

Courtesy translation

AfricaGrow invests EUR 30 million in the African market

AfricaGrow starts investment activity in the African Private Equity/Venture Capital market

16.10.2020. The AfricaGrow fund of funds, which was launched in November last year with a target volume of EUR 200 million by Allianz Global Investors and which is the product of a public-private cooperation between KfW Entwicklungsbank (on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ)), Allianz and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, made its first two investments. DEG Impact, a subsidiary of DEG, acted as investment advisor on site.

The first two investment tranches of around EUR 15 million each went to SPE AIF I and the Cathay AfricInvest Innovation Fund ("CAIF"). SPE AIF I is a target fund of SPE Capital Partners, a private equity fund manager based in Tunisia. It focuses on investments in portfolio companies located in North Africa and with strong growth potential in sectors such as manufacturing, services, logistics, healthcare and education. Currently, the target fund is invested in 4 portfolio companies in Egypt, Morocco and Tunisia.

AfricInvest, also based in Tunisia, is pursuing a pan-African growth strategy through its VC fund, CAIF. It focuses on potential market leaders whose goal is to introduce established global technology concepts to the African region and to stand out mainly through innovative technologies. CAIF has invested in 3 portfolio companies so far. One of them is, for example, a company that offers an operating system for conventional cell phones (in contrast to the very high cost of a smartphone in Africa compared to the average employee's earnings), thus also enabling the lower middle class to participate in the digital world, for example through digital payment transactions or low cost communication.

Martin Ewald, Managing Director and Lead Portfolio Manager Impact Investments of Allianz Global Investors comments: "Through the cooperation with SPE Capital Partners and AfricInvest, we have found excellent partners who have convinced us with their extensive network and local expertise and who mirror the investment strategy of AfricaGrow. The two investments lay the grounds for a balanced portfolio, which we will enrich in the near future with further capital placements in the African market".

Jan Martin Witte, Director of the equity finance department of KfW Entwicklungsbank, emphasises: "With the AfricaGrow fund of funds, KfW Entwicklungsbank is implementing a key initiative of the development investment fund, which was launched by Chancellor Merkel during the "Compact with Africa" summit in Berlin in October 2018. We are pleased that with Allianz Global Investors we have found a competent partner who drives forward the implementation of the fund of funds' investment strategy. We are convinced that these initial investments will make a significant contribution to the creation of growth and jobs in Africa.

For further information: <https://africagrow.allianzgi.com>

About Allianz Global Investors

Allianz Global Investors is a leading active asset manager with 760 investment professionals in 25 offices worldwide and managing EUR 538 billion in assets for individuals, families and institutions*.

Active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

*Data as at 30 June 2020

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