

TRANSFORMING Africa's Hospitality Sector



Olivier Granet (left), Managing Partner, Chief Executive Officer, and David Damiba, Managing Partner, Chief Investment Officer at Kasada Capital Management, tell Africa Global Funds about the firm's investment strategy and trends that are driving the hospitality industry in Africa

PLEASE TELL US ABOUT KASADA CAPITAL MANAGEMENT.

OLIVIER GRANET & DAVID DAMIBA (OG & DD): Kasada Capital Management is the leading independent real estate private equity platform dedicated to the hospitality sector in Africa. Kasada was established in 2018 with the support of the Qatar Investment Authority, the sovereign wealth fund of Qatar, and Accor, a global hospitality leader. In April 2019, Kasada closed its first fund, Kasada Hospitality Fund L.P., with equity commitments of over \$500m.

Kasada's transforming the continent's hospitality sector with our world-class, multi-disciplinary team with deep sector expertise and successful track records across investment, construction, finance and operations and within the African context. Driven by our expertise, scale, strategic partnerships and industry networks, and significant investment pipeline, Kasada is seizing attractive proprietary knowledge and investments ahead of the market.

We lead the way in delivering truly sustainable and innovative best-in-class hospitality destinations and experiences to meet the strong, resilient and fast-growing structural demand in the region that is significantly undersupplied. We have become the largest and most active institutional investor in hospitality in the region and the solution provider of choice.

Our portfolio has grown to 20 hotels with 3,374 hotel keys across eight countries, each hotel is currently operated by Accor, leveraging its diverse brand portfolio and international acclaim.

WHAT'S YOUR INVESTMENT STRATEGY?

OG & DD: Our strategic approach has been to create and grow a geographically diversified portfolio, balanced across key locations in Sub-Saharan Africa. In line with our strict investment, returns and ESG criteria, Kasada's investment strategy spans all segments, from budget to luxury, including lifestyle and leisure. We also target value-add investment opportunities, creating value by repositioning assets and diversifying revenue streams to help strengthen topline resilience and improve revenue per square meter. We invest in both operational and greenfield development projects.

We're committed to generating sustainable, positive impact in the African economies and communities we invest in, while also ensuring the delivery of attractive, risk-adjusted returns for investors. This includes delivering low-carbon buildings, enhancing the benefits and training for all employees, providing the best guest experiences, reducing consumption of energy, water and resources, and the efficient management of resources. We're committed to supporting the development of local talent and positively impacting job creation with

career opportunities. Kasada already holds independent certifications for green building (IFC EDGE), security and safety (SAFEHOTELS) and green operations, underlining Kasada's commitment to being responsible investors in the African hospitality sector. We're targeting our existing portfolio to be Green building IFC EDGE certified by the end of 2024.

We have a large pipeline of attractive investment opportunities, we're also targeting what we believe is a natural expansion of our platform into Morocco.

WHAT TRENDS ARE DRIVING THE HOSPITALITY INDUSTRY IN AFRICA AND WHAT DOES IT MEAN FOR INVESTORS?

OG & DD: Home to the world's fastest growing population, with rapid urbanisation and a strong and growing middle class with increasing spending power, the hospitality sector in Africa has strong, resilient and increasing local and international demand fundamentals, yet is hugely underserved, unbranded and fragmented in terms of ownership. There are significant, attractive opportunities for Kasada to profitably grow our asset base across Africa, further enhance our portfolio diversification and risk profile, and create and deliver further sustainable value and outperformance for investors and all our stakeholders.

The resilience of the African hospitality market has been very impressive despite several challenges for all key market players. In 2024, the market is approaching 2019 levels, driven by some very strong performances in key markets such as Nigeria, Morocco and Senegal, clearly demonstrating the potential of the region. We expect to see further significant growth, for instance from the African Continental Free Trade Area (AfCFTA) helping to facilitate business and travel between different African countries.

WHAT'S YOUR OUTLOOK FOR THE AFRICAN HOSPITALITY INDUSTRY IN 2024?

OG & DD: It remains a very fragmented, underserved and unbranded sector that is set to continue to grow significantly and consolidate, and Kasada will continue to profitably grow its asset base across key African markets. Dynamic economic growth is backed by an emerging and growing middle-class stimulating the development of infrastructure such as airports, transportation and communication networks. With the increasing penetration of international brands, implementation of best-in class standards and higher quality of the development pipeline both international and local demand is expected to support significant growth of the sector.