



2025 Sustainability Report

Empowering West African SMEs through sustainable capital solutions

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Introduction

Message from the CEO



Jide Ogundare
Chief Executive Officer

2025 was a defining year for MBO Capital. Operating in a period marked by persistent inflation, geopolitical uncertainty, and evolving global macroeconomic pressures, we remained focused on our mission of allocating capital to support resilient, high-growth enterprises across Sub-Saharan Africa.

The Nigerian economy continues to stand at a critical juncture, balancing the urgent need for job creation and inclusive prosperity with the ongoing challenge of reducing dependence on trade and oil and gas, and deepening industrialization across key sectors. In this context, our commitment to sustainability is not just a corporate choice; it is a necessity for national development and long-term economic strength. During the year, we achieved several significant milestones that reflect both our growth and our maturing institutional capacity.

We hosted our inaugural **Film Financing Conference**, establishing MBO Capital as one of the leading institutional investors in shaping the future of Nigeria's creative economy. Another major achievement was the approval for our inaugural **bond issuance** under the **₦50 billion bond program**, a landmark step that strengthens our balance sheet, widens our access to capital markets, and demonstrates investor confidence in our governance, strategy, and long-term vision. We also held our first **Investors' Forum**, an event that allowed us to engage directly not only with our existing investors but also to share some of the highlights of our investee companies with our prospective investors.

Our strong performance was further validated by an upgrade in our **Agusto & Co** rating from **A- to A+**, reflecting the strength of our investment processes, risk-management systems, and organizational discipline.

In 2025, we disbursed **\$9 million (₦13 billion)**, enabling our portfolio companies to expand operations, sustain productivity, and create meaningful economic impact.

Today, across MBO Capital and our portfolio companies, we collectively support over **6,000 jobs**, underscoring our continued role in tackling unemployment, strengthening youth participation, and empowering women across Nigeria's labor force.

This past year also marked our evolution into a more structured, transparent, and sustainability-driven organization. For the first time, we introduced formal systems to track energy consumption, monitor emissions, and record recycling performance across our operations. These seemingly small but important steps reflect our commitment to environmental responsibility and our intention to embed data-driven ESG practices into our culture.

We also strengthened our governance structure with the establishment of two board committees: the **Audit & Risk Committee** and the **Governance & Remuneration Committee**, enhancing oversight, ethical leadership, and fiduciary standards.

While ESG has experienced backlash globally, particularly in some Western markets, we believe it remains critically important within Nigeria's financial landscape. Driven by regulators, Development Finance Institutions (DFIs), institutional investors, and evolving stakeholder expectations, we remain committed to being one of the leading examples in the private capital industry.

Our approach to responsible investing is deliberate and practical: we integrate ESG into our investment screening, due diligence, monitoring, and decision-making because we recognize that sustainable companies are more resilient, more innovative, and better positioned for long-term success.

Looking ahead, we remain optimistic. We will continue to expand our presence in high-impact sectors, deepen our investments in Nigeria's creative economy, strengthen our sustainability data systems, and support portfolio companies to adopt better waste-management, energy-efficiency, and governance practices. Our goal is simple: to create lasting value while contributing to Sub-Saharan Africa's economic transformation.

I extend my sincere appreciation to our staff, our board, investors, regulators, portfolio partners, and stakeholders whose trust and collaboration make our progress possible. As we look to the future, we remain committed to building a business that reflects the resilience, ambition, and boundless potential of Sub-Saharan Africa, a business driven by responsible investing, job creation, and a firm belief in the power of sustainable growth.

Introduction

About MBO Capital

MBO Capital Management Limited is an investment and financial advisory firm headquartered in Lagos, dedicated to providing capital and strategic support to small and medium-scale enterprises across Sub-Saharan Africa.

Our mission is to serve as a catalyst for economic development by offering growth equity, mezzanine financing, and debt capital to mid-sized companies, to drive long-term sustainable value creation while delivering superior risk-adjusted returns to our stakeholders.

Our investment footprint is primarily in **Sub-Saharan Africa**, with a focus on the region's English-speaking markets.

We are **sector-agnostic and thematic** in our investment approach. We are sector-agnostic because our investment philosophy is anchored in people. We invest in strong management teams whose industry experience and skills allow us to diversify responsibly without requiring deep internal expertise in every sector we invest in. However, we have distinguished ourselves as pioneers in the **creative industry**, particularly through our early and sustained investments in **Nigeria's movie sector**. We recognize the industry's significant potential to drive innovation, shape cultural influence, create employment opportunities, and enhance Nigeria's global competitiveness. Our investments in the movie sector are intentional, as the industry fully embodies our core investment themes: **job creation, youth and women empowerment, home-grown business development, import substitution, and export promotion**.

Across our portfolio, these themes guide our capital allocation strategy and ensure our investments contribute meaningfully to economic transformation across the region.

We integrate ESG considerations throughout the investment lifecycle, from origination to due diligence, portfolio monitoring, and exit, to mitigate risks, enhance performance, and support long-term value creation.

Guided by our business principles of long-term relationships, economic and social impact, excellence through teamwork, professionalism, and integrity, and supporting sustainability, MBO Capital is committed to building resilient businesses that create jobs, empower communities, and contribute meaningfully to Sub-Saharan Africa's economic growth.



Introduction

Our Investee Companies

MBO Capital manages a broad and strategically diversified investment portfolio across essential, high-growth, and emerging sectors of the Nigerian economy. Our portfolio spans 13 business sectors, including **real estate, healthcare, agribusiness, commodity trading, financial services, mining & mineral resources, ICT, creative industries, energy infrastructure, retail, sports & recreation, and business services**. This diversity strengthens our resilience, drives long-term value creation, and supports sustainable development across multiple value chains.

The table below provides an overview of our current portfolio companies, highlighting each business and its focus area across Nigeria and other regions where our investments are active.

Company	Description
	<p>Sterling Virtual Offices is a flexible workspace and virtual office provider offering business addresses, meeting rooms, and administrative support to SMEs and professionals. MBO Capital made an equity investment in 2013 and a follow-on debt investment in 2025.</p>
	<p>Sterling Realities Development Company is a Lagos-based property developer known for the Maiyegun Beach Estate. MBO Capital made an equity investment in 2016.</p>
	<p>FCSL Asset Management is a SEC-licensed issuing house, broker/dealer, market maker, and asset manager offering capital-market services. MBO Capital invested through equity in 2020 and debt in 2024.</p> <p>FCSL launched the Phoenix Funds: a goal-oriented, technology-driven investment solution designed for individuals and institutional investors in Nigeria, offering access to diversified portfolios.</p>
	<p>AfyA Care Nigeria is a healthcare holding company improving access and affordability in primary and secondary care. MBO Capital invested through equity in 2020 and debt in 2024 for the expansion of its geographic presence and hospital beds.</p>
	<p>Retail Supermarkets Nigeria Limited operates the Shoprite supermarket chain in Nigeria, supporting modern retail and consumer-goods distribution. MBO Capital invested through equity in 2020 and debt in 2023.</p>

Introduction

Our Investee Companies





Company	Description
 <p>SOURCING AND PRODUCE BUILDING AFRICA'S LEADING AGRIC TRADING BUSINESS NIGERIA USA TANZANIA MALAWI</p>	<p>Sourcing & Produce Limited is a soft-commodity trading company procuring and exporting agricultural commodities globally. MBO Capital invested through equity in 2020 and debt in 2025.</p>
 <p>metrowaves SPORTS AND INFRASTRUCTURE LIMITED</p>	<p>Metrowaves Sports & Infrastructure develops large entertainment and sports facilities, including The Arena. MBO Capital made an equity investment in 2020.</p>
 <p>NBA</p>	<p>NBA Africa is the pan-African arm of the National Basketball Association, co-organizing the Basketball Africa League and advancing youth and sports development. MBO Capital invested equity in 2021.</p>
 <p>utilita^{oi}</p>	<p>Utilita Energy Limited is an energy infrastructure company generating and distributing natural-gas-powered electricity. MBO Capital invested equity in 2021 and debt in 2024.</p>
 <p>Catapult Group BUILDING BRANDS</p>	<p>Catapult Group is a pan-African building-materials and construction-sector holding company with operations influencing Africa, the U.S., and Europe. MBO Capital made an equity investment in 2024.</p>
 <p>Aurelia Mining</p>	<p>Aurelia Mining Limited is a gold and lithium exploration company operating in Nigeria with responsible mining practices. MBO Capital invested equity and debt in 2024.</p>
 <p>THE NAIL BOUTIQUE™</p>	<p>Elereka Group operates <i>The Nail Boutique</i> and <i>Groomed by Elereka</i>, offering premium beauty, grooming, and wellness services. MBO Capital invested through debt in 2024.</p>
 <p>LLHL</p>	<p>Lagos Lagoon Highway Limited is a project Special Purpose Vehicle for the 71km Lagos Lagoon Highway. MBO Capital invested debt in 2025.</p>
 <p>Kitovu ...connecting farmers</p>	<p>Kitovu Technology Limited is an agriculture-focused technology company that aggregates agricultural commodities from small farmers to sell to various off-takers, offering digital agricultural tools and post-harvest solutions. MBO Capital invested debt in 2025.</p>
 <p>CresTech</p>	<p>Crestech Engineering Limited is an engineering company that provides engineering and project-management services to Nigeria's oil and gas sector. MBO Capital invested debt in 2025.</p>

Introduction

Our Investee Companies


Company	Description
	Africa Foresight Group is a technology-enabled consulting and business-advisory company offering research, analytics, and business support. MBO Capital invested debt in 2025.
	Willow Works is a construction company in partnership with Catapult Group which offers services in the building and highway construction industry.
	MCM Jets is a private charter operator based in Nigeria that recently received its Air Operator Certificate (AOC) from the Nigeria Civil Aviation Authority (NCAA) in December 2025, authorizing it to operate charter flights.
	Master Meats & Agro Production Co. of Nigeria Limited is an agribusiness, focused on the production, processing and distribution of a range of meat products, including in-store RSNL butcheries, in Nigeria. MBO Capital invested debt in 2025.

The table below outlines our investments in film-production projects and SPVs, reflecting our support for Africa’s creative economy.

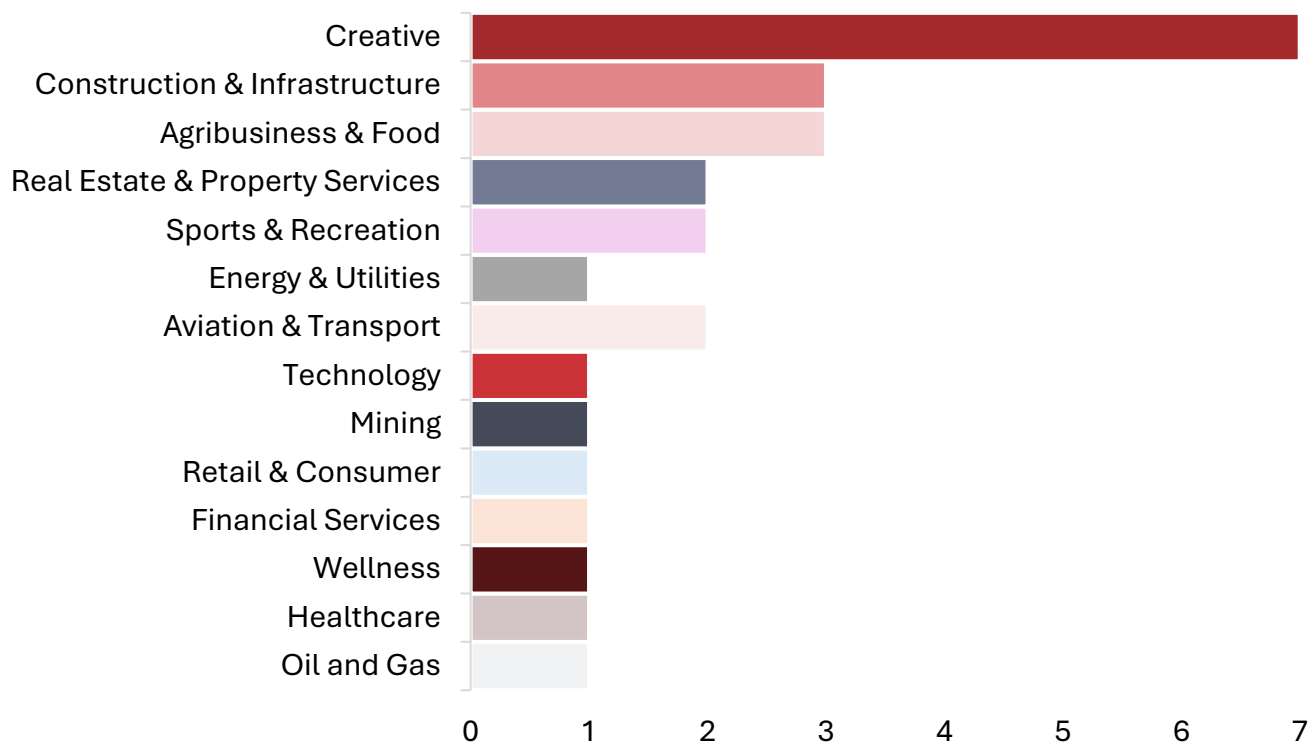
Company	Description
	Sheffy Productions is a Film-production company. MBO Capital invested equity in 2024 for the production of <i>Pink Butterfly</i> .
	Gold Lilies Production is a film and television development company which gained recognition for its theatrical production, most notably the two-part stage play titled <i>Osamede</i> , which explores the historical context of the ancient Edo Kingdom. MBO Capital invested equity in 2024 to finance the production of <i>Osamede</i> .
	BRS Studios is a joint venture comprising three film production companies: <i>Blue Pictures</i> , <i>Ramsey Films</i> , and <i>Sozo Films</i> , formed to develop high quality film and television content. MBO Capital invested a mix of equity in 2024 and debt in 2025 for the production of three movies.
	Natives Filmworks and Michelangelo Productions are two prominent Nigerian film production companies that formed a strategic partnership to elevate Nollywood storytelling and nurture emerging talent. MBO Capital invested debt in 2024 for the production of a 12-movie slate.

Introduction

Our Investee Companies

Company	Description
	<p>Mahogany Studios, operating as A Pop Media Group is a content development and production house focused on high-quality African film and visual storytelling. MBO Capital invested a mix of debt and equity in 2025 to finance the production of a movie series.</p>
	<p>Pinpoint Media Limited is a film and production company. MBO Capital invested a mix of debt and equity in 2025, to finance the production of its movie.</p>
	<p>Dalloway Pictures is a special-purpose vehicle incorporated solely to finance and produce a feature film. MBO Capital invested a mix of equity and debt in 2025 to finance the production of the feature film still in production.</p>
	<p>VSL Media is a film and production company that specializes in high-quality, commercially successful, and culturally relevant African content. MBO Capital invested a mix of debt and equity in 2025 to finance the production of its series.</p>

Breakdown of Our Portfolio by Sector



Introduction

Our Sustainability Strategy



At MBO Capital, sustainability is not an add-on to our business; it is fundamental to how we invest, how we operate, and how we create long-term value. For us, sustainability means generating strong financial returns in a manner that supports people, protects the environment, and enables durable economic progress. We believe profitability and responsibility are not competing goals; they are mutually reinforcing drivers of lasting growth.

Our Investment Themes outline where we focus our capital and effort, while our Impact Goals represent the societal outcomes we aim to create. Our investment themes are therefore the pathways through which we deliver impact.

Our Investment Themes

Our investment strategy is also shaped by five core priorities that reflect the socio-economic needs and opportunities within our markets:

- Job creation
- Youth and women empowerment
- Home-grown businesses
- Import substitution
- Export promotion



Our Impact Goals

Our sustainability approach is anchored in three core impact goals, which guide the sectors we invest in and the types of outcomes we pursue:

- **Sustainable Livelihoods** – supporting enterprises that expand economic opportunities and provide stable employment.
- **Gender Equality** – empowering women through increased participation in business, leadership, entrepreneurship, and economic activity.
- **Employee Health & Wellbeing** – prioritizing safe, fair, and healthy work environments across our portfolio.

These goals ensure we focus capital on sectors that generate jobs, fair labor practices, inclusive growth, and women empowerment.

Introduction

Our Sustainability Strategy

Our top sustainability priorities are grounded in our materiality assessment and reflect the ESG issues most important to our stakeholders and our business model.

1. Job Creation & Sustainable Livelihoods

(Material topics: Job Creation; Training & Skills Development)

Job creation remains central to our strategy, given its importance to economic resilience and long-term development. Through business expansion and operational strengthening, we aim to support sustainable employment opportunities.

2. Gender Equality & Inclusion

(Material topic: Diversity, Equity & Inclusion)

Empowering women and encouraging representation in leadership and business activities enhances performance, innovation, and inclusive growth.

3. Waste Management & Recycling

(Material topic: Waste Management & Recycling)

We are committed to minimizing waste and improving recycling performance, beginning with our internal operations and expanding progress across our portfolio.

4. Energy Efficiency & Resource Management

(Material topics: Energy Efficiency)

By monitoring electricity, diesel, and improving resource efficiency, we contribute to environmental stewardship and operational resilience.

5. Governance, Compliance & Responsible Investment

(Material topics: Governance & Compliance; Tax Transparency; Human Rights)

Strong governance and responsible investment practices underpin our long-term value creation and ensure integrity, transparency, and accountability.



Introduction

Our Sustainability Strategy

Our ESG Integration Approach

(Investment Lifecycle)

- **Deal Sourcing:** We identify opportunities aligned with our sustainability priorities and evaluate industries where ESG factors influence long-term viability.
- **Deal Screening:** We perform ESG pre-assessments to identify red flags (e.g., regulatory non-compliance, harmful environmental practices) while spotting opportunities for positive impact.
- **Due Diligence & Analysis:** ESG considerations guide our due diligence process.
- **Investment Committee (IC) Decision:** ESG risks and opportunities form part of every IC submission. This ensures decisions are responsible, well-informed, and aligned with our long-term sustainability strategy.

Sustainability Governance

Sustainability governance at MBO Capital is supported by:

- **ESG Analyst** – leads ESG assessments and reporting,
- **Investment Team** – embeds ESG in investment decisions,
- **Head of Risk Department** – ensures responsible risk oversight.

Standards and Frameworks

We align our sustainability reporting with reference to the **Global Reporting Initiative (GRI) Standards** to enhance transparency, improve comparability, and provide structured disclosures. While we are not reporting in full accordance with nor registered with GRI, we apply selected GRI disclosures that are most relevant to our material sustainability topics.

Our sustainability and impact activities also contribute to selected **United Nations Sustainable Development Goals (SDGs)**, particularly in the areas of gender equality, decent work and economic growth, reduced inequalities, and responsible resource use.



Stakeholder Engagement

Our 2025 materiality assessment engaged employees through surveys and questionnaires to identify priority ESG topics. Their input informed the selection of our material topics and continues to shape our sustainability strategy.

Introduction

Approach to Stakeholder Engagement

MBO Capital is committed to maintaining transparent, consistent, and meaningful engagement with the stakeholders who influence and are influenced by our operations. Our approach ensures that their perspectives inform our ESG priorities, investment decisions, and overall sustainability direction.

Our Key Stakeholders

For this reporting period, we identified the following primary stakeholder groups:

- Employees
- Investors
- Investee Companies
- Regulators

These stakeholders reflect the parties most directly connected to our operations, governance, and impact.

How We Engaged During This Reporting Period

- **Employees** (*Materiality Survey Participants*): Employees were the only stakeholder group formally engaged through a structured survey during this reporting cycle.
 - **Employee Survey** – conducted to gather feedback and identify ESG topics considered most significant by staff.
 - **Email Communications** – used to communicate updates, share ESG-related information, and maintain ongoing dialogue.
- **Investors**: Investors were engaged through ongoing communication, but did not participate in the survey:
 - **Routine Email Communications** – sharing updates, responding to queries, and maintaining transparency.
- **Portfolio Companies**: Our portfolio companies were not surveyed, but were engaged in the normal course of operations:
 - **Emails and Monitoring Communications** - for ongoing compliance tracking, performance updates, and ESG-related discussions where relevant.
- **Regulators**: Regulators were engaged only through compliance-related exchanges:
 - **Email and Official Submissions**: fulfilling regulatory requirements and responding to information requests.

This reporting cycle represents the first formalized engagement effort. As our stakeholder engagement framework matures, we aim to broaden participation to cover a wider set of stakeholders in future reporting cycles.

Introduction

Purpose of The Report

The purpose of this sustainability report is to provide a transparent account of how MBO Capital integrates environmental, social, and governance principles into our investment strategy and operations. As an Investment firm, we recognize that sustainability is essential for long-term value creation and resilience.

This report serves five key objectives:

- **Accountability to stakeholders:** Providing stakeholders with clear evidence of our sustainability commitments, practices, and measurable impact across our portfolio.
- **Alignment with Nigeria's priorities:** Showcasing how our investments contribute to Nigeria's economic diversification and social development in line with the United Nations Sustainable Development Goals (SDGs).
- **Guidance for future growth:** Outlining the frameworks and investment themes that will continue to shape our decisions, ensuring that sustainability remains central to our strategy.
- **Highlight our investment themes and impact goals:** Illustrating how job creation, women empowerment, homegrown business development, import substitution, and export substitution, together with our impact goals of sustainable livelihoods, gender equality, and employee health & wellbeing, are embedded in our investment approach and consistently guide our decision-making.
- **Stakeholder Engagement:** Providing investors, regulators, partners, and communities with a transparent view of how we balance financial returns with long-term sustainability.

Ultimately, this report serves as both a record of our progress and a roadmap for continuous improvement.

This report has been prepared **with reference** to the **GRI Standards (GRI 1, GRI 2, GRI 3)** and selected Topic Standards. It covers the period **1st January 2025 to 31st December 2025** and is published annually.

Material Topics

Materiality Approach

Our materiality assessment was conducted in line with the **GRI 2021 Standards**, applying an impact-based methodology that focuses on the significance of actual and potential impacts on the economy, the environment, and people, including human rights. The process covered our operational activities and the broader impacts connected to our investment processes.

The assessment began with the development of a comprehensive list of ESG topics informed by:

- Global sustainability reporting standards
- Sector-specific guidance relevant to private equity and financial services
- Nigerian regulatory priorities
- MBO Capital's internal policies and investment practices

Following this, structured engagement was conducted with internal stakeholders, including senior leadership, the investment team, risk, ESG, operations, and support functions, to evaluate each topic's relevance and impact severity. Topics were assessed against two core dimensions:

- Significance of actual or potential impacts on people, the environment, and the economy, and
- Relevance to MBO Capital's governance responsibilities, business model, and investment activities

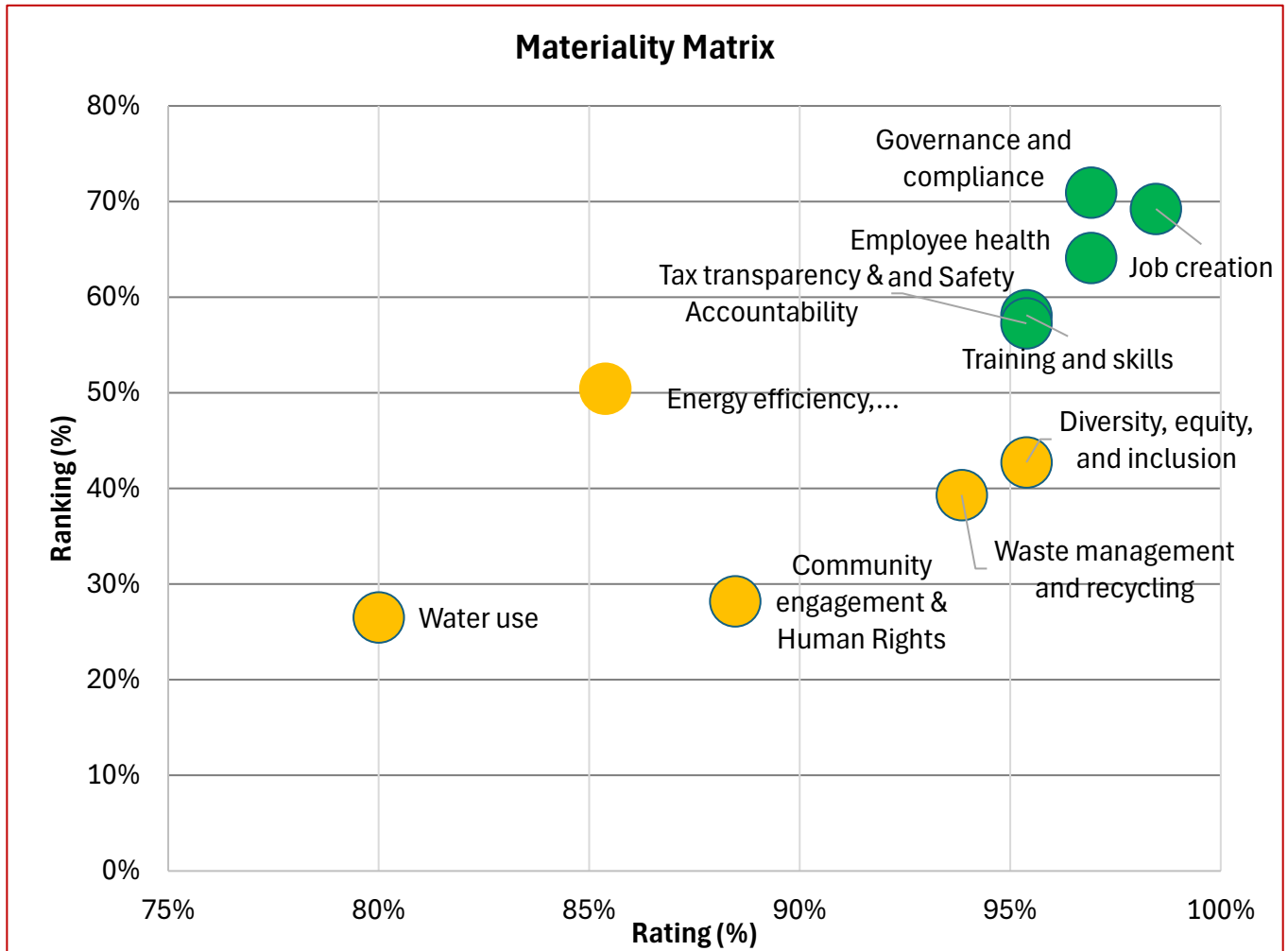
The resulting list of material topics was reviewed and validated by management to ensure alignment with strategic priorities, risk considerations, and long-term business objectives.

This assessment forms the foundation of our sustainability strategy and guides the disclosures presented throughout this report.



Material Topics

Materiality Matrix



The Materiality Matrix presents the outcome of our assessment, plotting topics based on their:

- Importance to the business (**Rating %**)
- Potential impact on our operations and long-term performance (**Ranking %**)

These results were plotted to provide a visual representation of how different sustainability issues compare in terms of significance.

The matrix shows that topics such as **Governance and Compliance, Job Creation, Employee Health and Safety, Tax Transparency & Accountability, and Training & Skills Development** fall within the upper-right quadrant. These topics received consistently high scores across both axes, reflecting their critical role in maintaining organizational integrity, enabling operational resilience, and supporting sustainable value creation.

Environmental and social topics, including **Diversity, Equity and Inclusion, Waste Management and Recycling, and Energy Efficiency & Renewable Energy** also emerged with strong importance ratings. These reflect growing expectations around environmental responsibility and workplace inclusiveness in the Nigerian context.

Other topics, such as **Community Engagement & Human Rights**, ranked moderately but remain relevant, especially in supporting responsible operations and compliance with local regulations.

Water Use was excluded due to the minimal water footprint of our office-based operations and the lack of significant water-related impacts. In accordance with **GRI 3**, a topic is considered material only where its actual or potential impact is significant.

Together, the matrix provides a clear perspective on the ESG focus areas that matter most and informs the prioritization of our disclosures and sustainability management efforts.

Material Topics

List of Material Topics

Based on the outcomes of the assessment, the following material topics were identified for the 2025 reporting period:

- **Governance & Economic Topics:**
 - Governance and Compliance
 - Tax Transparency and Accountability
- **Social Topics:**
 - Employee Health and Safety
 - Job Creation
 - Training and Skills Development
 - Diversity, Equity, and Inclusion
 - Engagement & Human Rights
- **Environmental Topics:**
 - Waste Management and Recycling
 - Energy Efficiency & Renewable Energy

These material topics shape our sustainability priorities, guide our ESG integration practices, and inform our disclosures across this report.



Environmental Topics

GRI 302, GRI 306



MBO Capital’s environmental approach is focused on minimizing operational impact, strengthening resource efficiency, and establishing the foundational systems necessary for high-quality environmental reporting.

As an office-based investment firm, our direct environmental footprint is relatively small; however, we recognize our responsibility to model good environmental practices internally while encouraging improved sustainability performance across our portfolio.

Our environmental management priorities for the 2025 reporting period included **energy efficiency, responsible waste management, and the establishment of structured environmental data systems**. These priorities align with our material topics (**GRI 302 and GRI 306**) and reflect both global expectations and Nigeria’s emerging regulatory focus on **climate, resource stewardship, and responsible business conduct**.

Environmental Topics

Energy Efficiency and Renewable Energy

Energy consumption in our operations is primarily driven by lighting, air-conditioning, IT infrastructure, and general office use. Throughout 2025, we maintained measures to support efficient energy usage and monitored consumption to enable more responsible planning.

Operational Energy Use

Our office is equipped with **energy-efficient lighting systems**, including LED and power-saving bulbs, which reduce electricity demand. Routine maintenance of electrical and cooling systems helps maintain optimal performance and prevent energy loss.

Given the realities of Nigeria's power supply, we supplement grid electricity with diesel-powered generators to ensure business continuity. While this contributes to *scope 1 emissions*, our overall energy-related emissions remain relatively low due to the limited physical footprint of our operations.

2025 Energy Consumption

- Grid electricity (Scope 2): **45,776.9 kWh**
- Diesel purchased: **5,050 liters**
- Diesel energy equivalent: **54,035 kWh**
- Total energy consumed in 2025: **99,812 kWh**

This represents the first year of structured energy tracking, forming the *baseline* for future improvement.

2025 Greenhouse Gas Emissions

In 2025, we calculated our direct emissions from diesel use:

- Scope 1 emissions: **13.45 tCO₂e** (based on 2.68 kg CO₂e per litre of diesel)
- Scope 2 emissions: **25.04 tCO₂e** (based on a 0.547 tCO₂e/MWh grid emission factor; converted to 0.00055 tCO₂e/kWh since 1 MWh = 1,000 kWh)

Renewable Energy Adoption

As part of our long-term sustainability ambition, we introduced **solar energy** into our power mix. Though supplemental at this stage, the integration of renewables enhances operational resilience, reduces generator use, and signals our commitment to cleaner energy solutions.

Through these initiatives, MBO Capital continues to build a foundation for long-term improvements in energy efficiency, emissions reporting, and resource management.



Environmental Topics

Waste Management and Recycling

Waste generated from our operations is predominantly office-related, with plastics and packaging constituting the largest streams. In 2025, we strengthened our waste-management practices by introducing a formal recycling program.

Recycling Initiative

We implemented structured waste segregation across key plastic categories, including:

- PET bottles
- Disposable plates
- Dishwashing liquid containers
- Toilet cleaner bottles.

These materials were collected for recycling by **De Nigeria Limited**, an accredited waste-management partner.

In the first cycle of implementation, which took place in late 2025, we recorded **20 kg** of recyclable plastics, equivalent to **13 bags**, which were collected and processed by De Nigeria Limited. Beginning with the 2025 cycle, we plan to continue quarterly collections, strengthen internal awareness, and enhance the accuracy of our waste data over time.

Our focus is to reduce waste volumes, divert more materials from landfills, and contribute to a more circular and resource-efficient workplace.

Material Type	Quantity	Number of Bags	Recycling Partner
Plastics (<i>PET bottles, disposable plates, dishwashing liquid containers, toilet cleaner bottles</i>)	20 KG	13	De Nigeria Limited

Social Topics

GRI 203, GRI 401, GRI 403, GRI 404, GRI 405

Social performance is a core pillar of MBO Capital's sustainability strategy and a central aspect of our material topics. As an investment firm operating in Nigeria's dynamic socio-economic landscape, we recognize our responsibility to foster safe workplaces, support human capital development, promote inclusion, and generate meaningful economic opportunity across our organization and portfolio companies.



Social Topics

Employee Health & Safety

MBO Capital remains committed to ensuring a safe, healthy, and resilient work environment for employees, contractors, and visitors. We maintain a combination of preventive measures, emergency readiness, and continuous improvement processes designed to reduce workplace risks and safeguard well-being.

Work-related Incident: Office Fire

In October 2025, a fire outbreak occurred on the first floor of the office building. The fire alarm was triggered immediately, and emergency protocols were activated. The Lagos State Fire Service responded promptly and brought the fire under control.

Key Outcomes:

- **No** injuries or fatalities were recorded.
- Damage was limited to office infrastructure and equipment.

Corrective and Preventive Measures

To prevent recurrence and strengthen emergency preparedness, we implemented the following actions:

- Upgraded the fire alarm and detection system
- Installed Automatic Voltage Regulators (AVRs) across all air-conditioner circuits
- Completed full renovation of the affected floor
- Conducted refresher fire-safety drills for employees and security personnel

These actions reinforce our ongoing commitment to workplace safety and compliance with Nigeria's occupational-safety regulations.

Medical Incident on Film Set

During the reporting period, one of the film productions we financed experienced a medical emergency involving an actor collapsing on set. The production team activated emergency protocols, stabilized the individual, and facilitated medical evacuation to Lagos for treatment.

The actor received appropriate care and was withdrawn from the project for their well-being. No further complications were reported.

This incident highlights the importance of comprehensive safety protocols for creative-industry projects.

Social Topics

Job Creation

Job creation remains a central social impact priority for our investment strategy. By providing expansion capital and working-capital financing, we help businesses scale, strengthen operations, and create sustainable employment across Nigeria's key sectors.

Jobs Created Across Portfolio Companies

In 2025, our active portfolio companies supported **6,000+** direct jobs across **20** active investee companies.

Most of these roles were driven by capacity expansion, improved production cycles, new facility development, and strengthened working-capital positions.

Types of Jobs Created

The jobs generated during the year were predominantly:

- Full-time staff
- Skilled and semi-skilled technical roles
- Administrative and operational positions

Jobs span multiple sectors, including:

- Lifestyle & wellness, Energy, Healthcare, Commodities trading, Mining, Aviation, Financial services, Fast-moving consumer goods (FMCG), Creative sector, Engineering, Construction & Infrastructure, Sports & Recreation, Technology, and Real Estate.

These opportunities contribute to income generation, household stability, and Nigeria's long-term economic resilience.

Job Creation Within Our Firm (Internal Employment)

In 2025, MBO Capital employed **37** staff during the reporting year, with **8** new hires. These hires strengthened our investment, ESG, risk, and operational capabilities as we scale our activities. A detailed case study illustrating how our investments support employment growth is provided in the Impact Highlights section.



Social Topics

Training and Skill Development

Human capital development is essential to our operational excellence. We invest in continuous learning to enhance technical competencies, strengthen governance culture, and support employee career growth.

Annual Training Needs Assessment

Each year, employees identify skill gaps and development interests through a structured needs-assessment process. Line managers and HR validate these needs and prioritize training aligned with organizational objectives.

Training Outcomes

In 2025, employees across all categories participated in targeted learning programs, resulting in a total of **1,932 training hours**. This data reflects only the employees who participated in the programs during the reporting period.

Below is the training summary table:

Employee Category	Number of Employees	Total training hours	Average hours per employee
Senior Management	3	56 hours	19 hours
Middle Management	4	84 hours	21 hours
Professional/ Technical Staff	13	1288 hours	99 hours
Administrative Staff	2	70 hours	35 hours
Interns	2	434 hours	217 hours
Total	24	1,932 hours	

**Note: Training data covers only direct employees. Support staff are excluded*

Professional and technical staff accounted for most training hours due to their direct involvement in investment operations, due diligence, ESG integration, and portfolio monitoring.

Commitment to Continuous Development

We continue to support employees with:

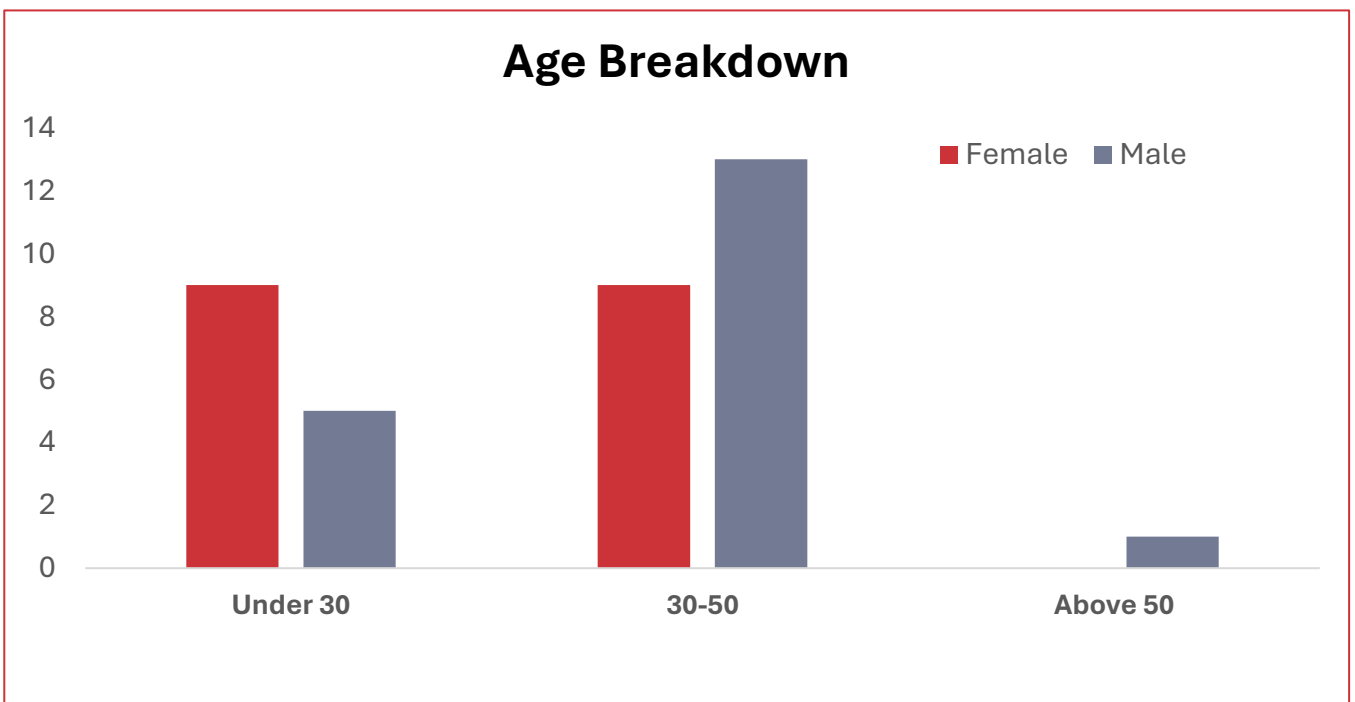
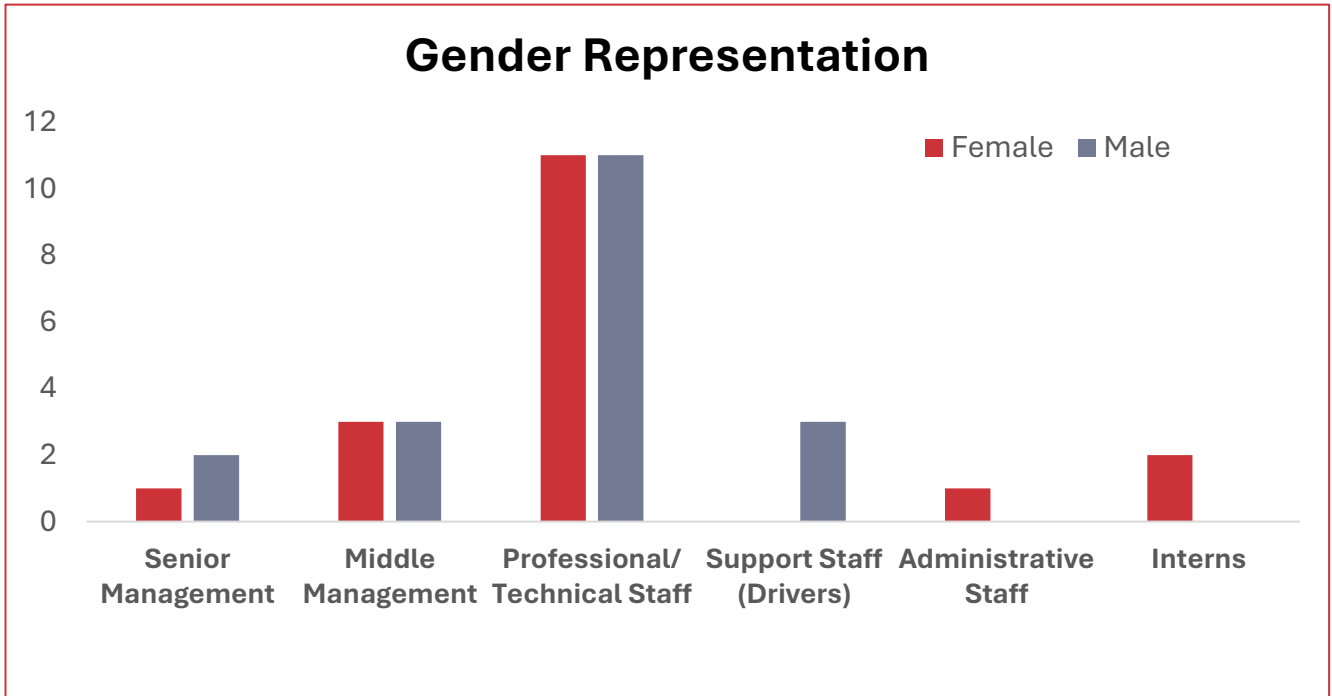
- Professional certifications
- Leadership development
- Technical upskilling
- Industry-relevant workshops and courses

Social Topics

Diversity, Equity and Inclusion

MBO Capital is committed to fostering a diverse, equitable, and inclusive workplace where individuals are treated fairly and given equal opportunities to grow and contribute. We uphold a merit-based recruitment and advancement system, backed by clear policies that prevent discrimination of any kind.

Workforce Diversity and Representation



Social Topics

Engagement and Human Rights

MBO Capital maintains a workplace founded on **fairness, respect, and dignity**. We uphold global human-rights principles consistent with Nigerian labor laws and ensure that all employees work in an environment that supports open communication, dignity, and equal treatment.

Employee Engagement

We prioritize employee engagement as a key driver of organizational performance. MBO Capital promotes a culture of open communication, where employees are encouraged to share feedback, raise concerns, and participate in organizational improvements.

Engagement takes place through:

- Regular team and departmental meetings
- Open-door interactions with management
- Direct communication channels with HR
- Informal check-ins and performance discussions

These channels support transparency, strengthen team interrelation, and help identify areas for continuous improvement.

Human Rights Commitment

Our human rights commitment applies across all operations and includes:

- Respect for individual dignity
- Prohibition of discrimination and harassment
- Promotion of fairness and equal opportunity
- Safe and fair working conditions
- Freedom to raise concerns without retaliation

Grievance Mechanisms

To protect employee rights and uphold ethical conduct, MBO Capital maintains clear internal policies and grievance mechanisms. These systems allow employees to report concerns confidentially and ensure that cases are addressed promptly and fairly.

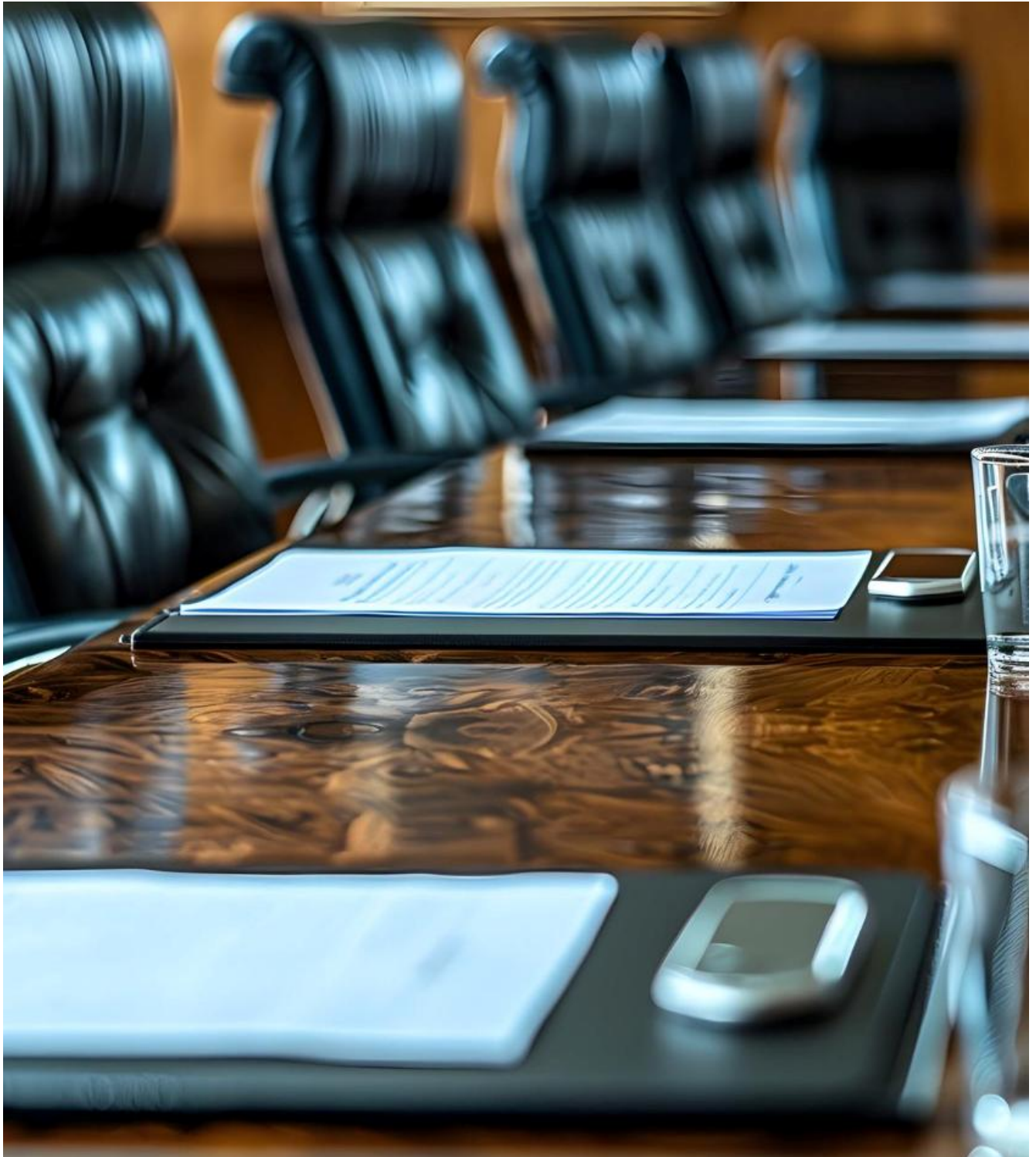
Our mechanisms include:

- A formal HR reporting channel
- Option to escalate sensitive concerns to senior management
- Confidential handling of reports
- Zero-tolerance approach to retaliation

Governance and Economic Topics

GRI 203, GRI 205, GRI 207, GRI 406

Strong governance, ethical conduct, and regulatory compliance form the foundation of MBO Capital's business model and investment philosophy. As a licensed investment manager operating in Nigeria's evolving regulatory environment, our governance systems are designed to ensure accountability, safeguard integrity, and support the long-term sustainability of our investment activities.



Governance and Economic Topics

Governance Structure

Our governance framework is designed to ensure accountability, transparency, and responsible decision-making across all levels of the organization. The Board of Directors, supported by its committees and the executive management team, provides strategic direction and oversees risk management, compliance, and ESG integration.

The management team plays a critical role in executing the company's sustainability strategy, coordinating cross-functional initiatives, and ensuring compliance with regulatory, ethical, and internal standards. Together, the Board and management ensure that ESG priorities are embedded into long-term planning, risk management, and overall business decision-making.

Board Composition and Leadership

Our Board of Directors plays a central role in shaping MBO Capital's corporate governance culture and ensuring that our investment activities uphold principles of accountability, transparency, and responsible conduct. The Board's influence spans strategic direction, risk oversight, and the governance of relationships with stakeholders, including regulators, employees, and portfolio companies. The Board consists of **five directors** with diverse professional experience, including one **Non-Executive Independent Director**, ensuring balanced oversight and strategic independence

In terms of gender representation, the Board consists of **20% women** and **80% men**. While the current gender balance reflects the realities of our operating environment, strengthening female representation at the Board and senior leadership levels remains a priority for future governance development. A clear separation of responsibilities is maintained, with the Chairman and CEO holding distinct roles, ensuring an effective balance between executive leadership and independent Board oversight.

Governance Committees

MBO Capital maintains two Board-level committees that strengthen accountability and provide strategic and operational oversight:

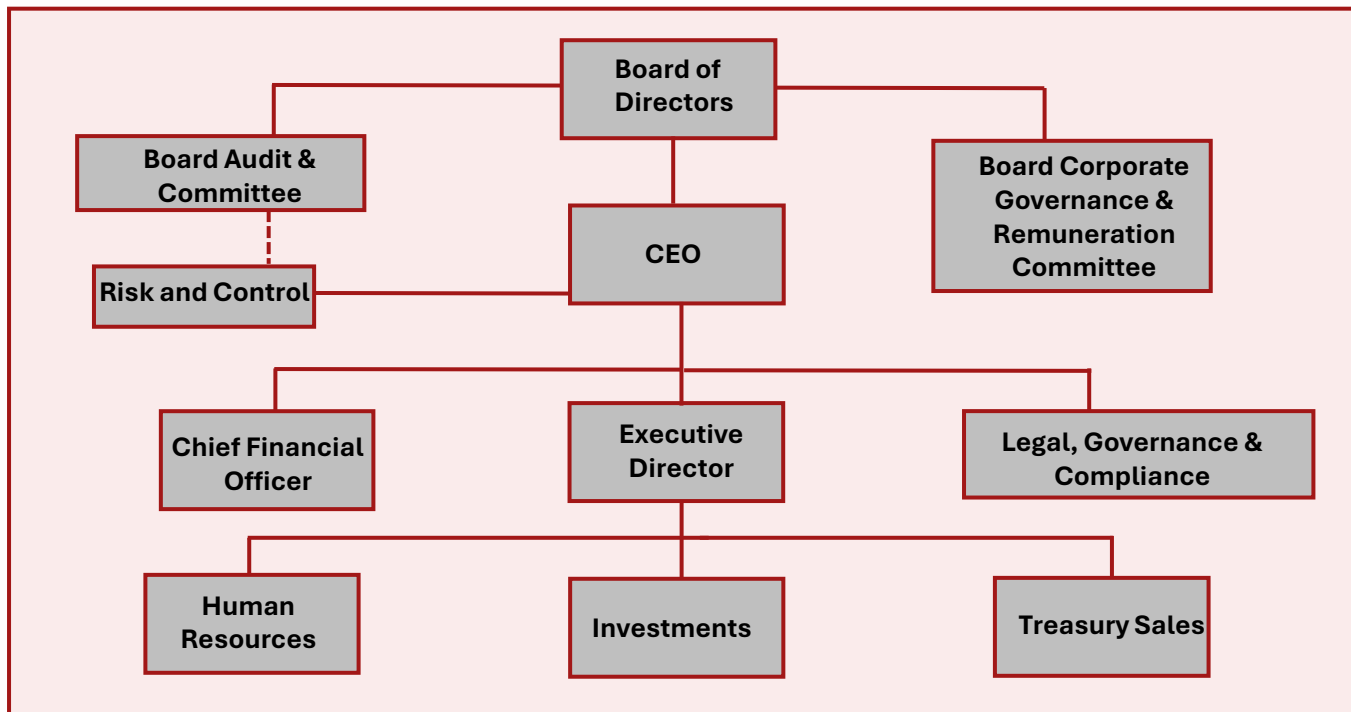
- **Audit & Risk Management Committee** – Oversees financial integrity, internal controls, compliance, and enterprise risk management.
- **Governance & Remuneration Committee** – Supervises governance standards, Board appointments, remuneration structures, and leadership development

Governance and Economic Topics

Governance Structure

Governance Framework

MBO Capital's MBO Capital's governance framework ensures clear accountability, ethical leadership, and structured operational oversight across departments. It aligns with Nigerian regulations (SEC Nigeria, CAMA, AML/CFT requirements) and international governance expectations.



This diagram reinforces the firm's governance architecture and demonstrates how operational functions interact under Board-level oversight.

ESG Oversight

Oversight of sustainability-related impacts is embedded within MBO Capital's governance framework at multiple levels:

- **The ESG Analyst** conducts ESG assessments and portfolio monitoring.
- **The Investment Team**, integrates ESG findings into screening, due diligence, and investment decisions, and monitoring.
- **Management**, ensures sustainability priorities are implemented internally and across portfolio engagements.
- **Board of Directors**, receive annual ESG performance reports and provides oversight on material ESG risks and impacts.

Governance and Economic Topics

Governance and Compliance

Ethics & Responsible Conduct

We uphold the highest ethical standards in our business practices. Our ethical standards guide employees, partners, and portfolio companies and reflect our commitment to professional conduct and regulatory compliance.

We have the following policies in place:

- Code of Ethics
- AML/CFT Policy
- Whistleblowing Policy
- ESG Policy

These policies promote transparency, professional behavior, and responsible conduct in line with global best practice and Nigerian regulatory expectations. Confidential channels allow employees and stakeholders to seek advice or report concerns without fear of retaliation.

Anti-Corruption

Given the national operating context, anti-corruption remains a priority area across our investment activities.

Corruption Risk Assessment

Integrity and corruption risk assessments are embedded in our investment process through:

- ESG screening at the pipeline stage
- ESG-integrated due diligence on all transactions
- Investment Committee review and approval
- Annual monitoring of portfolio companies

Training & Awareness

Staff receive AML/CFT and ethics orientation as part of ongoing compliance capacity building.

2025 Performance

- Confirmed corruption incidents: **0**
- Dismissals or disciplinary actions: **0**
- Public legal cases: **0**

This reflects strong internal controls and the integrity of our operations.

Governance and Economic Topics

Governance and Compliance

Whistleblowing & Grievance Mechanisms

We maintain a confidential and accessible whistleblowing system that enables employees and stakeholders to report misconduct or unethical behavior without fear of retaliation.

Whistleblowing Channels:

- Email
- Formal written letter
- Website submission
- Telephone call

2025 Outcomes:

- Reports received: **0**
- Investigations conducted: **0**
- Substantiated cases: **0**

Our Whistleblowing Policy ensures anonymity, confidentiality, and strict non-retaliation.

ESG Integration Across the Investment Lifecycle

ESG considerations are embedded across each stage of our investment process:

- **Pipeline Screening:** ESG risks and opportunities are reviewed during initial opportunity identification.
- **Due Diligence:** ESG due diligence is conducted for all debt and equity investments.
- **IC Approval:** The Investment Committee evaluates ESG findings and requires mitigation plans before approval.
- **Portfolio Monitoring:** ESG performance is monitored annually with portfolio companies, focusing on material risks, compliance gaps, and improvement actions.

This approach ensures responsible investment, regulatory compliance, and value creation for all stakeholders.

Governance and Economic Topics

Tax Transparency and Accountability

Approach to Tax Governance

We are committed to maintaining full compliance with all tax laws and regulatory obligations in Nigeria. While we do not maintain a standalone internal tax policy, our approach is guided by the requirements and policy directives issued by relevant government authorities. Tax matters are overseen by the Finance Department, which ensures that all filings, reporting obligations, and statutory remittances are completed accurately and on time. The department operates under an internal finance policy that guides financial reporting, documentation, and compliance processes.

We are committed to:

- Complying fully with tax legislation
- Ensuring transparency in tax reporting
- Avoiding aggressive tax planning
- Supporting government revenue through responsible tax conduct

Tax Compliance Performance

During the reporting year:

Regulatory fines: **0**

Penalties: **0**

Tax disputes: **0**

2025 Statutory Tax Payments

Corporate Income Tax (CIT): ₦57 million

Withholding Tax (WHT): ₦41 million

Value Added Tax (VAT): ₦75 million



Governance and Economic Topics

Economic Performance

During the 2025 reporting period, MBO Capital recorded strong operational and financial performance driven by increased investment activity, expanded transaction mandates, and strengthened market confidence in the firm's governance and investment strategy. We recorded an improvement in **profit before tax** in 2025 compared to 2024, supported by higher fee income, increased transaction activity, and stronger portfolio performance. Audited financial statements provide a detailed breakdown of earnings, operating expenses, and year-end financial position.

In 2025, we disbursed a total of **\$9 million (N13 billion)** across debt and equity transactions, enabling our portfolio companies to scale operations, strengthen capacity, and maintain business continuity. The Investment Committee reviewed and approved **16 transactions** during the year, reflecting growing demand for responsible capital and increased deal flow within priority sectors. Several of these approvals progressed to final structuring stages, further expanding our investment pipeline for 2026.

A major institutional milestone in 2025 was the successful approval of our **N50 billion Bond Program** and the **issuance of the first series (N1.6 billion)**. This program strengthens our ability to mobilize long-term, local-currency financing to support mid-sized businesses in Nigeria. The inaugural issuance reinforces investor confidence in the firm's creditworthiness, governance systems, and disciplined investment track record.

Investment Manager Rating (Agusto & Co)

In 2025, MBO Capital Management Limited was assigned an **A+ Investment Manager Rating** by Agusto & Co, reflecting our strong governance framework, robust risk management systems, sound investment processes, and adherence to ethical and regulatory standards. This independent rating underscores the effectiveness of our internal controls, the professionalism of our investment team, and our commitment to responsible and transparent fund management.

Impact Highlights

Sourcing and Produce Limited

Industry: Agribusiness

Location: Nigeria (operations across three African countries: Nigeria, Tanzania, & Malawi)

Year Invested: 2020



Sourcing and Produce's new warehouse and fumigation chambers.

Material Topic: Job Creation

Sustainability Initiative:

- Commissioned a new warehouse and fumigation chambers.
- Eliminated reliance on third-party fumigation providers by creating in-house capacity.

Impacts & Outcomes:

- Improved operational efficiency
- Reduced operational delays
- Revenue diversification through new fumigation services

SDG Alignment



SDG 2
Target 2.1



SDG 8
Target 8.1

MBO Capital provided S&P with working capital to prepay suppliers, enabling the timely fulfillment of its customers' orders.

Impact Highlights

Kitovu Technology Limited

Industry: Agribusiness

Location: Nigeria

Year Invested: 2025

Material Topic:

- Job Creation • Training & Skills Development • Diversity, Equity & Inclusion • Waste Management & Recycling • Energy Efficiency

Sustainability Initiative:

- Implemented StorageX, an IoT-enabled storage and aggregation system for improved crop preservation.
- Introduced structured aggregation, quality grading, and bulk handling to reduce repackaging waste.
- Adopted energy-efficient and solar-supported systems across storage facilities.
- Provided training for farmers and staff to strengthen skills in quality control, storage handling, and digital record-keeping.

Impact & Outcomes:

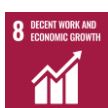
- **137** direct jobs created across aggregation activities
- **3,747** smallholder farmers engaged as suppliers
- **346** farmers connected to new structured/institutional buyers
- **50%** women in management and leadership roles
- Significant reduction in post-harvest losses, improving farmer income stability.
- Lower energy consumption from shared infrastructure and solar-supported systems

SDG Alignment



SDG 2

Target 2.1



SDG 8

Target 8.1



MBO Capital provided Kitovu with working capital to finance its commodity aggregation operations

Impact Highlights

Utilita Energy Limited

Industry: Energy Infrastructure

Location: Nigeria

Year Invested: 2021

Material Topic:

- Job Creation • Energy Efficiency & Renewable Energy • Diversity, Equity & Inclusion • Waste Management
- Governance and Compliance

Sustainability Initiative:

- Expanded natural gas-fired power generation projects, providing a cleaner alternative to diesel-based power systems.
- Tracked annual greenhouse gas (GHG) emissions, enabling data-driven environmental performance management.
- Implemented environmental management controls to minimize site disturbance, manage waste, and ensure contractor compliance.

Impact & Outcomes:

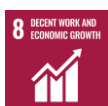
- **15** employees, of which:
 - **5** women,
 - **40%** women in management and leadership roles
- **3,737MT** of emissions from gas-fired generation, reflecting a lower carbon intensity compared to diesel-based systems.
- Strengthened governance around environmental management and contractor oversight.



SDG Alignment



SDG 2
Target 2.1



SDG 8
Target 8.1
Target 8.5
Target 8.7



SDG 13
Target 13.2

MBO Capital invested in Utilita to support its corporate growth and enable infrastructure expansion, and asset upgrades.

Impact Highlights

Elereka Lifestyle Limited

Industry: Beauty and Wellness

Location: Nigeria

Year Invested: 2024

Material Topic:

- Job Creation • Energy Efficiency • Training & Skills Development
- Waste Management • Diversity, Equity & Inclusion
- Employee Health & Safety
- Engagement & Human Rights

Sustainability Initiative:

- Expanded operations and relocated to a larger facility to support business growth and job creation.
- Adopted **non-toxic, TPO-free** beauty products to protect staff and clients from harmful chemicals.
- Implemented resource-efficiency measures and introduced conservation practices for energy and water.
- Provided continuous training and strengthened staff welfare systems.



Impact & Outcomes:

- **97** employees, including **40 women**, with **23% women** in management roles.
- **26%** staff turnover rate (*employees who left compared to the total workforce*).
- Improved service quality through structured capacity building.
- Reduced environmental and health risks through responsible product use.

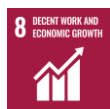


SDG Alignment



SDG 5

Target 5.5



SDG 8

Target 8.3

Target 8.5



SDG 12

Target 12.2

Target 12.4

Target 12.5

MBO Capital provided debt financing to support Elereka's expansion plans and relocation to a larger commercial space.

Impact Highlights

Aurelia Mining Limited

Industry: Mining

Location: Nigeria

Year Invested: 2024

Material Topic:

- Waste Management • Governance & Compliance • Job Creation
- Energy Efficiency • Health & Safety • Engagement & Human Rights

Sustainability Initiative:

- Implemented low-impact exploration practices, controlled waste handling, and full site restoration.
- Strengthened artisanal mining safety and traceability via the Babban-Tsani Gold Collection Centre.
- Promoted child-labor prevention and community safety.



Impact & Outcomes:

- **25** employees, including **5 women**.
- **40% women** in management roles.
- **0** recorded significant environmental incidents in the 2024–2025 exploration phase.
- Reduction in environmental footprint from responsible exploration.
- Upgraded artisanal mining practices for safety and transparency.
- Strengthened waste and environmental management compliance.

Community Support Activities:

- Renovation and equipping of classrooms.
- Installation and repair of boreholes and pumping systems.
- Rehabilitation and lighting of the Central Masawa Mosque.
- Clearing and maintenance of community access roads.

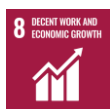
SDG Alignment:



SDG 4
Target 4.A



SDG 6
Target 6.1



SDG 8
Target 8.5
Target 8.7



SDG 12
Target 12.4
Target 12.6



SDG 13
Target 13.2

MBO Capital invested in Aurelia for exploration equipment and operational scaling to transition the project from alluvial gold production into full-scale commercial operations

Impact Highlights

AfyA Care Nigeria

Industry: Healthcare

Location: Nigeria

Year Invested: 2020

Material Topic:

- Job Creation • Training & Skills Development • DEI
- Employee Health & Safety • Waste Management & Recycling
- Energy Efficiency • Engagement & Human Rights

Sustainability Initiative:

- Implemented clinical quality and patient-safety systems aligned with **HEFAMAA, PCN, NNRA, SafeCare, and JCI standards.**
- Conducted continuous training for clinical and non-clinical staff.
- Strengthened hazardous waste management procedures.
- Expanded facility capacity and health-insurance offerings.

Impact & Outcomes:

- **703** employees, including **401 women.**
- **48% women** in management roles.
- **100%** staff trained through Continuous Professional Development, compliance, and clinical programs.
- **HMO subscription patients: 130,255 (2024) → 171,359 (2025)**
- **Hospital patients: 204,431 (2024) → 188,663 (2025)**
- **Hospital beds: 215 → 265 beds.**

Community Support Activities:

- Annual breast cancer awareness campaign, providing mammograms and breast scans to **100 women** across Nigeria.
- Patient and family engagement through open feedback channels and education.

SDG Alignment:



SDG 3

Target 3.4
Target 3.d
Target 3.8



SDG 5

Target 5.5



SDG 8

Target 8.5
Target 8.8



SDG 12

Target 12.2
Target 12.4



MBO Capital invested in AfyA Care to finance the strategic acquisition and construction of hospitals, the launch of an integrated health insurance provider, and a health technology service.

Impact Highlights

Film Investments – Job Creation & Creative-Economy Growth

Industry: Film Production & Creative Content

Year Invested: 2024-2025 (Active Investments)

Material Topics: • Job Creation • Diversity, Equity & Inclusion • Skills Development

Sustainability Contribution

MBO Capital expanded its commitment to Nigeria’s creative industry during 2024 and 2025, financing a diverse slate of film productions across pre-production, production, and post-production stages. Our film-investment portfolio delivered meaningful socio-economic benefits even before the release of the funded projects. These contributions advance national creative-economy priorities and reflect MBO Capital’s belief that artistic industries can be both commercially viable and socially impactful.

How We Assess Sustainability in Film Investments

MBO Capital assesses not only the financial viability of film projects but also the working conditions, safety standards, and welfare practices of production teams. We prioritize investing in productions that demonstrate structured project management, adequate crew facilities, and safe work environments.

We deliberately avoid projects where production practices may compromise employee health, safety, or well-being, for example, low-budget models where cast and crew routinely sleep on set due to inadequate accommodation. Such practices contradict our commitment to fair labour conditions, responsible production, and sustainable creative-industry growth. We ensure that every film we support aligns with our impact themes.

Key sustainability contributions include:

- Creation of hundreds of creative and technical jobs, spanning acting, directing, cinematography, lighting, editing, makeup, wardrobe, set design, and production management.
- Increased youth and female participation, particularly in production and technical roles where representation has traditionally been limited.
- Strengthened industry capabilities, including improved production quality, enhanced project-management competence, and access to modern production workflows.
- Local economic stimulation, through vendor engagement in logistics, accommodation, catering, transportation, equipment rentals, props, and location services.

Together, these outcomes demonstrate the economic and cultural value of sustainable, private-sector financing in Nollywood.



Impact Highlights

Film Investments – Job Creation & Creative-Economy Growth

Industry: Film Production & Creative Content

Year Invested: 2024-2025 (Active Investments)

Material Topics: • Job Creation • Diversity, Equity & Inclusion • Skills Development

Unreleased & In-Production Projects

Across 2024–2025, MBO Capital financed a diverse slate of films that remained in development, production, or post-production during the reporting period. While not yet released, these projects have already generated employment and strengthened technical capacity within the ecosystem.

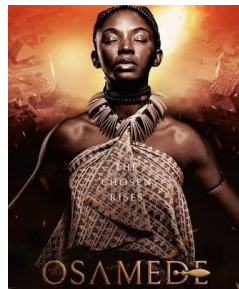
Released Projects / Active Film Portfolio (2025)

In 2025, several film projects financed by MBO reached completion and were officially released to the public. These projects began generating returns, including the recovery of principal investments, equity distributions, and follow-on revenues across theatrical, digital, and international release channels. The performance of these films demonstrates MBO’s growing participation in Africa’s creative economy and the increasing commercial viability of high-quality, African-produced content.

The following titles formed part of MBO Capital’s active film portfolio in 2025:



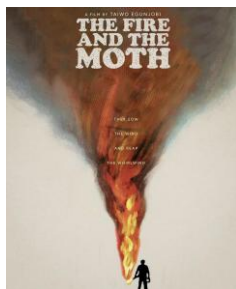
Three Cold Dishes



Osamede



Pink Butterfly



The Fire and The Moth



Stitches

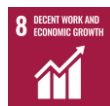


Ms. Kanyin

SDG Alignment:



SDG 2
Target 2.3



SDG 8
Target 8.3
Target 8.5

Future Commitments

Our Targets for Next Year



In line with our material topics, we have established clear and measurable sustainability targets for the next reporting year. These targets reflect our commitment to advancing responsible investment practices, minimizing our environmental footprint, and supporting socio-economic development across our portfolio.

1. Job Creation Across Portfolio Companies

Target: Support the creation of 500 new jobs across portfolio companies in the next year.

Rationale: As a private equity firm, our most significant impact occurs through our investee companies. By strengthening enterprise growth and operational capacity, we contribute directly to national employment and economic development.

KPIs: Number of new full-time jobs created across the portfolio.

2. Office Recycling Performance

Target: Maintain or improve our office recycling performance based on the proportion of total waste collected that is recycled.

Rationale: We operate a functional office recycling system supported by De Nigeria Limited, which provides the weight (kg) of recyclable waste collected. Sustaining and improving our recycling rate reflects our commitment to responsible waste management.

KPIs:

- Recyclable waste collected (kg)
- Total waste generated (kg)
- Monthly recycling rate (%)
- Year-on-year recycling trend

Future Commitments

Our Targets for Next Year

3. Portfolio Recycling Adoption

Target: Ensure that at least **30%** of portfolio companies implement a recycling program within the next year.

Rationale: Expanding recycling practices within portfolio companies increases environmental responsibility and aligns investees with emerging ESG expectations. This target also builds environmental awareness and operational efficiency across our investment value chain.

KPIs:

- % portfolio companies with recycling systems
- Number of companies receiving recycling guidance

4. Maintain Energy Consumption at or Below 2025 Baseline

Target: Maintain our year-on-year energy consumption at or below the 2025 baseline.

Rationale: We already utilize energy-saving air conditioners, LED lighting and an inverter system. Maintaining consumption at or below baseline is a realistic efficiency focus, supported by improved data monitoring and behavioral controls.

KPIs:

- Total electricity consumption (kWh)
- Generator energy consumption (kWh equivalent)
- Annual comparison to 2025 baseline
- Monthly energy reporting consistency

5. Monthly Digital Energy and Diesel Tracking

Target: Implement a standardized digital system (Excel-based) for monthly tracking of electricity consumption (kWh) and diesel usage.

Rationale: To improve the accuracy and consistency of our energy reporting, we will introduce a structured spreadsheet-based monitoring system. This will capture monthly prepaid electricity purchases (kWh), diesel volumes, and generator energy equivalents. This system ensures complete and accurate data for GRI 302 reporting.

KPIs:

- Completion of MBO Capital's Energy Tracking Sheet
- 12 months of electricity data recorded (kWh from prepaid tokens)
- 12 months of diesel consumption recorded (liters)
- Monthly data completeness rate (target: 100%)

Future Commitments

Long-Term Sustainability Goals

Our long-term sustainability goals reflect our ambition to embed ESG principles throughout our investment lifecycle and internal operations. These goals align with our material topics and provide a strategic roadmap for the next 5 years.



1. Strengthen ESG Integration Across Investment Decisions

Long-Term Goal: Fully embed ESG criteria into all stages of the investment lifecycle, from deal sourcing to active ownership and exit.

Future Focus:

- Expand ESG due diligence depth
- Develop portfolio-wide ESG action plans
- Strengthen governance oversight through annual ESG reviews

2. Drive Sustainable Economic Impact Through the Portfolio

Long-Term Goal: Consistently support enterprise growth, job creation, and economic inclusion across portfolio companies.

Future Focus:

- Multi-year job creation contributions
- Improving labor standards across investees
- Promoting local procurement and supply chain development

Future Commitments

Long-Term Sustainability Goals

3. Advance Circularity and Waste Reduction

Long-Term Goal: Achieve a progressively higher recycling rate and reduce the amount of non-recyclable waste generated across all offices and influence portfolio companies to improve waste practices.

Future Focus:

- Improve waste segregation infrastructure
- Increase portfolio recycling participation beyond 30% to 60%+

4. Improve Energy Efficiency and Transition Toward Cleaner Energy

Long-Term Goal: Reduce our operational energy footprint and enhance energy efficiency through monitoring, behavioral improvements, and future clean-energy adoption.

Future Focus:

- Reduce diesel dependency
- Increase inverter and battery-storage optimization

5. Promote Strong Governance, Ethics, and Transparent Reporting

Long-Term Goal: Continuously strengthen ESG governance structures, ethical conduct, transparency, and reporting quality.

Future Focus:

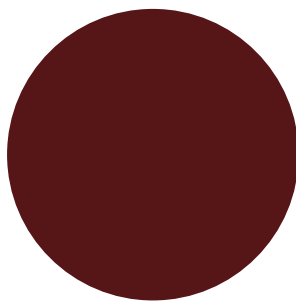
- Annual ESG disclosure improvement
- Portfolio governance assessments
- Enhanced internal ESG training

6. Foster an Inclusive and High-Performing Workforce

Long-Term Goal: Build a resilient, diverse workplace with strong employee wellbeing, development, and engagement.

Future Focus:

- Progressively increase gender representation
- Expand training hours
- Strengthen Health & Safety culture and employee wellness



Appendix



Appendix

Appendix A: Glossary of Terms

A

Actual Impact

A real, measurable environmental, social, or economic effect resulting from MBO Capital's operations or investments.

Anti-Corruption (GRI 205)

Policies and processes aimed at preventing bribery, fraud, and unethical conduct. Includes risk assessments, due-diligence checks, and training.

B

Baseline

The starting measurement used to track change over time (e.g., 2025 energy baseline of 99,812 kWh).

Bond Program

Long-term capital-raising program approved for up to ₦50 billion; only ₦1.6 billion Series 1 has been issued to date.

C

Circular Economy

An approach focused on eliminating waste and creating closed-loop systems through recycling and efficient resource use.

Compliance

Adherence to Nigerian laws, SEC regulations, CAMA, AML/CFT rules, and internal policies.

Corporate Governance

Structures, processes, and controls that guide the strategic direction, accountability, and oversight of the company.

D

Diesel Consumption (Litres)

Volume of diesel used to power backup generators; used for energy calculation and Scope 1 emissions.

Direct Emissions (Scope 1)

GHG emissions from diesel generator usage (e.g., 13.45 tCO₂e in 2025).

E

Economic Impact (GRI 203)

Value created through increased productivity, job creation, and enterprise expansion across portfolio companies.

Employee Engagement

Ongoing communication, feedback, and involvement mechanisms that improve workplace culture.

Appendix

Appendix A: Glossary of Terms

Energy Consumption (kWh)

Total electricity consumed from the grid supply and generator use.

ESG — Environmental, Social, and Governance

A framework adopted throughout the investment lifecycle for responsible investing.

ESG Integration

Embedding ESG assessments into sourcing, screening, due diligence, monitoring, and exit processes.

F

Fumigation Chamber (Sourcing & Produce)

Facility used for commodity treatment that improved operational efficiency and job creation.

G

Governance Structure

Board composition, committees, and organizational reporting lines are responsible for oversight and leadership.

Governance Framework

The entire system of the Board, committees, management roles, controls, and ESG oversight.

H

Hazardous Waste

Waste requiring special handling, such as medical waste generated by healthcare portfolio companies.

I

Impact Metrics

Quantitative indicators used to measure economic, environmental, or social impact across portfolio companies.

Internal Stakeholders

Employees, management, Board members, and internal teams who contributed to the materiality assessment.

M

Material Topics (GRI 3)

Priority ESG issues selected through a structured GRI 2021 materiality assessment.

Medical Incident (Film Set)

An incident reported under GRI 403–9 regarding a collapsed actor, resolved with medical evacuation and care.

N

Non-Recyclable Waste

Waste disposal to landfill or by government-approved collectors.

Appendix

Appendix A: Glossary of Terms

P

Portfolio Companies

Businesses in which MBO Capital has invested through debt or equity instruments.

R

Recyclable Waste

Plastics and packaging materials are collected for recycling through accredited partners.

Recycling Rate

$(\text{Recyclable Waste} \div \text{Total Waste}) \times 100$. Baseline: 20kg collected in 2025.

S

Scope Emissions

Scope 1: Direct emissions (generator diesel)

Scope 2: Indirect emissions from grid electricity

Sustainability Contribution

Positive environmental, social, or governance outcomes resulting from MBO Capital's activities.

T

Tax Transparency

Clear disclosure of tax payments, governance, and compliance. (CIT ₦57m, WHT ₦41.1m, VAT ₦74.8m in 2025).

W

Waste Diversion

Waste prevented from going to landfill through reuse or recycling.

Whistleblowing Mechanism

Confidential reporting channels for raising ethical or compliance concerns.

Appendix

GRI Content Index

The following table maps each GRI disclosure to the relevant section of this report. This ensures transparency and allows stakeholders to easily trace how MBO Capital addresses material topics across our diverse portfolio sectors.

GRI 2 – General Disclosures		
GRI Requirement	Disclosure Title	Report Location
2-1	Organizational details	Introduction – About MBO Capital
2-3	Reporting period, frequency and contact point	Introduction – Purpose of the Report
2-7	Employees	Social Topics – Diversity, Equity & Inclusion
2-9	Governance structure	Governance and Economics – Structure
2-11	Chair/ CEO roles	Governance and Economics – Structure
2-12	Governance body role in impacts	Governance and Economics – ESG Oversight
2-13	Delegation ESG responsibility	Governance and Economics – ESG Oversight
2-14	Board role in sustainability reporting	Governance and Economics – ESG Oversight
2-22	Statement from senior decision-maker	CEO Statement
2-23	Policy commitments	Governance and Economics – Ethics & Compliance
2-24	Embedding policy commitments	ESG Integration
2-25	Grievance mechanisms	Whistleblowing Mechanisms
2-26	Advice & raising concerns	Ethics & Responsible Conduct
2-27	Compliance with laws	Governance & Compliance
2-29	Stakeholder engagement	Stakeholder Engagement
GRI 3 – Material Topics		
3-1	Determining material topics	Materiality Approach

Appendix

GRI Content Index

GRI Requirement	Disclosure Title	Report Location
3-2	List of material topics	Material Topics List
3-3	Management of material topics	ESG Strategy + Topic Section
Environmental Standards		
302 – Energy	302-1: Energy consumption within the organization	Environmental Topics – Energy Efficiency & Renewable Energy
	302-3: Energy intensity	Environmental Topics – Energy Efficiency & Renewable Energy
	302-4: Reduction of energy consumption	Environmental Topics – Energy Efficiency & Renewable Energy
305 – Emissions	305-1: Direct (Scope 1) GHG emissions	Environmental Topics – Energy & Emissions
	305-2: Indirect (Scope 2) emissions	Environmental Topics – Energy & Emissions
306 – Waste	306-1: Waste generation & significant impacts	Environmental Topics – Waste Management & Recycling
	306-2: Management of waste-related impacts	Environmental Topics – Waste Management & Recycling
	306-4: Waste diverted from disposal	Environmental Topics – Waste Management & Recycling
Social Standards		
401 - Employment	401-1: New employee hires	Social – Job Creation (Internal Employment)
403 – Occupational Health & Safety	403-1: Health & Safety management system	Social – Employee Health & Safety
	403-7: Prevention and mitigation impacts	Social – Employee Health & Safety (Preventive Measures)
	403-9: Work-related injuries	Social – Fire Incident & Film Set Incident
404 – Training & Education	404-1: Average hours of training	Social – Training & Skills Development
	404-2: Programs for upgrading skills	Social – Training Needs Assessment & Capacity Building

Appendix

GRI Content Index

GRI Requirement	Disclosure Title	Report Location
404 – Training & Education	404-3: % of employees receiving regular performance reviews	Social – Commitments to Continuous Development
405 – Diversity & Equal Opportunity	405-1: Diversity of governance bodies and employees	Social – DEI Workforce Tables
	405-2: Equal opportunity and non-discrimination	Social – DEI Policies & Inclusion Practices
406 – Non-Discrimination	406-1: Incidents of discrimination and actions taken	Social DEI (No incidents reported)
203 – Indirect Economic Impacts	203-2: Significant indirect economic impacts	Social – Job Creation Across Portfolio Companies
205 – Anti-Corruption	205-1: Operations assessed for corruption risks	Governance – Anti-Corruption
	205-2: Training on anti-corruption	Governance – Compliance
	205-3: Confirmed incidents of corruption	Governance – Anti-Corruption (Zero Incidents)
207 - Tax	207-1: Approach to tax	Governance – Tax Transparency
	207-2: Tax governance, control & risk management	Governance – Tax Controls & Compliance
	207-4: Country-by-Country tax reporting	Governance – Tax Payments (CIT, VAT, WHT)
2 (Governance-Related)	Various governance disclosures	Governance Structure, Committees, ESG Oversight, Whistleblowing, Compliance



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