



Tunisian
American
Enterprise
Fund

IMPULSION AU DEVELOPPEMENT

ANNUAL REPORT 2020



USAID
FROM THE AMERICAN PEOPLE



Segermès

SEGERMÈS

SAISON D'OLIVE BIO
VARIÉTÉ CHÉMLALI

SAISON D'OLIVE VIERGE EXTRA
SAISON PRESSION À FROID

500 ML

SAISON D'OLIVE VIERGE EXTRA

SAISON PRESSION À FROID



Segermès

SEGERMÈS

SAISON D'OLIVE BIO
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SAISON PRESSION À FROID





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BOARD CHAIR AND COO LETTER

For TAEF, like the rest of the world, the Covid-19 pandemic has been the dominant story of 2020. Our work of investing in Tunisia's SMEs was affected profoundly and was more important than ever in a faltering economy.

The impact of the Covid-19 pandemic and consequent economic downturn on TAEF's investees varied from devastating to opening new opportunities, depending on industry, access to working capital, ability to pivot, and overall resilience. This annual report contains some of those stories of investee pivot and resilience.

TAEF's work focused on maintaining ongoing close communications with each investee to assess needs, provide and source technical assistance, and work side by side to plan for uncertain futures, including finding a buyer for a struggling company. With the full support of our board, TAEF was able to provide Covid-related loans to some investees to bridge temporary capital needs or support the

development of a new Covid-related product.

Unsurprisingly, new investment slowed dramatically in 2020. Many factors contributed to a difficult new investment environment: mandated shut down of companies, strict and prolonged travel restrictions preventing our visiting companies throughout the country, severe impact on certain industries, additional delays in government regulatory agencies' work, and entrepreneurs hesitant to commit to growing their companies in such uncertain times.

Like many of our investees, TAEF has spent part of 2020 focused on strengthening our internal operations and systems and laying the groundwork for the next several years. We produced our first [Impact Report](#) detailing who we are, how and why we work the way we do, and our accomplishments. Our dual mission of financial return and development impact has been at the heart of our investment strategy since the beginning.

LOOKING AHEAD

2021 will be a year of continued recovery from the pandemic and the economic fallout for Tunisia as a whole, and for TAEF.

The IMF Executive Board report from February 2021 states that the Covid-19 crisis is exacerbating Tunisia's socio-economic fragilities and that promoting private sector activity is key to increasing potential growth and making it more job-rich and inclusive. That recommendation aligns perfectly with TAEF's mission.

TAEF expects to be engaged in rebuilding, in supporting our investees as they navigate a new reality, and in building the pipeline for future growth. By the end of 2021, we hope to be building momentum.

We at TAEF believe that our mission of investing in Tunisia's SMEs has never been more important to Tunisian entrepreneurs, to current and future employees, and to the economy itself.

Warm regards,

W.Bowman Cutter
Chair



Hela Kaddour Fourati
Managing Director & Chief Operating Officer



TAEF AT A GLANCE

USD
100
MILLION

Fully funded

An Innovative Committed Impact Investor

TAEF MISSION

- **Support** the Tunisian economy.
- **Expand** economic and employment opportunities throughout the country.
- **Catalyze** investments and promote broad economic growth.
- **Strengthen** small and medium enterprises, improve prospects for sustainable growth.
- **Generate** positive and measurable social & environmental impact through our investments.

TAEF OBJECTIVES

- Financial sustainability & returns.
- New & stable employment.
- Investments throughout the country with a focus on the interior regions.
- Strong support to women and young entrepreneurs.

FUNDING SOURCE

The U.S Agency for International Development funds TAEF and provides oversight.

FUNDING AMOUNT

Fully funded at USD 100Million.

FUNDING TERM

The fund will continue to actively invest through 2028.

A period of investment exits and fund wind-down will follow.

TAEF VALUES

TAEF commits to conducting itself with transparency and integrity, adhering to the highest standards of ethical behavior and corporate governance and to acting in full compliance with laws and regulations.

TAEF INVESTMENT PORTFOLIO OVERVIEW

TAEF's strategy of investing across Tunisia's SME sector has been realized: TAEF provides creative financial solutions to Tunisian entrepreneurs building and growing small and medium enterprises (SMEs). Over time, TAEF has implemented progressively more financing mechanisms that address the specific needs of SMEs in different parts of the economy—growing small and medium sized businesses, microenterprises, digitally innovating start-ups, and SMEs seeking succession and transmission solutions.

We invest

- In growing small and medium entrepreneurs in several ways:
 - Directly in SMEs through Tunisian American SME Company (TASME), our SME platform.
 - In partnership with Tunisian investment firms through funds that offer complementary solutions and leverage our resources.
- In microfinance institutions (MFIs) that reach the smallest of Tunisia's business owners, the microentrepreneurs.
- In digital entrepreneurs, who found technology and knowledge-based start-ups, through Flat6 Labs accelerator and Anava Seed Fund.
- In entrepreneur searchers through Tunisian American Search Funds (TASF) by sponsoring searchers in the acquisition of strong growth potential companies whose management and shareholders seeks an exit.

TAEF investment strategy



Growing small & medium Entrepreneurs

TASME for mezzanine financing
(direct investment in SMEs)

Fund of Funds providing Equity, Quasi-Equity
and Private debt to SMEs

- Private Equity: Tuninvest Croissance
- Private Equity: INMA Holding
- Private Debt: INMA Finance



Microentrepreneurs

Microfinance institutions

Taysir

CFE Tunisie

ENDA



Digital innovating Entrepreneurs

TAEF Invests in high growth startups along with other partners through an accelerator model (Flat 6 Labs) and a venture capital fund with a focus on innovation, knowledge and technology (Anava Seed Fund).



Entrepreneur searchers

TASF Tunisian American Search Funds

TASF II & TASF III

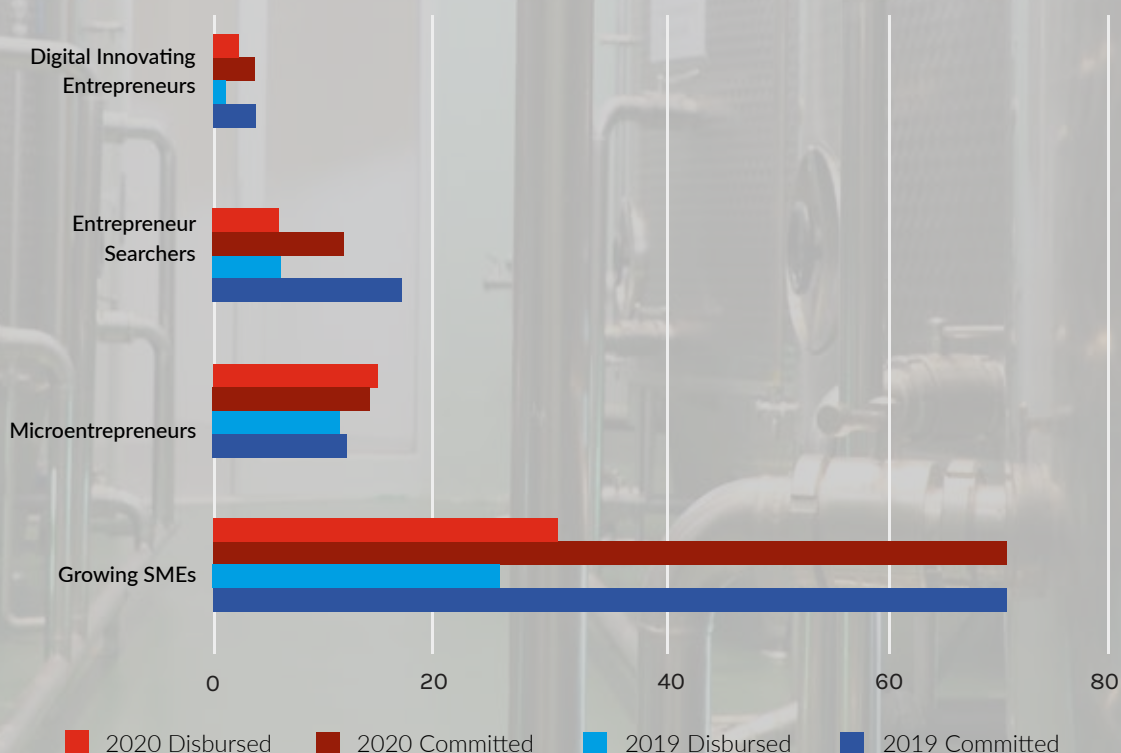
In 2020 TAEF's investments in Tunisian SME companies remained steady. It was a year of supporting existing investees: most investments were made in the form of follow-on loans to provide Covid-related support to companies. A few of those stories are described later in this report.

TAEF experienced a slow-down in its rate of new investments due to a difficult Covid-related investment environment stemming from: mandated shut down of companies, strict and prolonged travel restrictions which prevented staff visiting companies throughout the country, severe impact on certain industries, additional delays in government regulatory agencies' work, and entrepreneurs' hesitancy to committing to growing their companies in such uncertain times. In that challenging environment, TAEF has continued to make progress on two initiatives begun in late 2019: establishing INMA Finance, a private debt financing company targeting mid-sized SMEs, and the launch of TASF II & III, our new search funds.

The chart below compares TAEF's 2020 commitments and disbursements to those of 2019. Highlights include:

- **Growing SMEs:**
 - TASME provided Covid-follow-on loans to several individual SME companies and invested in one new company, a solar panel installation company.
 - INMA Holding invested in a third growing SME company, in the education sector.
- **Microentrepreneurs:** TAEF made a Covid follow-on loan to CFE Tunisie, a MFI serving entrepreneurs with loans of up to TND 40,000.
- **Digital entrepreneurs:** TAEF continued its support of Flat6Labs and Anava Seed Fund's investment in digital start-up companies.
- **Entrepreneur searchers (TASF II & III):** were selected to begin their searches for companies to acquire – a replication of the model developed in TASF I.

Detailed discussion of each of TAEF's investment lines is found later in this report.



**TAEF INVESTMENTS COMMITTED & DISBURSED
2019-2020 (USD MILLION)**

2020 IMPACT

The previous section describes the funds TAEF invests in Tunisia's SME companies. That is an essential part of TAEF's work. It is not, however, the full story. TAEF's mission is twofold: to invest for financial returns and for development impact. Our strategy was thus implemented by focusing on the impact of our investment activity.

TAEF's strategy for impact or "Smart Capital" has three drivers. A full description of our model is found in our **Inaugural Impact Report**.



- **Innovation** Customize the investment tools to address specific financing needs of Tunisian entrepreneurs.



- **Investee Impact** Measure the indicators of impact at the investee level include employment, governance, financial stability, outside financing, and technical assistance.



- **SME Financing Ecosystem Impact** Strengthen Tunisia's SME financing options by actively targeting financing gaps faced by Tunisian entrepreneurs, partnering with local financial institutions, and fostering entrepreneurship. TAEF often introduces a new investment vehicle to the Tunisian market and proves its value. These innovations may inspire other institutions to implement similar models or to work in partnership with TAEF to reach new segments of the SME ecosystem.

— INVESTING THROUGHOUT TUNISIA

A feature of Tunisia similar to many other countries is the concentration of access to financing, technical assistance, and employment in the capital region of Tunis. TAEF actively seeks investments in growing SME companies throughout all of Tunisia – a strategy that benefits individual companies and strengthens the SME financing ecosystem countrywide.

With our investment in microfinance institutions, TAEF has investments in every corner of the country. The map below shows the results of TAEF's strategy of actively sourcing potential investments in many regions.

TAEF INVESTS THROUGHOUT TUNISIA



Microentrepreneurs



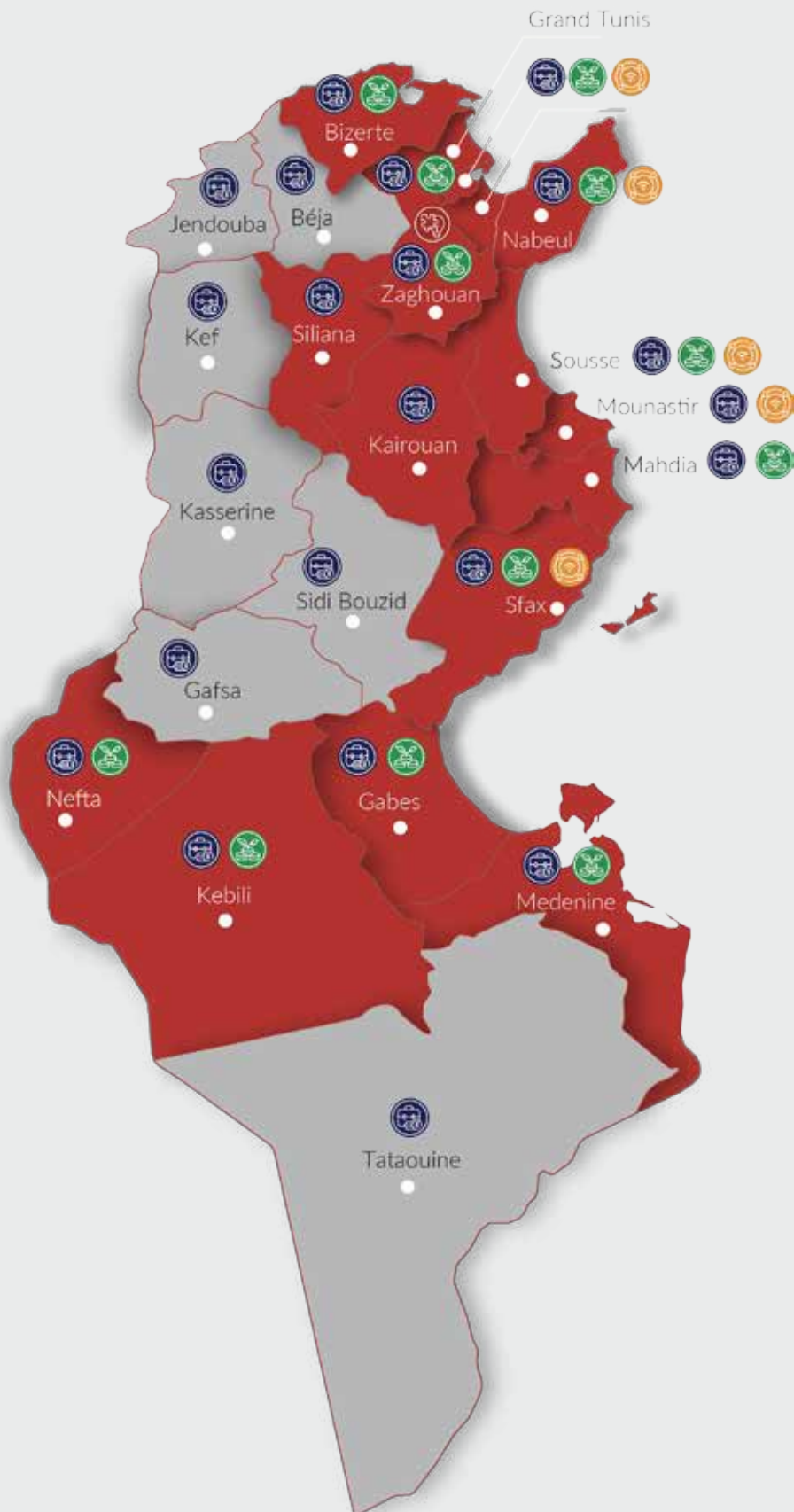
Entrepreneur Searchers



Digital Innovating Entrepreneurs



Growing SMEs



INVESTING IN STABLE & GROWING EMPLOYMENT

This year of Covid has reminded all of us of the importance of stable employment. By working closely and continuously with our existing investees, TAEF has supported companies in maintaining employment and solvency. The tables below detail the direct and indirect employment of TAEF's investees.

In terms of direct employment, the MFIs, with individual branches nationwide, employ the greatest number of people. TASME's 20 investees in a wide variety of sectors directly employ over **1,600 people**.

DIRECT EMPLOYMENT OF TAEF INVESTEEES

Investment	# Investees	Total Employment	# Women in Management	% Women	% Youth
Microfinance Institutions	3	2,219	18	49%	52%
TASME	20	1,649	81	48%	66%
TASF	1	48	1	10%	13%
Fund of funds	3	19	3	53%	47%
Flat6Labs & Anava Seed Fund	1	11	5	55%	55%
Total Direct	28	3,946	108	-	-

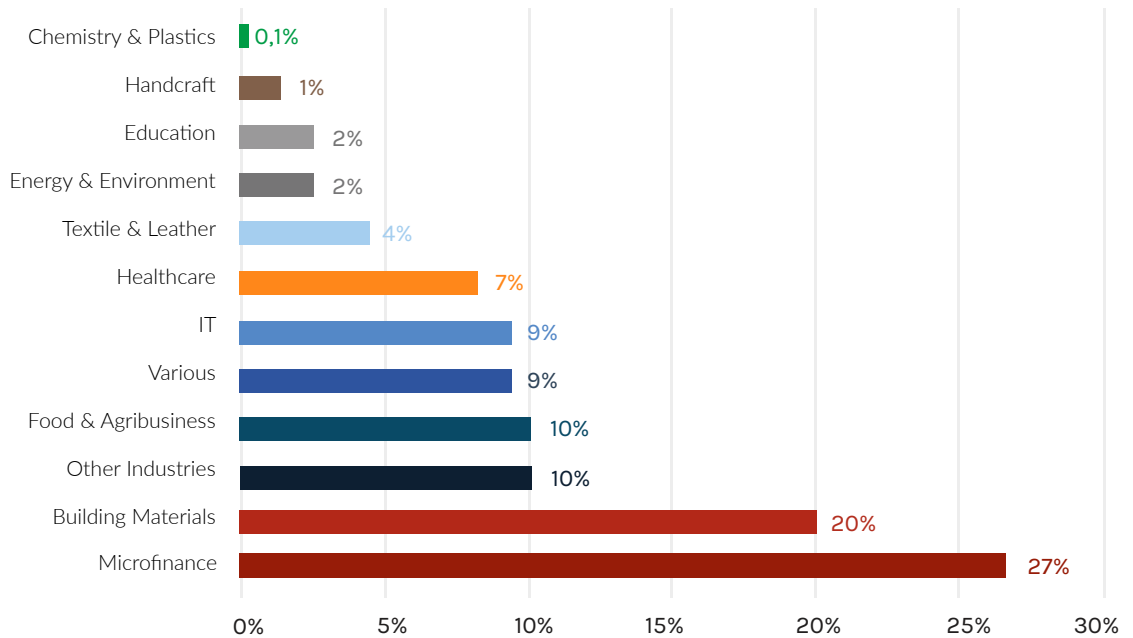
The table above shows the direct employment of TAEF investees. That is not the complete picture: several of TAEF's investments are in intermediaries who, in turn, invest in other companies. The table below showing indirect employment points to the multiplicative effect of many of TAEFs investments: their impact is greater than evident at first glance.

INDIRECT EMPLOYMENT OF TAEF INVESTEEES

MICRO FINANCE INSTITUTIONS 3 MFIs	409,085 TOTAL CLIENTS	57% WOMEN
FUND OF FUNDS 11 Companies	2,423 TOTAL EMPLOYMENT	44% WOMEN
FLAT6LABS & ANAVA SEED FUND 44 Startups	338 TOTAL EMPLOYMENT	59% YOUTH

INVESTING IN DIVERSE INDUSTRIES

TAEF's strategy of meeting the financing gaps for Tunisia's SMEs means that we invest in companies in a wide variety of sectors. What they have in common is a need for financing to fund capital improvements, working capital, and growth of their companies. TAEF's portfolio reflects the diversity of Tunisia's SME economy.



Percentage of TAEF's Total Committed and Disbursed Portfolio

TAEF INVESTMENTS – COMMITTED & DISBURSED BY INDUSTRY SECTOR | FY 2020





RESPONSIBLE INVESTING

TAEF is committed to working with our investees to build companies that grow and that adhere to high standards of governance and compliance. We believe that part of TAEF's legacy will be a growing cohort of companies that apply high standards of governance and oversight.

TAEF's high standards for investing includes the following components for all investments:

INVESTEE PROTECTION PRINCIPLES

TAEF applies the best standards of protection for our investees, including: appropriate product design and delivery, prevention of over-indebtedness, responsible pricing, fair and respectful treatment of clients, privacy of client data, and mechanisms for complaint resolution.

GOVERNANCE

TAEF participates in the governance of investee companies, often taking board positions or requiring changes in governance practices, as well as participating in the hiring of senior management positions (CFO, sales managers).

COMPLIANCE

TAEF is committed to conducting itself with transparency and integrity, adhering to the highest standards of ethical behavior, and acting in full compliance with laws and regulations. We expect the same from our investees and work with them to accomplish that end.

ENVIRONMENTAL IMPACT

The environmental impact of each company's operations is reviewed as part of TAEF's standard due diligence. TAEF pays particular attention to the Tunisian environmental regulations for each industry sector and region.

2020 has tested the governance and oversight of many companies. TAEF's active involvement with investee companies led to the early identification of issues, ongoing tracking, support of restructuring, and access to technical assistance where needed. This active partnership has helped most of our investees weather an extremely challenging year.



INVESTING IN THE NEXT GENERATION- TAEF FELLOWS PROGRAM

TAEF created the Fellows Program to cultivate the next generation of entrepreneurs and management for businesses and to support our investees with talented staff.

The Fellows Program offers positions to students from all Tunisian universities during the summer or during the academic year as part of their final projects. Each student intern is paid a stipend for their work by TAEF that is matched by the company where the intern is placed.

In 2020, 29 students from 13 universities (15 women, 14 men) were selected from over 230 applicants and placed in internships in a wide variety of projects including application development, research and marketing, digital marketing, finance and accounting, general administration, and human resources.

TAEF investees who benefitted from student placements included the microfinance institution CFE (4 interns), the start-up accelerator Flat6Labs (3 interns), start-up companies at Flat6Labs (16 interns), and four of TASME's 20 investee companies (6 interns).

Selected students receive TAEF training in workplace behavior, presentations, resume writing, and special topics. Investee companies receive support in defining clear internships and supporting students.

In 2021, TAEF will continue the Fellows Program, expanding to meet demand from investee companies. In addition, TAEF will work on streamlining the application process through a new web based portal.

TAEF INVESTMENT DETAIL

GROWING SMALL
& MEDIUM
ENTREPRENEURS

USD
24.9
MILLION

Disbursed

TASME (TUNISIAN AMERICAN SME COMPANY)

TASME is a 100% TAEF funded SME investment platform. TASME's approach adapts an innovative mezzanine financing mechanism specifically designed to meet the needs of traditional family owned SMEs with an average investment ticket of **USD 1.1Million**.

TASME invests

- In sustainable and growing SMEs.
- In a variety of industrial and service sectors.
- Throughout the country.
- With an interest in companies that are led by and create employment for women and youth.
- With tickets up to TND 5Million (exceptions possible for up to TND 7Million).



Innovation: TASME has proven that an alternative, mezzanine financing model designed for SMEs works in Tunisia – for the investor and the investee company.



Investee Impact: At the end of 2020 TASME's portfolio consisted of 20 companies.

Disbursed USD 24.9M

In 2021, TAEF expects to continue to work closely with TASME investees to assess impact, stabilize and support companies as they recover from the effects of the prolonged economic depression. TASME will continue to source new investments, but expects the investment pace to remain slower than previous years.

TASME INVESTEE HIGHLIGHTS COVID PIVOTS



PUBLICOM

Industry | Design, production, and installation of furnishings, display stands, signage, and urban outdoor furniture.

Location | Tunis

TASME Investment |

TND 120.000 equity

TND 1.750.000 loan

Publicom's traditional lines of business were negatively impacted by the Covid-19 pandemic, mainly due to the economic slow down and mandatory shutdown of most activities. During the pandemic, the company noticed the need for Covid-19 related security and safety products such as plexiglass divisions for entrance spaces and checkout areas in stores.

TASME disbursed a Covid-related follow-on investment to the company which enabled it to purchase equipment, source raw materials, penetrate new markets such as telco operators, and diversify its product offerings with gardening furniture for outdoor gatherings. Despite the difficult context, the company has been able to maintain a stable level of activity, maintain jobs, and recruit new employees.

Publicom is positioned to tackle the continuing challenges arising from the pandemic, and to be ready to seize new development opportunities that arise in 2021.

TASME INVESTEE HIGHLIGHTS COVID PIVOTS



F4T FILTRATION TISSUS TECHNIQUES ET TOILES DE TAMISAGE

Industry | Industrial Filter Manufacturing

Location | Sfax

TASME Investment |

TND 3.320.000 loan

TND 500.000 equity

During the first wave of the pandemic, the world experienced a shortage of protective masks. At that time, and at the request of its industrial filter clients, F4T decided to pivot to produce protective masks. F4T was well positioned for this shift given its knowhow and expertise in industrial filters.

TASME disbursed a Covid-related follow-on investment to F4T which enabled it to purchase special equipment to produce face protective masks, to finance its working capital needs during the crisis, and to attract new clients to maintain its level of activity.

Thanks to its agility, F4T has been able to diversify its range of products while responding to a market need during the pandemic.

SME FUND OF FUNDS

TAEF's investments in private funds reflect the key investment strategies of seeking partnerships and of leveraging our funding. In 2020, we continued as partners of other Tunisian financial institutions in three funds focused on the SME sector consistent with our social development and impact goals.



(TAEF at 15.5 %)
Invested
USD 2.13M equity



(TAEF at 30%)
Committed
USD 6.038M equity
Disbursed
USD 2.4M



(TAEF at 79.65%)
Committed
USD 10M equity

TunInvest Croissance: TunInvest Croissance is a private equity fund fully invested in 10 small mid sized SME companies in a variety of sectors. The fund is currently managing its portfolio companies' growth and preparing for exits. In 2020, TunInvest Croissance exited a second company. Eight companies remain in the active portfolio.

INMA Holding: TAEF is a co-investor in the innovative, investment company INMA Holding that targets larger, growing Tunisian SMEs as well as companies undergoing a transition or restructuring phase. In 2020, INMA made its third investment, another investment in the education sector. The pace of investment was slower in 2020 than anticipated due to the Covid-19 crisis.

INMA Finance: TAEF is a co-founder of this newly created private debt vehicle. Approved by TAEF's board in 2019 with a USD 10Million commitment, the company lined up additional funding for a first close at TND 35Million. This fund was expected to be active by mid-2020. Unfortunately, it has experienced severe Covid-related delays resulting from a government shutdown and a subsequent slow-down in approvals for new initiatives. This fund will be active in 2021.



Innovation: INMA Holding's unusual legal structure offers greater investment agility and flexibility compared to the regulated traditional Tunisian investment vehicles. This structure enables it to more efficiently address the financing gap of growing SMEs.

TAEF addressed a financing gap for growing SMEs in the Tunisian market by forming a private debt investment vehicle, INMA Finance, which is the first private debt vehicle dedicated to Tunisian SMEs.



Investee Impact: At the end of 2020 TAEF's fund of fund portfolio contained 2 investment funds financing a total of 13 companies.



SME Financing Ecosystem: TAEF has expanded the financing options available to small mid-sized SMEs through its participation in two equity funds – one of them being managed by a first time GP – and the creation of a private debt fund to address an identified financing gap.

In 2021, TAEF expects TunInvest Croissance to continue supporting the recovery and growth of its investments, as well as exiting from some companies that INMA Holding will make additional investments, and that INMA Finance will begin operations.

TAEF INVESTMENT DETAIL MICROENTREPRENEURS

2020 was a difficult year for Tunisian microfinance institutions (MFIs): authorities ordered the closing of all bank branches during the first Covid confinement, required that MFIs accept all requests of loan deferral, and capped interest rates of such deferrals. The majority of the clients at each of TAEF's investee MFIs requested rescheduling of debt payments and reimbursements.

TAEF, with its investment in two MFIs (CFE and ENDA), maintained close communication with each throughout the year. By the end of 2020, both institutions had adapted to the changed environment, resumed their development plan, maintained their staff, and were well positioned to enter 2021.



USD
6.4
MILLION

Fully invested

Equity, loan, follow-on Covid
loan, technical assistance

USD
5.2
MILLION

Fully invested



CFE TUNISIE

Location | Tunis – 9 branches

TAEF investment |

TND 17.600.000 loan, equity and TA

During the Covid-19 crisis, CFE Tunisie was required by the regulator to close all branches, stop receiving reimbursements, and accept all loan deferrals at low interest rates.

In this context, TAEF provided a Covid-related bridge loan to ease cash flow and working capital needs.

CFE has been able to maintain jobs and make new recruitments to tackle its development plan. It is continuing its development plan while controlling its portfolio risk. In addition, CFE designed and launched several new products to meet microentrepreneurs' needs in the difficult context.

CFE is continuing to support microentrepreneurs and has set up an NGO arm that will offer nonfinancial support, especially in the interior regions.



Innovation: TAEF is an active investor in the expansion of MFIs in Tunisia after the 2012 regulatory changes. TAEF adapts its investing tools to the need of the MFIS, offering both equity and debt.



Investee Impact: At the end of 2020 TAEF was invested in 2 MFIs providing access to finance to over **403,000 microentrepreneurs** nationwide.*



SME Financing Ecosystem: TAEF has deliberately chosen to invest in MFIs that serve different parts of the microentrepreneur ecosystem with average loans ranging from TND 2,000 to 14,000 (maximum of TND 40,000).

One of the great strengths of the MFIs is their ability to reach all parts of the country with their local branches. MFIs provide essential access to finance for all of Tunisia's microentrepreneurs.

In 2021, TAEF expects to continue our active institutional investor role in CFE Tunisie and our support of ENDA.

* TAEF also supported a third MFI early 2015, Taysir Microfinance for USD 1Million. The loan has been completely repaid.

A group of entrepreneurs are working on laptops in a modern workspace. The background features a yellow wall with a 'Work Space' sign and a laptop icon. The text 'TAEF INVESTMENT DETAIL DIGITAL INNOVATING ENTREPRENEURS' is overlaid in large white letters.

TAEF INVESTMENT DETAIL DIGITAL INNOVATING ENTREPRENEURS

TND
29.82
MILLION

Flat6Labs and Anava Seed Fund were well positioned to pivot the work of supporting and growing startups to online and digital operations in 2020. In fact, Flat6Labs was able to pivot to deliver 90% of its activities and programs digitally during Cycle 6. It adapted collaborative virtual tools and used its digital platform for regular calls, online team building, and networking events. This shift to digital presented an opportunity for the team to reach out to more international speakers and coaches. Flat6Labs did not merely pivot online, it offered increased support and technical assistance to startups from all 6 cycles as each company worked to adapt to the new realities.

The Demo Days, the culmination of the accelerator process, where startups present their companies to potential investors moved online with pre-recorded video pitches.

It is worth noting that 2020 has had an uneven impact on Flat6Lab start-ups: some in industries like events and tourism have been hard hit; some have pivoted their business model; some have been accelerated by Covid such as online delivery of entertainment and delivery of products. Flat6Labs has been actively involved in providing support, mentors, and technical assistance to all of its startups.

Anava Seed Fund, the affiliated investment fund, increased in size in 2019 from TND 8.1 M to TND 29.82M thanks to increased commitment from anchor shareholders and new commitments from outside investors including the International Finance Corporation. In 2020, Anava Seed Fund disbursed its pre-series A investment in GoMyCode, a company that offers innovative training programs for coding, technology, and digital jobs.

As we enter 2021, Flat6Labs and Anava Seed Fund are in a good place with additional partnerships to source a high-quality pipeline, to help grow talents, secure funding, target technical assistance, and increase exposure countrywide.



Innovation: Flat6Labs & Anava Seed Fund are a unique platform addressing Tunisian startups' limited access to support, acceleration and venture capital.



SME Financing Ecosystem: The demand for financial and technical support of startups is evident from the over 200 applicants for each Flat6Labs cycle and the demand is growing progressively.

Flat6Labs & Anava Seed Fund was the first accelerator and VC platform in Tunisia, today the country counts one among the most dynamic startups ecosystem in the continent.



Investee Impact: At the end of 2020 Flat6Labs & Anava Seed Fund had accelerated and provided seed funding to **42 startups in 6 cycles**. One company received a Pre-Series A investment.

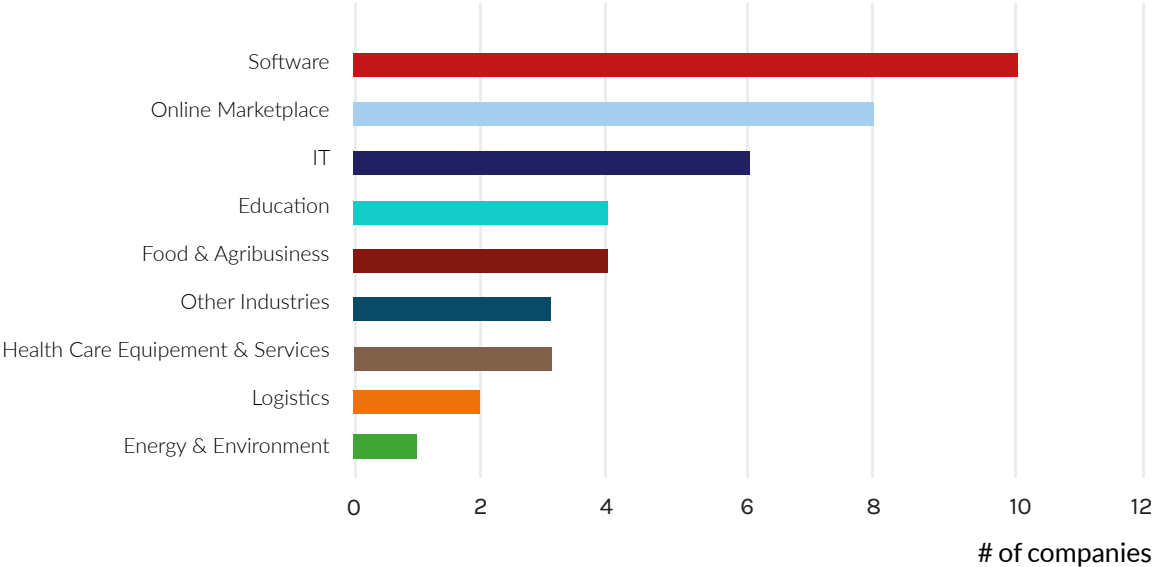
42
Startups

TAEF investment in Flat6Labs & Anava Seed Fund
Committed **USD 4.42Million**
Disbursed **USD 2.45Million**

16%
WOMEN
employed

59%
YOUTH
employed

Flat6Labs & Anava Seed Fund Number of Startups
by Sector (6 cycles)



ANAVA SEED FUND INVESTEE HIGHLIGHTS – COVID PIVOTS



WATTNOW

Industry | Energy & Environment

Location | Tunis

Cycle | 1

Wattnow is an IOT energy management solution for businesses and households.

In response to Covid-19, Wattnow decided to target businesses that were hardest hit by the crisis and offer its product as an energy cost cutting solution.

This pivot in offering a solution to industry resulted in Wattnow increasing its client base to include cement production plants, aeronautic industry, and food industries.

Despite the pandemic and economic slow down, Wattnow realized an increase of revenues.



ANAVA SEED FUND INVESTEE HIGHLIGHTS – COVID PIVOTS



WANTOTRIP

Industry | E-tourism

Location | Tunis

Cycle | 5

WanToTrip is a tourism tech startup. Its international travel booking platform connects travel leaders with like-minded individuals on amazing, curated trips.

The tourism sector has been hard hit during the pandemic due to worldwide travel restrictions. In response, the team created two new revenue streams to ensure its survival.

1/ The company shifted its focus to the local market and organized 26 events with 380 participants post-lockdown.

2/ WantToTrip developed a 100% Tunisian travel board game. In 6 months, 828 games were sold locally and internationally.

WanToTrip's resilience and agility has been noticed: it successfully raised TND 350K from business angels during this Covid year.

ANAVA SEED FUND INVESTEE HIGHLIGHTS – COVID PIVOTS



FABSKILL

Industry | Software

Location | El Kef

Cycle | 3

Fabskill is an AI-powered recruitment platform for companies to identify the right candidates.

In response to Covid-19, the Fabskill team pivoted to develop a new product, FabHost, that offers an online alternative for networking events whereby users create engaging virtual events. FabHost allows attendees to network in one-on-ones, break out into group sessions, watch keynote presentations, send chat messages and polls, explore interactive expo areas, meet recruiters, and do interviews.

Fabskill officially launched this product in July 2020 and has organized a total of 8 events. The first digital job fair hosted 1.400 users and 30 companies, navigating through workshops and live interviews.

This new product has resulted in increased revenues and cashflows.

TAEF INVESTMENT DETAIL ENTREPRENEUR SEARCHERS: TASF (TUNISIAN AMERICAN SEARCH FUNDS)

One of TAEF's key strategies is to identify financing innovations to meet existing needs among Tunisia's SME entrepreneurs. The search fund model is one such innovation that supports entrepreneurship through acquisition. TASF, the Tunisian American Search Funds, has been a pioneer as the first search fund in Tunisia.

TASF I proved the concept of a search fund in Tunisia with the purchase of Propann, a melamine manufacturing company in mid-2019. Throughout 2020, TAEF has met regularly and supported the entrepreneur searcher as he addressed the 2020's challenges of a mandatory shutdown of businesses and closing of borders to trade. In response, the company has focused on streamlining and updating internal processes, optimizing production, and designing new products. These efforts resulted in a profitable 2020 and a company well positioned to grow post Covid.

In 2020, TAEF replicated this search model and onboarded two new searchers. TAEF today is supporting the second and third search funds in Tunisia. Both entrepreneur searchers began their search in 2020 and are looking for promising and impactful SMEs to acquire, develop, and grow.



Innovation: The search fund model is innovative and aligns the interests of experienced and dynamic managers looking to become entrepreneurs with those of founders and owners of mature SMEs companies with growth potential looking for a legacy and succession plan. The model also creates an opportunity to raise funds from other investors to finance the acquisition whether equity and/or debt. The purchase of Propann with TASF I was accomplished with TAEF equity and a leveraged buyout transaction from a local commercial bank.



Investee Impact: Completed acquisition of one company, Propann.



Invested
USD 6.05 Million



SME Financing Ecosystem: With a successful TASF I, TAEF structured the model for replication and launched TASF II and TASF III. Two new entrepreneur searchers were recruited after extensive outreach efforts. Both began their searches for acquisition companies in 2020 through active outreach, networking, virtual seminars, speaking engagements, and deep dives into their target sectors. TAEF plays an active role in providing strategic support to both.

In 2021, TAEF expects Propann to be well positioned for prolonged economic challenges. TAEF also expects that both the TASF II & III entrepreneur searchers will be close to identifying a company for acquisition by the end of the year.

CORPORATE SOCIAL RESPONSIBILITY



With schools closing in Tunisia due to the coronavirus outbreak, TAEF partnered with one of our investee companies, Vega Tunisia, to provide low-income students with computers. Personal computers became necessary for students continuing their studies from home when schools stopped in-person lessons.

In Tunisia, like the rest of the world, the digital divide is real between those with computers and internet access and those without. In 2020, TAEF launched the **“TAEF Computers Collect-Covid 19”** campaign. Our goal was to collect computers and/or internet connections from our investees for these students. Vega Tunisia made a generous donation of computer tablets that TAEF provided to the Association HSS (HEC Student Support), an association that supports low income students at IHEC, the Institut des Hautes Etudes Commerciales.



In 2021, TAEF expects to continue this program, expanding computer donations to low-income students at other Tunisian universities.

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This annual report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the Tunisian American Enterprise Fund and do not necessarily reflect the views of USAID or the United States Government.



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Photo credit : Ilyes Bourigua

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____ NOTES



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