



Tunisian
American
Enterprise
Fund

IMPULSION AU DEVELOPPEMENT

ANNUAL REPORT 2024-2025







TABLE OF CONTENTS

04	Letter from W. Bowman Cutter, Board Chair
06	Why Tunisia?
08	Why an Enterprise Fund?
10	TAEF Advances U.S. Interests
12	TAEF Highlights
14	TAEF Key Performance Indicators
16	TAEF Investment Strategy
19	TAEF Investments
26	TAEF Fellows Program



LETTER FROM W. BOWMAN CUTTER, BOARD CHAIR

TAEF is one of a small group of enterprise funds created by the U.S. government to provide flexible economic support to select countries. First developed in the 1990s, enterprise funds design targeted investment strategies adapted specifically to the local context. Enterprise funds are expected to generate economic value in their host countries and to produce financial returns for the fund, and, at wind-down, for the U.S. government.

TAEF was founded in recognition of the important geostrategic position of Tunisia on the Sicilian Channel, a Mediterranean chokepoint, and as a gateway between Europe, Africa and the Arab world. TAEF is one of the lowest-cost, highest leverage tools available to strengthen Tunisia's economy by building businesses, jobs and partnerships. A stable and vibrant Tunisia enhances the stability of the region. A stable and prosperous Tunisia is in the interest of the United States.

Founded in 2013, TAEF's mandate as a private sector led investment fund has been to invest in Tunisia's small and medium sized enterprises (SMEs). We have done that by deploying our capital, building a talented and knowledgeable team, developing a deep understanding of the Tunisian SME financing context, adapting innovative financing tools, and persisting through transformative and disruptive economic times.

The report that follows describes our accomplishments through 2024 and 2025 and our ongoing work. Our focus at this mature stage of the life of the fund is two fold: 1/ to continue actively sourcing investment opportunities in Tunisia's most promising small and medium sized enterprises, and 2/ to maintain close working relationships with existing investees as they navigate the challenges of growth and exit.

In the coming years, TAEF will continue to build on our solid track record of leveraged financial investment and of partnering with our investee companies to create lasting value for the owners, employees, clients, and the country.

TAEF's work is grounded in our partnership with the Tunisian entrepreneurs who, on a daily basis, demonstrate resilience, creativity and perseverance in the face of major challenges. We look forward to the coming year together.

A handwritten signature in black ink, appearing to read "W. Bowman Cutter". The signature is fluid and cursive, with the first name "W." followed by "Bowman" and "Cutter" in a stylized script.

Warm regards,

W. Bowman Cutter | Chair

WHY TUNISIA?



Tunisia was selected for an enterprise fund due to its strategic geographic location, its educated workforce, and its high visibility in the MENA region.

Crossroads location

Tunisia is located on the Sicilian Channel – the narrowest stretch of the Mediterranean: a chokepoint for east–west shipping between Suez and Gibraltar and Mediterranean access.



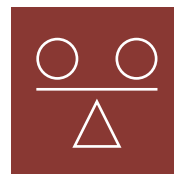
Gateway between continents

Located at the very north of Africa, Tunisia is closer to Sicily than to its own southern desert. The country forms a natural bridge between Africa, Europe, and the Arab world.



Stable neighbor, tough region

Tunisia borders Libya and Algeria and faces the central Mediterranean migration route. Tunisia's stability has outsized regional effects.





WHY AN ENTERPRISE FUND

In early 2011, Tunisia was the birthplace of the “Arab Spring” a series of revolutionary movements across the region. The Arab Spring brought economic and political transition to Tunisia and other countries.

In the subsequent years of democratic transition, economic challenges made it clear that **Tunisia needed increased private sector investment** with a **focus on the small and medium enterprises (SMEs)** that lie at the heart of the Tunisian economy.

It is precisely this critical SME sector that is the focus of the **Tunisian American Enterprise Fund (TAEF)**.

In February 2012, the U.S. Congress authorized the establishment of TAEF to support Tunisia’s economy and people.

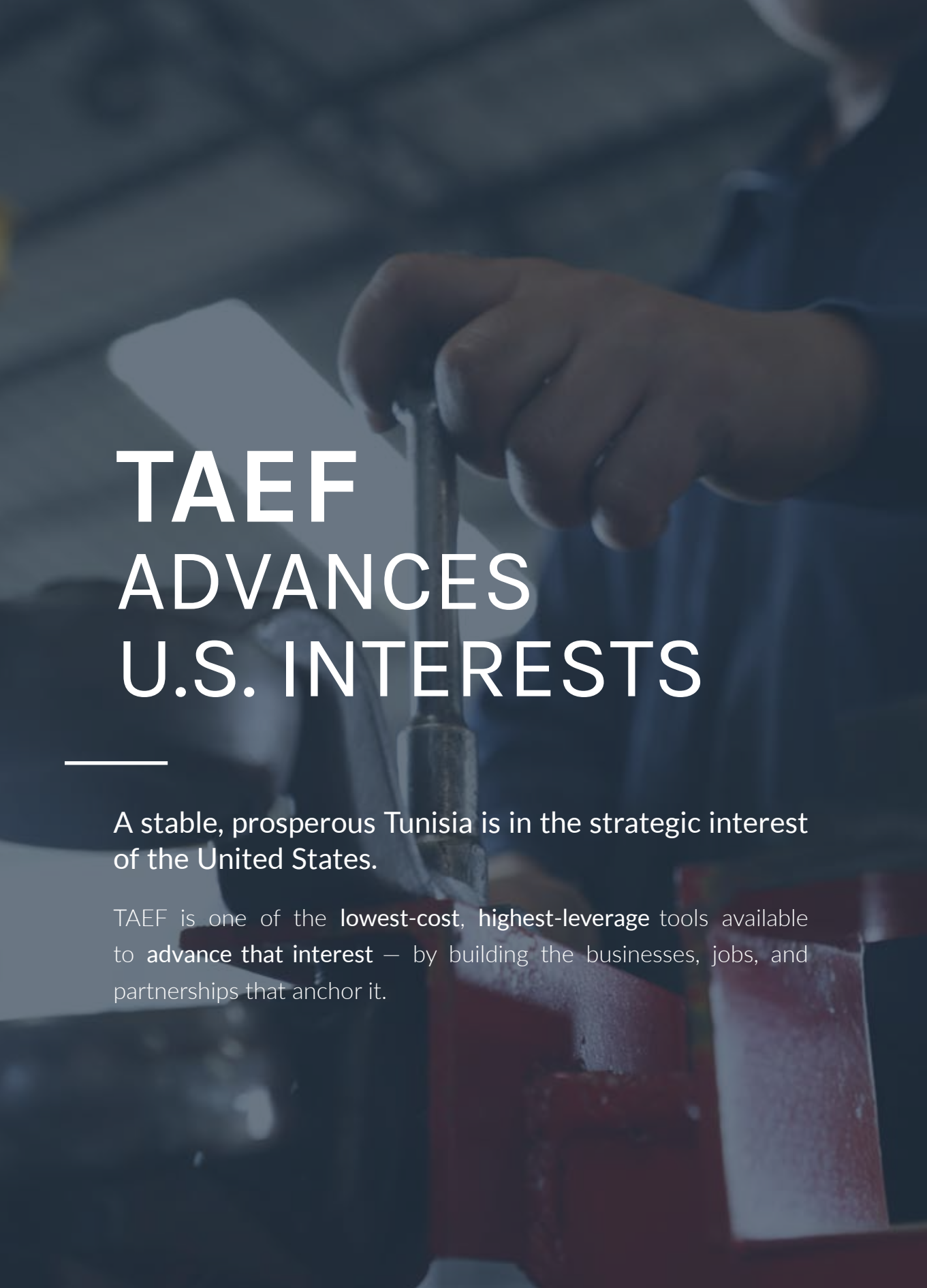
Enterprise Funds

An economic development tool, enterprise funds are deployed by the **U.S. Government** with the objective of **boosting a country’s economy**. Features include:

- Country / region specific
- Targeted investment strategies adapted to the local context
- Flexible private sector investment

Enterprise Funds were first deployed in the 1990s to **provide flexible economic support** to the economies of the newly independent states of the former Soviet Union – now this tool has been adapted to address current interests.



A background image showing a person's hands working with a metal tool on a piece of metal held in a red vise. The image is dark and moody, with the text overlaid in white.

TAEF ADVANCES U.S. INTERESTS

A stable, prosperous Tunisia is in the strategic interest of the United States.

TAEF is one of the **lowest-cost, highest-leverage** tools available to **advance that interest** — by building the businesses, jobs, and partnerships that anchor it.

Stability through jobs

Youth unemployment is the single biggest driver of instability. Private-sector jobs are the durable answer — and only the private sector can scale them.



Commercial ties

TAEF builds Tunisian companies that may provide customers, suppliers, and partners for U.S. firms — converting assistance into trade relationships.



Cost-effective leverage

Each U.S. dollar mobilizes additional private and institutional co-investment. Returns recycle into new deals — appropriations work multiple times over.





TAEF HIGHLIGHTS

TAEF Mission

- Be a **driving** force for Tunisian economic growth
- **Support** Tunisian economy & private sector
- **Expand** economic and employment opportunities throughout the country
- **Catalyze** investments and promote broad economic growth
- **Empower** small and medium enterprises, and entrepreneurs

TAEF Objectives

- Financial **sustainability** & returns
- New & stable **employment**
- **Investments** throughout the country

TAEF Portfolio



\$100M
Capitalization



124 COMPANIES
Direct & Indirect
Investees

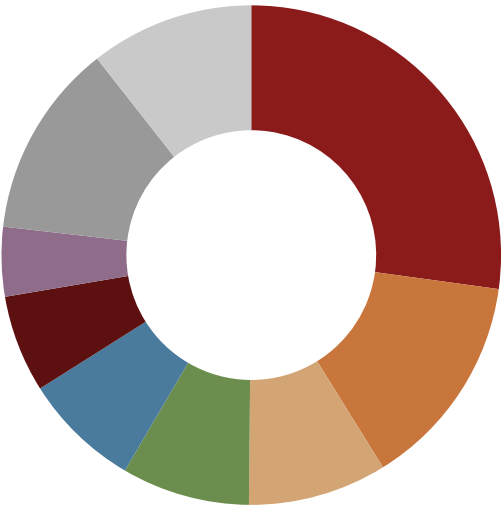
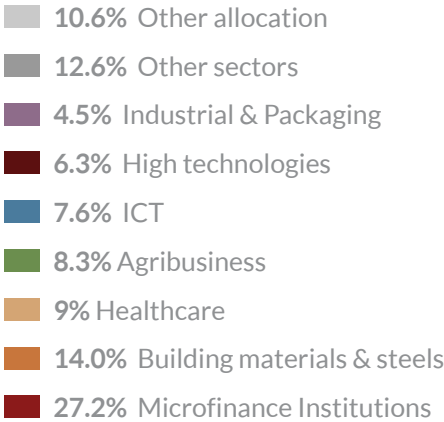


TND 1000 M
Additional Capital
Mobilized

TAEF KEY PERFORMANCE INDICATORS



Investment by Sector



Employment by Investment Vehicle

4,000
DIRECT
EMPLOYMENT

Jobs created directly
through TAEF

4,097
INDIRECT
EMPLOYMENT

Indirect jobs via
portfolio companies

+ 400,000
ONE MICRO-
FINANCE CLIENT,
ONE JOB

Microfinance as a Job
Creation Engine

Funds Invested & External Funding Mobilized

\$ 343.9M
EXTERNAL FUNDING
MOBILIZED

USD in co-investment & external
capital



TAEF INVESTMENT STRATEGY



TAEF tailors proven, innovative financing mechanisms to meet the needs of Tunisian entrepreneurs and to address gaps in the country's small and medium sized enterprise (SME) financing environment.

TAEF seeks talented entrepreneurs and business people as partners who bring **strong experience, commitment** and **vision** for growth to their companies.

TAEF invests in **SMEs** throughout their life cycle from start-up to early growth and maturity up to succession. We invest:

- **Directly in SMEs through two platforms:** our own dedicated fund for SMEs in growth stage (TASME), and our Search Fund for SMEs in succession stage (TASF)
- **In partnership with Tunisian investment firms** as a complement to TASME's work and a way to provide equity or private debt infusions to businesses
- **In microfinance institutions** that reach the smallest of Tunisia's business owners
- **In digital technology and knowledge-based start-ups** through an integrated platform: an accelerator **Flat6Labs** and venture capital investment vehicle **Anava Seed Fund**.

SECTOR APPROACH

TAEF has consistently sought **investment opportunities** in a **variety of sectors** where we could **bring innovation** and **leverage our flexible capital**. This graphic illustrates areas of importance to TAEF in our investment decisions.





TAEF INVESTMENTS

TASME: MEZZANINE & ROYALTY BASED FINANCING FOR TUNISIAN SMEs

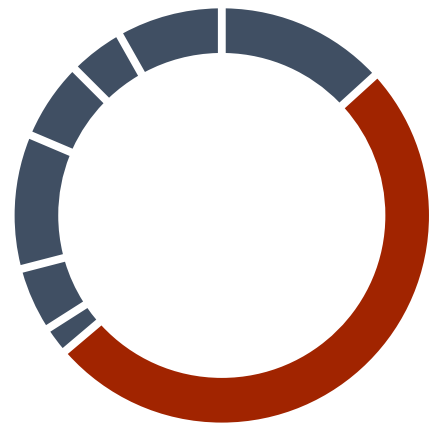
TASME offers **unique financing** to Tunisian SMEs with a **combination of debt and equity** tailored to their needs. TASME seeks well run companies in value-adding sectors expected to have strong growth.

Through TASME, TAEF has created a **unique financing platform**, built a **talented team**, and **expanded Tunisia's domestic SME financing**.

At the end of 2025, TASME had invested in **22 companies** in a large variety of sectors with investment tickets averaging **\$1.1M**.

The team also continued to work closely with existing portfolio companies as they navigate challenges and prepare for exits. **In 2026, we expect more exits and are actively sourcing a few larger ticket investments.**

TASME Investment
\$ 50.2 M
of **\$ 100 M** fund



■ TASME

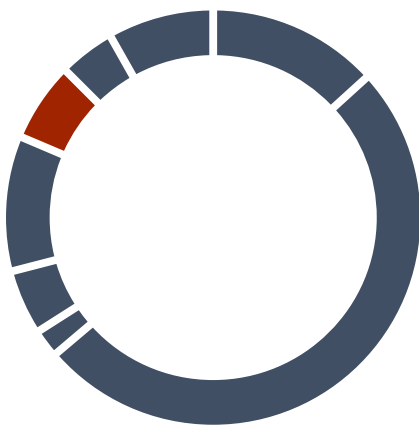
22 Investees
1 Full Exit
1744 Employed

TND 27.2 M
External Funding
Leveraged

TASF: TUNISIA'S FIRST SEARCH FUND



TASF Investment
\$ 6 M
 of **\$ 100 M** fund



■ TASF

1 Company

58 Employed

TND 9 M

External Funding
Leveraged

TAEF adapted the U.S. search fund model to Tunisia to match the needs of **mature business owners** looking for **succession plans** for their companies with seasoned managers who have the skills to grow the business. **TASF catalyzes entrepreneurship through acquisition.**

Our first searcher completed the acquisition of **Propann**, a company that produces manufactured board for furniture and interior finishing in 2019. Since acquisition, he has **upgraded and optimized operations**, **refined the company's strategy** with attention to product mix, **developed new sources** for raw materials, and worked on **creating new markets** locally and internationally.

In 2024 & 2025, Propann and its strong management continued to perform well in a challenging environment. **In 2026, Propann is looking to invest in equipment to support a new line of high value-add products.**

FUND OF FUNDS INVESTMENTS: STRENGTHENING TUNISIA'S INVESTMENT ECOSYSTEM



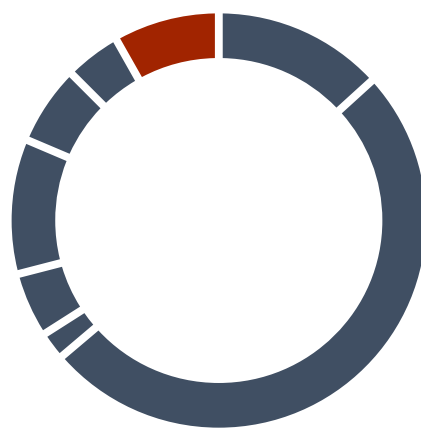
TAEF believes that a strong SME financing ecosystem made up of **diversified investment vehicles** with **talented management teams** is **essential** to drive **economic growth** and generate **impact**. By investing alongside others, TAEF has leveraged our funds to achieve **greater impact** and to **expand financing options** available to talented entrepreneurs investing in growth.

TunInvest Croissance (TC), a single country fund created in 2013, provided growth capital to **10 Tunisian SMEs**. Fully invested since 2016, TC works actively with investees as they move towards exit. **At the end of 2025, five full exits and a partial one had been finalized, a second tranche of the partial exit is planned in 2026, with 4 additional exits planned in late 2027.**

INMA Holding, a new fund, was seeded by TAEF in 2017 to **expand SME investment options** in Tunisia. By the end of 2025, INMA Holding had invested in **5 companies** and successfully exited from one, generating a **13.9% IRR**. **In 2026, INMA Holding expects to make its final equity investment.**

TAEF expects to continue to support these funds as they exit initial investments, manage ongoing active investments, and develop managerial talent.

**Private Equity
Fund Investments
\$ 7 M**
of \$ 100 M fund



■ TC & INMA Holding

2 Funds
19 Investees
6 Exits
3209 Employed

TND 64.5 M
External Funding
Leveraged

INMA FINANCE: TUNISIA'S FIRST PRIVATE DEBT FUND



INMA Finance
Investment
\$ 10.3 M
of **\$ 100 M** fund



■ INMA Finance

5 Loans to
Investees

433 Employees

TND 7.2 M
External Funding
Leveraged

TAEF co-created **INMA Finance**, the **first private debt vehicle** in Tunisia. This fund was created in **direct response** to **SME's expressed needs** for an **alternative** to the traditional banking system.

INMA Finance seeks investments in **stable** and **growing** companies that are creating value in Tunisia. In 2024-2025 INMA Finance had made **five loans** to companies: **two microfinance institutions** and a **real estate development company**, which negotiated a second revolving loan upon termination of the first. **In 2026, INMA Finance will continue to source new investment opportunities.**

MICROFINANCE: EXPANDING ACCESS TO FINANCE FOR MICRO-ENTREPRENEURS

An early supporter of microfinance institutions in Tunisia, TAEF views support of these institutions as an effective way to fill a critical gap in access to finance for micro enterprises.

Our goal is to support strong and resilient institutions that provide nation-wide access to finance to Tunisian micro-entrepreneurs. TAEF deliberately invested in MFIs serving different parts of the microenterprise ecosystem with average loans ranging from TND 3,000 (ENDA) to TND 3,000 - 40,000 (DAAM).

In 2024 & 2025, TAEF continued its active involvement with DAAM as it engaged in exit negotiations with other shareholders.



Microfinance
Institutions Investment
\$ 13 M
of \$ 100 M fund



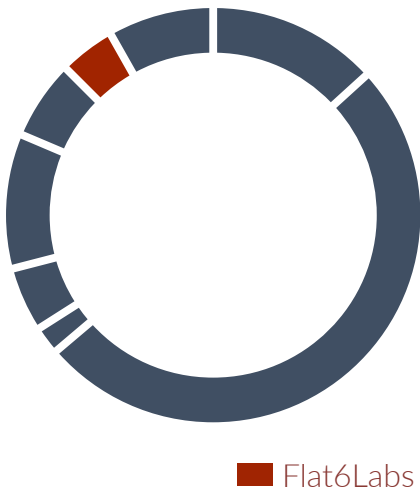
■ Microfinance

3 Microfinance
Institutions
413,899
Microentrepreneurs

FLAT6LABS & ANAVA SEED FUND: INTEGRATED VC PLATFORM DEDICATED TO STARTUPS



**Flat6Labs & Anava Seed
Fund Investment
\$ 4.2 M**
of **\$ 100 M** fund



75 Start-ups

888 Employees

TND 68 M

External Funding
Leveraged

TAEF was an anchor investor in bringing this innovative and proven start-up accelerator and early-stage investor model to Tunisia.

Since inception, **ten cycles of digital companies**, a total of **75 startups**, have been selected from hundreds of applicants to complete the **accelerator program** and present their companies to investors at a **Demo Day**.

At the end of 2025, **44% of the start-ups** had raised **additional follow-on funding**, thus leveraging **Anava Seed Capital's** investment by **TND 68 M**. In addition to financial resources, **Flat6Labs** leverages one of Tunisia's greatest assets, its talented and resourceful youth.

In 2026, Anava Seed Fund will continue to focus its attention on the exits of the star companies that have demonstrated strong growth and are ready for the next stage of investment and expansion.



TAEF FELLOWS PROGRAM

146

Fellows Placed
Since 2017

20

University
Partners

15 - 20

Fellows Placed
Per Year

In 2017, TAEF established the **Fellows Program** to complement our **investment work** with companies and to accomplish the following goals:

- **Support** our investee companies by connecting them with high quality interns.
- **Develop future generations of entrepreneurs and managers** by introducing students to careers in **management** and **entrepreneurship**.
- **Create** a network of talented, motivated Tunisian youth.

The TAEF Fellows program acts as a **bridge** between ambitious **students** and **companies** in need of fresh, innovative talent. The program is structured to:

- **Identify and Design Internship Projects:** TAEF works with investee companies to identify meaningful opportunities for interns. Successful internship projects are designed to provide real value to the company, an opportunity to learn, work experience in a specific area, and clear supervision and mentoring.
- **Facilitate Recruitment Process:** TAEF facilitates the internship recruitment process through partnerships with universities and its dedicated online platform. TAEF reviews all applications, carries out first round interviews, and selects top candidates for review by the companies. The companies then interview a small slate of candidates to select the best person for their role.
- **Support Companies with Internship Needs:** TAEF pays 60% of the intern stipend. This support helps address the internship needs of the companies while also incentivizing the students. TAEF also provides training for interns in communication, leadership, problem solving, and adaptability.
- **Build a Network of Alumni:** Successful participants in the TAEF Fellows Program become part of an alumni network. This network provides ongoing support and opportunities for collaboration, further enhancing the professional development and success of the program participants.

With the Fellows program, TAEF has built a unique program with a strong reputation. In 2026, after great interest from non-TAEF investee companies to participate, TAEF will explore expanding the program beyond direct TAEF investees to select TAEF-adjacent companies. TAEF will also begin laying the groundwork for the continuation of the program beyond the life of the fund.

HOST COMPANIES: TYPES OF TAEF-INVESTED COMPANIES HOSTING FELLOWS

**48%
STARTUPS**

Flat6Labs start-ups
Early-stage,
high-growth
ventures driving
innovation in the
Tunisian ecosystem.

**41%
SMEs**

TASME Investees
Established small and
medium-sized
enterprises scaling
their operations.

**11%
MFIs**

Microfinance banks
expanding financial
access throughout
Tunisia.

What Host Companies Say

dabchy

DABCHY

«The program provides
high-quality interns who
are curious and versatile.»

fabskill

FABSKILL

«The program saves time
for the host company –
TAEF helps a lot in
selecting business, sales,
and marketing profiles.»

eXo

EXO MEA

«Good intern selection,
easy integration into the
company, and a solid
stipend.»

WHAT INTERNS SAY THEIR KEY OUTCOMES

Career Direction

Helped **clarify career path**.

Skills Developed

Time management, **professional communication**, marketing expertise.

Technical Knowledge

Engineering, chemical osmosis, venture capital, startup assessment.

Career Progression

Full time position offered after internship.

Professional Growth

Successfully adapted to corporate structure and professional work environment.

First professional **experience** that shaped career trajectory and enhanced CV.

Career Advancement

Led to current role managing **75+ portfolio companies** over 6 years.

Professional Network

Connected with important figures in the country. Gained **access to high-potential community and company network**.

Additional Benefits

Received **ongoing support** through **alumni network, workshops, and mentorship**.

____ **NOTES**



Tunisian
American
Enterprise
Fund

IMPULSION AU DEVELOPPEMENT

This report is made possible by the generous support of the American people through the United States Department of State. The contents are the responsibility of TAEF and do not necessarily reflect the views of the Department of State or the United States Government.



IMPULSION AU DEVELOPPEMENT

CONTACT INFORMATION

Tunisia Office

Immeuble Zénith, 2ème étage, Rue de la Bourse,
les Jardins du Lac 1053 Tunis - TUNISIA
+216 71 191 000 | +202 448 8933

US Office

2000 Pennsylvania Avenue, NW
Suite 7000 - Washington, DC - USA
+202 765 2383

info@taefund.org

www.taefund.org

Fellows Program website: <http://fellows.taefund.org/>

