

Press Release

Catalyst Private Equity Launches the first “Impact Investing” Fund in Egypt and Middle East.

(Cairo, 22 March 2022)

Catalyst Private Equity, a leading private equity fund manager focused on Egypt, has launched the first private closed-end Impact Investing Fund in Egypt and Middle East, Catalyst Capital Egypt Fund (CCE). The fund is established according to the rules of the Egyptian Financial Regulatory Authority (FRA) with a target size of EGP1 Bn, whereas first closing reached c. EGP450 Mn.

CCE aims to invest in Small and Medium Enterprises (SMEs) in Egypt according to the Central Bank of Egypt (CBE) guidance of investing in SMEs. The Fund seeks to generate a positive, measurable social and environmental impact alongside a financial return, as one of the key methods to achieve the Sustainable Development Goals (SDGs). The Fund adopts impact measurement principles, standards and tools to a concrete pool of investment-ready SMEs that will help these enterprises measure, manage, and promote their social and environmental impact in the society.

The fund’s limited partners (LPs) include Egypt’s largest institutions; Misr Insurance Holding Company, Misr Insurance, Misr Life Insurance, Post for Investment, Misr Fund for Finance and Investment, Banque du Caire, Attijariwafa Bank, Ahli United Bank, Suez Canal Bank and Al Baraka Bank, alongside Catalyst Private Equity (CPE) as general partner (GP) and ultra-high-net-worth family offices. Al Tamimi & Co. was the legal counsel on the information memorandum; while, Baker Tilly acts as the fund’s auditor.

During her keynote speech at the conference held on this occasion, Her Excellency Dr. Rania Al-Mashat, Minister of International Cooperation, said that the launch of the first impact investing fund, in partnership between the United Nations Development Program, Catalyst Partners and private sector institutions, comes as a result of the effective partnerships between multilateral and bilateral development partners, to support development efforts and achieve the goals of the government's program “Egypt Takes Off” in a way that promotes economic, inclusive and sustainable growth and

provides support to small and medium-sized companies, which represent the drive of economic growth in Egypt.

Her Excellency added that the government greatly believes in the important and vital role of small and medium enterprises and the need to provide all means of support for them at the level of financing as well as technical support, and targeted partnerships with the private sector. Therefore, the Ministry of International Cooperation works through partnerships with development partners to support this sector, as allocated funding to the private sector, during the years 2020 and 2021, reached about USD4.8 Bn, largely directed to small and medium-sized companies through banks and investment funds.

For his part, Mr. Alessandro Fracasiti, the Resident Representative of the United Nations Development Program, presented his vision, stated that:

“UNDP’s partnership with Catalyst Private Equity (CPE) has supported the development of an Impact Measurement and Management Tool that puts in practice the global SDG Impact standards in the nascent impact business ecosystem in Egypt.” He added, “at a time when the world is facing both unprecedented challenges and opportunities, the SDGs provide much needed reliable guidance for investment that can transform people’s lives and protect our planet.”

For his part, Mr. Basil Al-Hini, Chairman of Misr Insurance Holding Company, and the anchor investor of the fund, stated: “Misr Insurance Holding has been one of the first supporters of CCE fund, driven from their belief in its scope and the capabilities of the investment managers, and because Misr Insurance Holding is keen to support new initiatives that empower the Egyptian economy”. He added, “The launch of this significant event concerning CCE, is considered a paradigm shift that resembles the success of partnership between private sector and public sector, in addition to international institutions to enhance impact investing in strategic sectors of Egyptian market, especially small and medium enterprises (SMES)”. He also added, “This cooperation is considered a role model of the role played by publicly owned institution and utilize Misr Insurance Holding and affiliates investment portfolio worth c.EGP 75 Bn; which is considered the largest institutional investor in Egypt, leading the private-public sector cooperation”.

For his part, Mr. Ahmed Abdallah, CEO of the Post for Investment (PFI); the investment arm of the National Post Authority, he stressed that “PFI aims to support SMEs through its investment in CCE, and also support financial capital market and increase its depth by preparing companies that are ready for Initial Public Offering (IPO),” adding that “PFI aims to support private equity in Egypt, as private equity is considered

the linkage between financial capital markets and companies, hence, supporting private equity will develop multiple companies and increase the financial capital markets depth"

For his part, Mr. Maged Shawky, Chairman of the Board of Directors of Catalyst Partners, confirmed that the Catalyst Capital Egypt investment fund has three characteristics combined together, which distinguished the fund from its peers, making it a new initiative in the field of investment in Egypt. First, the fund was established in accordance with Law 95 of 1992 and its regulations rather than off-shore usual structure. Secondly, the fund adheres to the Central Bank of Egypt's regulations and definitions of small and medium-sized enterprises. Finally, the adoption of the United Nations Development Program standards in impact investing, which are included in the seventeen sustainable development goals.

He added that the presence of Her Excellency the Minister of International Cooperation is a clear message of the government's continuous commitment to achieve sustainable and inclusive growth. He continued that the investment commitments of Egyptian institutions as founders and investors in the fund is a clear message that the financial sector and the private sector are important partners with the government to implement the SDG by 2030. Shawky praised the role of all the institutions that contributed to the launch of this fund, especially the Financial Supervisory Authority, which supported this initiative from the beginning, and the United Nations Development Program, the main partner for this initiative.

For his part, Mr. Abdelaziz Abdel Nabi, General Partner of the Fund, stated that we are honored to have the support of all our investors, and grateful for their confidence. We are delighted to be the 1st private equity in Egypt to partner with United Nations Development Programme (UNDP) to launch the first impact investing fund in Egypt and Middle East on supporting SMEs.

We have had the pleasure of being part of the success of many SMEs in Egypt in transforming them into an institution. We are grateful to partner with local and international institutions to provide impactful equity for SMEs in Egypt.

Catalyst Private Equity:

Catalyst Private Equity (CPE) is the investment arm of Catalyst Partners Holding (CPH), with total assets under management (AUM) worth c.EGP 500 Mn. CPH is the fastest growing merchant bank in Egypt with a focus on SMEs and family businesses. Since establishment in 2013, CPH executed 50 transactions worth c.EGP 4.6 Bn. CPH is a merchant bank located in Egypt, offering multiple services such as Investment Banking, Private Equity, Asset Management, Custody, Fund Services, Non-banking Financial Services (Leasing & Factoring), and Insurance Brokerage.

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