



PRESS RELEASE

## **Frontier investor XSML Capital raises US\$ 98.7m in first close of 4<sup>th</sup> fund**

*With African Rivers Fund IV XSML Capital will expand into Zambia*

**March 11, 2024 - XSML Capital, a leading provider of growth capital to SMEs in Central and Eastern Africa, has launched its 4<sup>th</sup> fund, African Rivers Fund IV (ARF IV), with a first close of US\$ 98.7 million. The new funding allows XSML to double its investments and impact over the coming years and follow investees into new markets like Zambia.**

Existing investors in previous funds reinvested and increased their commitment with some doubling their exposure. One new investor joined.

The 4<sup>th</sup> fund seamlessly follows on to ARF III, which is now fully invested. The African Rivers Funds support promising small and medium-sized enterprises in Central and East Africa, which are in the missing middle segment not addressed by the banking sector and other financial institutions.

“Despite the tough climate for fundraising last year and particularly in Africa, the first close of ARF IV exceeded the size of our previous fund,” says **Barthout van Slingelandt, partner of XSML Capital**. “This is a clear sign of confidence of our investors in our investment approach and performance. They share our excitement about the opportunities to invest in talented entrepreneurs in some of Africa’s frontier markets.”

The investors are British International Investment, the UK’s development finance institution and impact investor, FMO, the Dutch entrepreneurial development Bank, the International Finance Corporation (IFC), the private sector arm of the World Bank Group, Norfund, the Norwegian Investment Fund for developing countries and Swedfund, the Swedish Development Finance Institution. SIFEM, managed by ResponsAbility Investments, a leading impact asset manager, is a new investor.

ARF IV will re-double its commitment to be a long-term partner to current and new clients, offering more than just finance. Next to flexible growth capital, XSML clients benefit from a range of tailored business support to improve company processes that lead to better, more sustainable businesses.

### **New fund expected to invest in more than 50 SMEs**

ARF IV already has a strong pipeline, including potential new investments in Zambia, where XSML will open an office in the first half year of 2024. XSML expects to build a portfolio of over 50 companies in the new fund.

“Our local teams are the basis for our success. As a team we invest much time in scouting and getting to know businesses and their leaders. We strive to foster long-term relationships with our clients. This allows us to be flexible in our financing when needed and tailor our business support,” says **Van Slingelandt**.

#### **About XSML Capital**

XSML Capital - eXtra, Small, Medium, and Large - was founded in 2008 to support talented entrepreneurs in frontier markets in Africa grow their business into sustainable medium and large companies. XSML Capital provides expertise, network, and bespoke financing, geared to nurture local talent, and bring durable prosperity in underserved markets in Central and East Africa.

In these markets, XSML Capital, is the only investor providing growth capital ranging from US\$ 300k to US\$ 10m. To date, XSML has helped to scale more than 75 SMEs and initiated more than 150 business improvement projects across its portfolio.

#### **Contact**

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