.
4. **Maximising Value Often Means Holding, Not Flipping:** Many African businesses achieve maximum value when scaled across regions, formalised, and integrated vertically or horizontally. These transformations take time and permanent capital allows investors to remain engaged until a truly strategic exit becomes available, rather than selling at a suboptimal moment just to meet fund mandates.

In essence, permanent capital is not just a funding mechanism it is a mindset. One rooted in patience, partnership, and the belief that African markets, when approached thoughtfully, can generate not only attractive financial returns but also profound, lasting impact.

Why permanent capital works for Africa.

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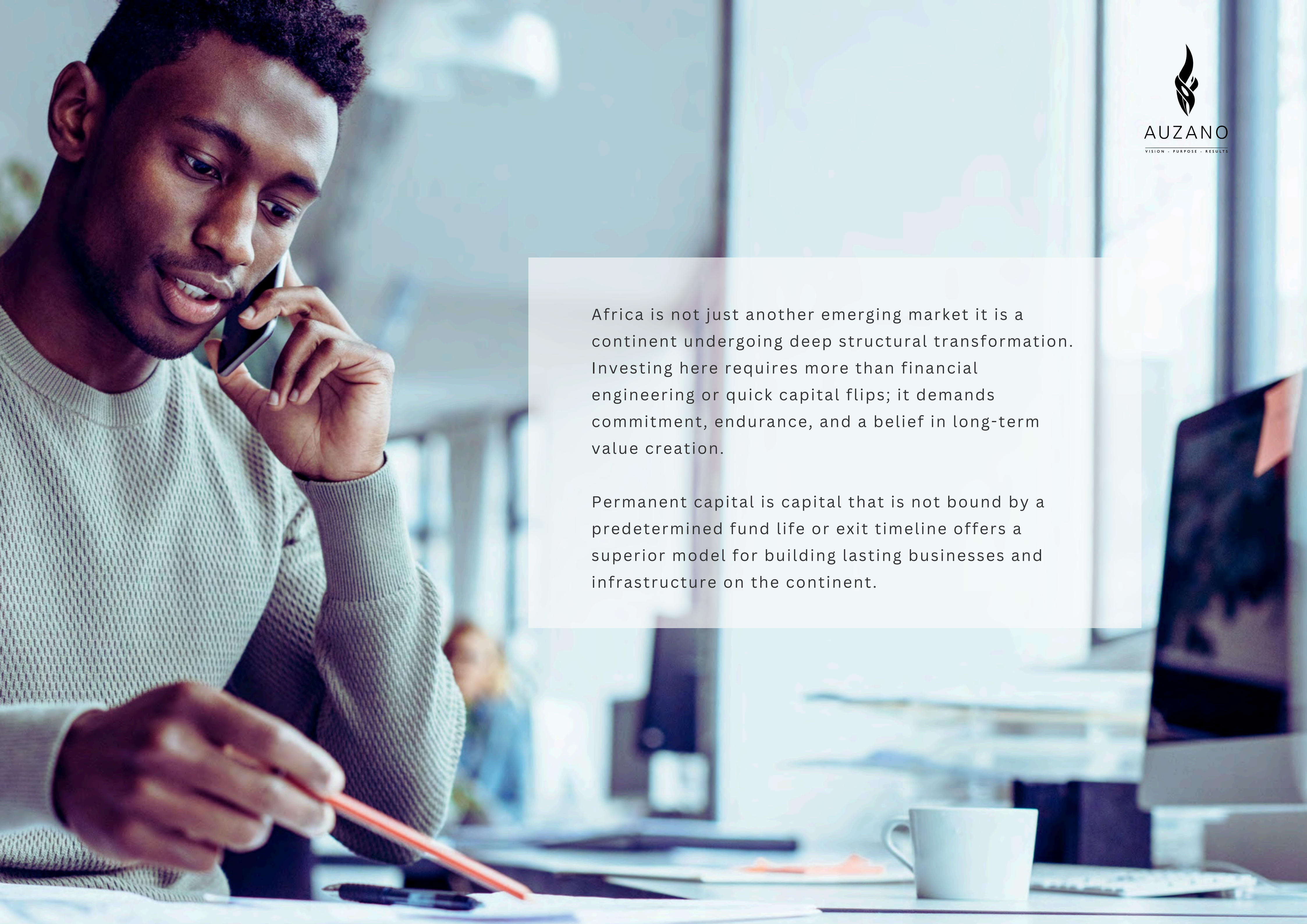

Africa is not just another emerging market it is a continent undergoing deep structural transformation. Investing here requires more than financial engineering or quick capital flips; it demands commitment, endurance, and a belief in long-term value creation.

Permanent capital is capital that is not bound by a predetermined fund life or exit timeline offers a superior model for building lasting businesses and infrastructure on the continent.

1 Generational Opportunities Require Generational Capital

Across Africa, a quiet but powerful shift is underway. A significant cohort of Baby Boomer business owners, many of whom built successful enterprises during the post-independence and early liberalisation eras, are approaching retirement. These are founder-led, cash-generative businesses that have stood the test of time but now face uncertain futures due to a lack of succession planning.

This creates a once-in-a-generation investment opportunity: acquire profitable, strategically positioned businesses at fair or even distressed valuations, and steward them into the next phase of growth.

But capturing this opportunity effectively requires time, care, and operational depth. Traditional private equity structures, typically based on a 10-year fund life with pressure to exit within five to seven years, often lack the flexibility to truly transform these businesses.

Permanent capital provides the time horizon needed to:

- Deeply engage with founders and management.
- Modernise operations and governance structures.
- Build institutional capabilities and scalable platforms.
- Expand regionally or vertically without exit pressure.

2 Fragmented Markets Need Patient Consolidators

Africa’s private sector is still highly fragmented, with thousands of small and medium enterprises (SMEs) often operating in isolation. These businesses lack the scale, systems, and capital to compete across borders or influence markets in meaningful ways. Yet, they form the backbone of the economy.

From agribusiness to logistics, manufacturing to financial services, the opportunity lies in consolidation and formalisation creating large-scale, integrated entities that can drive cost efficiencies, product innovation, and broader market access.

Permanent capital enables a deliberate, long-term consolidation strategy:

- We can acquire and integrate complementary businesses over time.
- We invest in systems, data, and people, not just balance sheets.
- We pursue operational synergy, brand harmonisation, and market penetration with a 10–20-year view not under pressure to demonstrate short-term returns.

3 Infrastructure Does Not Fit a 10-Year Clock

Africa's growth story hinges on one critical ingredient: infrastructure. This includes traditional assets like roads, power plants, and warehouses but also the soft and digital infrastructure that underpins trade, healthcare, and future work.

Infrastructure investments are long-dated by nature. They require careful stakeholder alignment, extended construction timelines, and often generate returns only after multi-year build-outs and ramp-ups.

A traditional PE fund, constrained by fixed exit timelines, is rarely well-suited for these types of investments. The risk is that projects are rushed, exits are forced, or impact is left unrealised.

Permanent capital, on the other hand, is purpose-built for this context:

- It fits multi-year planning and execution, even if cash flows are delayed.
- It focuses on long-term value and economic multiplier effects, not quarterly IRRs.
- It builds with an eye toward public-private collaboration, local empowerment, and enduring impact.

This flexibility allows investment in smart logistics corridors, renewable energy platforms, agriculture infrastructure, and healthcare delivery systems all foundational to Africa's inclusive growth.

The Time for Permanent Capital is Now

Africa’s time is not a prediction it’s a reality unfolding before our eyes.

With a growing population, rapid urbanisation, expanding middle class, and increasing demand for essential goods and services, the continent offers one of the most compelling investment frontiers of the 21st century. But realising this promise requires more than enthusiasm it requires the right kind of capital.

Traditional fund models, constrained by 5- to 10-year lifecycles, are often misaligned with Africa’s long-term development timelines. The continent’s infrastructure gaps, succession-driven business transitions, and market fragmentation are challenges that demand patient, adaptable, and values-driven capital.

Permanent capital is not just a financing structure it’s a strategic mindset.

It allows for long-term planning, the nurturing of operational excellence, and the compounding of value across cycles. It enables investors to ride out volatility, double down on winners, and reinvest in communities and ecosystems without the pressure of artificial exit deadlines.

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Auzano Capital is a long-term partner in Africa's transformation. We blend catalytic capital with deep local expertise and global governance to unlock high-impact opportunities that deliver both societal value and investor returns.

We mobilise catalytic capital that delivers long-term value and measurable impact by investing in Africa's most critical needs — from infrastructure and energy to agribusiness and real estate.

We exist to create sustainable, inclusive growth by bridging global investors with local opportunities, guided by the principles of integrity, partnership, and purpose.

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