Collaborate to Fund: What Does "Good Money' Look Like?

Faith Mangwanya
Programme Manager, Regional Manufacturing for Equitable Access
Unitaid

Perrer Tosso
Director, Pharmaceutical Manufacturing Programs, USP

Anna Chaaraoui
Senior Investment Officer
EIB

Kaodili Udeh
Head of Regional Manufacturing,
MedAccess

Ronald Wakhu
Manager,
Health Finance Commission

International Finance Corporation
WORLD BANK GROUP
Creating Markets, Creating Opportunities

IFC AFRICA HEALTHCARE INVESTMENT

October 2025

AFRICA HEALTHCARE AND FINANCING NEED

Areas of Focus

- Diagnostics & Disease Prevention
- Treatment of Communicable & Non-Communicable Diseases
- Pharmaceuticals
- Medical Technology
- Health Sciences Training

FINANCING NEEDS & INSTRUMENTS SHOULD BE DIFFERENT AT VARIOUS STAGES OF COMPANY MATURITY/ GROWTH

- At the startup stage, companies are focused on securing seed funding to support initial research and development activities.
- Need to attract **venture capitalists** who can provide early-stage capital and expertise
- Establish a **strong intellectual property** portfolio to attract investors and protect innovations

Startup

Mid-Sized / Growth Stage

- Clear outline of the company's growth strategy and financial projections
- Equity financing still important for growth and expansion
- Cash flow analysis becomes crucial for attracting debt financing
- Need to demonstrate a clear market demand and revenue potential for investors and lenders
- Consider strategic partnerships with larger pharmaceutical companies to access additional funding and resources
- Demonstrate a clear regulatory pathway and progress towards obtaining necessary approvals

Established

- Access to a wider range of financing options, including debt and equity
- Diversified product portfolio reduces risk and increases attractiveness to lenders and investors
- Strong financial track record and profitability enhance borrowing capacity
- Potential for strategic partnerships and acquisitions to further fuel growth and innovation
- Monitor and manage financial risks through effective risk management strategies and insurance coverage

THE TYPE OF INVESTMENT CAPITAL & FINANCING INSTRUMENT FOR PHARMA MANUFACTURING SHOULD BE APPROPRIATE ALONG THE RISK SPECTRUM

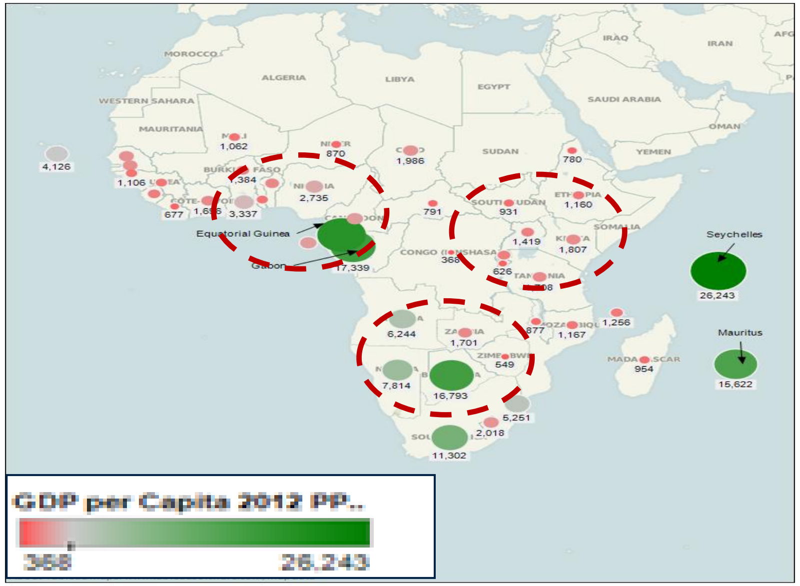
Timing

Higher Risk — **Investment Maturity Spectrum** — *Lower Risk*

Angel Investors	Venture Capital	Private Equity	Corporates / Institutional Investors	Listed Companies

**Country Risk and shallow financial markets in many countries are additional considerations impacting timing.*

Target Markets



Angel Investors Grant Funders, Govts, Research Institutions
- Invest in ideas
- Register IP

Venture Capital Investors
- Invest in early-stage companies, products, business plans
- Help commercialize IP

Private Equity Investors
- Brings discipline, strengthens Mgt.
- Drive business growth & EBITDA, create scale & Exits

Corporate & Institutional Investors
- Invest to increase EBITDA, scale, diversify product range, investment returns

IFC HEALTHCARE SECTOR EXPERIENCE

- IFC has significant healthcare investment experience in Africa with investments in major players and emerging companies.
- IFC has equity and debt investments in health services, life sciences and medical technology with the current exposure in the Africa region at US$260m (committed capital) as of March 2025.
- IFC supports in-country expansions, south-south partnerships, investments in platforms, expansion into other countries in the Sub-Saharan Africa region, support regional/international pharma players in Africa.

IFC'S TYPICAL EQUITY REQUIREMENTS

Equity Terms	Description
Investment amount, stake & Horizon	IFC is a long-term equity investor; with no explicit investment horizon, however with a median of 7-8 year horizon, prior to exit. IFC's equity investments must always be <20% equity value. Equity investment amounts are ideally >$5m. IFC is a USD investor. so evaluates investment opportunities with a USD return perspective (IRRs > mid-teens).
Minority Rights	IFC is always a minority investor and requires Standard Minority Protection Rights including requirements for super-majority votes for major decisions (change of business, control, etc.)
Exit	IFC is required by its charter to exit its investment to recycle capital. Exit process must be agreed up-front. Exit via sale to Sponsor (e.g. redemption at agreed target rates of return), exit via liquidity event (e.g. Listing), exit via trade sale. Exit can be over time to prevent share price collapse.
Drag Rights, Call Options	Due to IFC's charter as a DFI, IFC shares usually can't be dragged to a sale. If sponsor shares are required by trade buyer to achieve exit, IFC may require a drag of Sponsor shares for buyer to achieve control. No call options.
Tag-along Rights	IFC will require Tag-along rights if sponsor exits or reduces shareholding below an agreed level.
Policy Rights	IFC requires sponsors to agree to compliance with certain policy rights including compliance with agreed Environmental and Social Sustainability Standards, no involvement in sanctionable practices e.g. use of shell banks, violation of UN sanctions, etc. Violation of IFC Policy Rights will trigger an IFC exit, under a "Policy Put." Policy Puts are "punitive" and accelerate investment payout.
Legal Agreements	IFC share subscription and shareholder agreements are typically based on UK or US law, with UK or New York as jurisdiction for enforcement. Standard Representations and Warranties by sponsor.
E&S	IFC requires investee company to implement an Environmental & Social Action Plan to achieve IFC Environmental & Social Sustainability Standards.
Corporate Governance	IFC typically may require company to implement a Corporate Governance Action Plan , ensuring minimum governance standards. IFC will usually nominate a board member.

IFC'S TYPICAL DEBT REQUIREMENTS

Term	Description
Debt Instrument	Senior Loan (A-loan), B-Loan (involving syndication of other banks and/or DFI's), C-Loan (income participating Loan).
Tenor	**2-3 Year Grace Period** on Principal. **7-12 Year Tenor** depending on risk, type of business, cashflow profile, facility, security, guarantees, etc. Repayments (semi-annual), facility fees, commitment fees
Pricing	Debt Pricing based on IFC cost of capital, investment risk, security, guarantees including from parent company. Pricing includes facility fees, arranging fees (where applicable), and pre-payment fees in event of pre-payment Pricing is finalized after investment appraisal.
Security	Security usually consists of fixed and floating assets. Where necessary a Corporate guarantee from "parent" or share pledge, share retention by Sponsor.
Covenants	Covenants include maintenance of insurance policies as agreed after appraisal, perfection of security, compliance with E&S requirements agreed to, adherence to agreed financial performance targets e.g. Current Ratio, Liabilities to Tangible Net Worth Ratio, Debt Service Coverage Ratios, Financial Debt to EBITDA ratio, etc. Reporting and disclosure of financial and operating performance, E&S.
Public Disclosure Requirement	**IFC issues public disclosures** indicating that it is considering an investment and discloses Environmental & Social issues and impacts identified during appraisal process.
Legal Agreements	Typically based on UK law UK courts for adjudication and arbitration, or New York law and courts.
Disbursement	Contingent on borrower satisfying conditions of disbursement
Portfolio Management	IFC receives Quarterly and analyzes information from the company, and drives toward achievement of investment returns. IFC monitors development impact resulting from investment.

IFC TRANSACTIONS IN AFRICA'S HEALTHCARE SECTOR

Debt Transactions

South Africa
Aspen Pharmacare
EUR500m Debt Financing including Mobilization
2024

Senegal
Institut Pasteur de Dakar (IPD)
$15m loan & $30m Mobilization
2023

South Africa
BIOVAC
$7m Debt Support Facility
2023

Africa
Transform Health Fund
$15m Quasi-Debt & $42.5m Mobilization
2023

Ghana
Accra Medical Centre
$5.73m IDA PSW Local Currency Facility
2023

Kenya
Avenue Group
$12.7m Debt
2023

Ethiopia
Infinity
$3m Debt
2022

Africa
Africa Medical Equipment Facility (AMEF)
$150m RSF Program
2021

Egypt
Integrated Diagnostics Holding (IDH)
$45m Debt
2021

South Africa
Aspen Pharmacare
$238m Debt & $476m Mobilization
2021

Uganda
Abacus Pharma
$12.5m Debt
2021

MENA
Humania
$46m Debt
2019, 2021

Creating Markets, Creating Opportunities

IFC TRANSACTIONS IN AFRICA'S HEALTHCARE SECTOR

Equity and Mezzanine Transactions

Southern & Eastern Africa
Avacare Health Group
$28m Equity
2022

Egypt
Integrated Diagnostics Holding (IDH)
$35m Equity
2021

MENA
Humania
$45m Equity
2020

Africa
Adjuvant (GHIF)
$20.0m Fund 1 Equity
$25.0m Fund 2 Equity
2013, 2016, 2020

Eastern Africa
HHI / AAR Healthcare
$22m Equity & $43m Mobilization
2019

Ghana
New Crystal
$2.5m Mezzanine
2020

Tanzania
Pyramid Pacific
$7.5m Quasi-Equity
2018

Eastern Africa
Goodlife Pharma
$6.5m Mezz
2014, 2017

Africa
Hygeia
$11.7m Equity
$8.0m Debt
2007, 2009, 2015

Global Gateway

Human Development Accelerator (HDX)

Funded by the European Union

Implemented by

European Investment Bank | Global

Gates Foundation

➢ DE-RISKING AND ENABLING INVESTMENTS ACROSS THE HEALTHCARE VALUE CHAIN

➢ Seeking to create additionality and drive value across the ecosystem

R&D

R&D activities / late-stage development for key health products

Manufacturing

Construction / expansion of manufacturing facilities for medicinal products and devices

Provision & Distribution

Supporting **provision and distribution** of vaccines & nutritional supplements

- **Corporate loans** (Long term financing for corporate activities or initiatives)
- **Venture debt** (Loans with flexible terms and repayment profiles)
- **Volume guarantees** (Guarantee for a minimum quantity with a ceiling price to incentivise expansion in production and reduce costs for manufacturers)

HDX PROVIDES LOANS THAT ARE FLEXIBLE & TAILORED TO EACH PROJECT

Venture Debt

A loan provided to higher risk / earlier stage projects with terms that are more flexible and tailored than a traditional loan

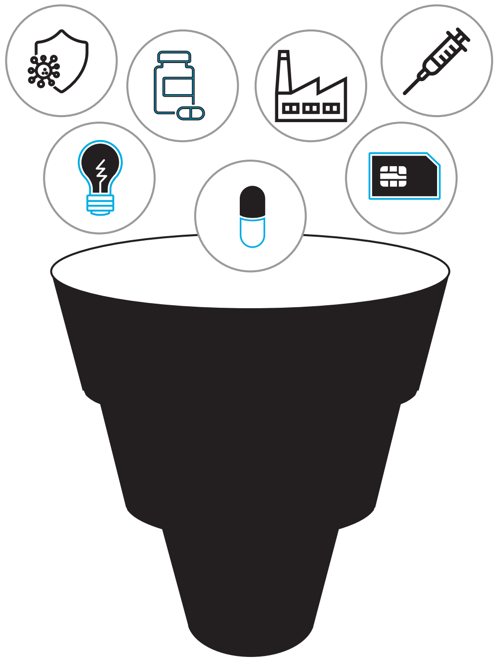
Key Features

1. **Flexible drawdowns**
   Funding provided based on milestones rather than a fixed schedule to ensure alignment with project cashflows

2. **Patient capital**
   Equity-like capital that is more flexible and with longer repayment periods linked to project milestones / outcomes

3. **Tailored terms**
   Pricing and terms tailored to each project to ensure sustainability and appropriate risk / return

TO BE ELIGIBLE FOR HDX, INVESTMENTS NEED TO FULFIL THE FOLLOWING CRITERIA



Target opportunities

Market potential	Addressing an unmet medical need and supporting: • Manufacturing or R&D of healthcare / nutritional products and devices • Provision & distribution of vaccines / nutritional supplements • Primary healthcare services/delivery excluded
Geographic focus	• Clear benefit for LMICs – specifically Sub-Saharan Africa • North Africa excluded
Financial needs	• Clear financing need with capacity to repay (debt not equity / grants) • Investment needs greater than €10 million
Partners	• Co-financing already secured / identified • Private sector company
Timeline	• Investment term < 12 years

INTRODUCING MEDACCESS

MedAccess

WE USE INNOVATIVE FINANCE PRODUCTS TO BOOST ACCESS

Volume guarantees

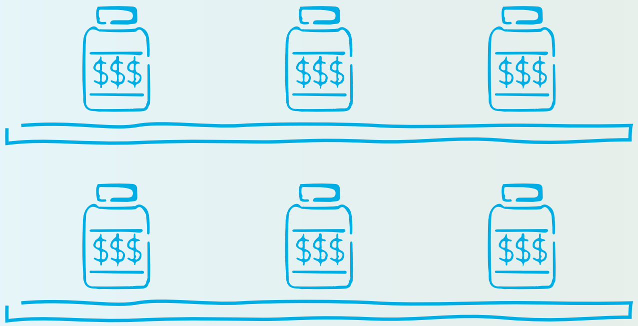
Procurement guarantees

Market shaping loans

VOLUME GUARANTEES

Problem

Market uncertainty → Fewer incentives to supply



Low volumes and high prices

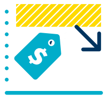
Solution

Volume guarantee

MedAccess:

- Make up any sales shortfall
- Support product implementation
- Guarantee sales volumes over 2-6 years

Manufacturer:



- Realistic and stable ceiling price
- Increased production
- Sell in more countries

PROCUREMENT GUARANTEES

Problem

Procurers face volatile funding and uncertain demand

Solution

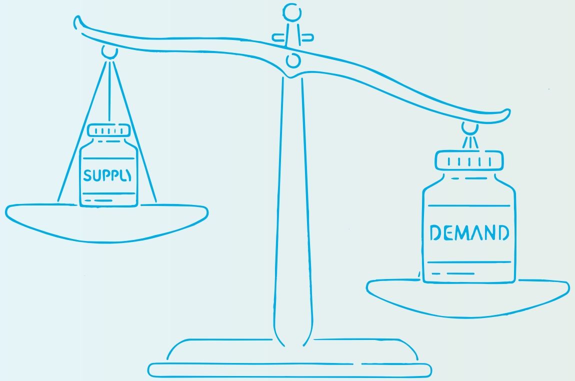
Procurement guarantee

- Enables procurer to place larger orders and / or meet country demand more quickly
- Bridges the gap between committed funds and disbursed funds for procurers

MARKET SHAPING LOANS

Problem

Some manufacturers in emerging economies struggle to access capital at affordable rates, preventing expansion and increased production



Demand outstrips supply

Solution

Debt financing agreement

MedAccess provides:

- Reasonably priced loans to support higher production
- Bring market knowledge and can bundle with VGs

Manufacturer commitment:

Expand access

Improve affordability

Health Finance COALITION

THE HEALTH FINANCE COALITION WORKS TO SCALE HEALTHCARE ENTERPRISES AND ENSURING CAPITAL ACHIEVES MEANINGFUL IMPACT

COMPANIES

- Accelerated Access to Capital
- Investment Readiness
- Fundraising Preparation
- Improved Growth Prospects
- Optimized Financing for Impactful Growth

Transaction and Strategy Support

HFC develops a pipeline of high-potential healthcare opportunities

Catalytic Capital

INVESTORS

- Innovative structures
- Blended opportunities
- Investor perspective
- Systematized, qualified opportunities
- Stronger capital alignment

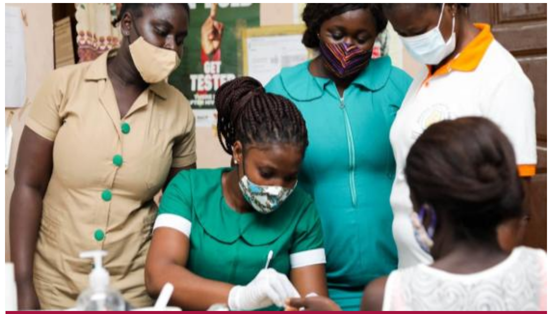
WE HAVE UNLOCKED $350M+ IN NEW FINANCING AND GLOBAL HEALTH IMPACT

REGIONAL MALARIA ELIMINIATION INITIATIVE

- $83.6 million in new funds
- $100+ million in domestic financing
- Blended gov't and lending with performance grants

Impact to-date:

- El Salvador ('21) and Belize ('23) declared malaria-free
- 96% less malaria cases in Escuintla, Guatemala



OPEN DOORS AFRICAN PRIVATE HEALTHCARE INITIATIVE

- $30M in loans unlocked
- $1.5M HFC Guarantee unlocked $17.7M from US Gov
- Brought together DFC and PMI/USAID for the first time

Impact to-date:

- 6.12M patient visits
- 58% low-income patients
- 61% women patients

TRANSFORM HEALTH FUND

- $111M final close mobilized – exceeding fundraising targets
- 61% Commercial / 39% Catalytic capital split

Impact to-date:

- 375,000 people will access affordable healthcare
- 2,800 jobs created
- 1.8M women patients

HFC PROVIDES TAILORED SUPPORT TO HEALTHCARE COMPANIES TO ENHANCE GROWTH AND FINANCIAL SUSTAINABILITY

Revenue and Cost Modelling/Capital Raise

Medical Oxygen Manufacturer

Guided a grant-dependent organization in building a sustainable revenue and cost model to ensure financial viability and support a capital raise.

Growth Strategy and Revenue Diversification

Optical Retailer

Advised on sustainable growth avenues and recommendations for diversification and expansion based on market research and financial modelling.

Commercial & Financial Due Diligence

Global Healthcare Donor

Conducted due diligence on medical device firms entering Malaria and HIV RDT markets, providing insights on entry, financials, and operations.