

EXEO CAPITAL'S AGRI-VIE FUND II CLOSES AT \$146 MILLION

19 June 2019: Pan - African private equity manager, EXEO Capital, has announced the final close of their second food and agribusiness fund, Agri-Vie Fund II, at US\$146 million – showing growth of nearly 50% on the size of the first fund.

Herman Marais, Managing Partner at EXEO Capital, says that this growth is testament to the rising confidence of long-term investors in both the asset class and EXEO's managerial track record. "We are pleased with the extent to which investors in our first fund followed on in the second. Also encouraging is the number of commercial investors who joined the fund. This has helped to bring the firm's assets under management to more than USD 300m.

Announcing the final close, Marais noted that the Fund had already completed five new transactions, ranging from aquaculture and beverages in South Africa to protein and packaging industries in East Africa. "The new Fund was also instrumental in establishing one of the largest summer flower export groups in the East African region," he adds.

These new transactions add to EXEO's already multi-sectoral investments in dairy, vegetable oils, convenience foods and agri-input sectors. "The footprint of our portfolio companies today span eight countries - Kenya; Uganda; Rwanda; Tanzania; Ethiopia; Mozambique; Zambia; and South Africa. We're now looking at West Africa too," Marais says, referring to potential investments in Ghana and Ivory Coast.

When asked how EXEO selects companies to invest in, Marais explains that the EXEO investment team searches out companies with a combination of growth potential and management know-how, and typically invests US\$ 5 – 15 million. The fund then actively works with the company founders and managers to realise the full potential of the business. "This usually focuses on overcoming the challenges around infrastructure, energy and routes to market in the emerging markets of Sub-Saharan Africa," he states.

He adds that EXEO is also monitoring attractive investment opportunities alongside its traditional focus area of food and agri. "Having established a footprint and networks in Sub-Sahara countries over the past ten years, our investment teams are exposed to opportunities in logistics, Fast-moving Consumer Goods (FMCG), business support services, private education and health care," Marais adds.

Asked about the extent of business and investment failures in broader Sub-Sahara Africa, Marais says that this is typical of an emerging market. "Growth and development is clearly moving in the right direction, but not always in a straight line. There has been excessive hype in the past about the Africa story and many investors moved too fast, too soon, and were disappointed.

"Our task as long-term investors is to find established businesses with resilient and vertically integrated business models that can scale up relatively fast. Our approach to finding these companies is on-the-ground networking. We look for founders and management who are willing to partner with us and who are at risk with us, who

maintain the highest ethical standards, are strong on sustainability principles, and have a strong social license. These are the companies that are more successful over the longer term,” Marais concludes.

In South Africa, EXEO is partnered in the new Fund by Kuhle Capital, a black-owned investment group headed by Prof Wiseman Nkuhlu. Nkuhlu commented on the new Fund: “We are proud of our association with this Fund and look forward to making a contribution to the much needed development and transformation of the food & agri sector in South Africa.”

Marais adds that Bowmans provided legal support to EXEO’s capital raise while funds advisor Axonia Partners from Paris, France supported the fund raise subsequent to first close.

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About EXEO Capital

EXEO Capital is a pan-African, mid-market private equity investment manager with operations in nine countries in Sub-Saharan Africa. Operating from offices in Cape Town and Nairobi, EXEO Capital manages the Agri-Vie Funds I and II (www.agrivie.com), focused on the food and agri sector of the region since 2008. The firm tracks complementary growth investment opportunities in the region with a view to future investment platforms.

EXEO is a financial service provider authorised by the Financial Services Board, Registration number 46251. For more information visit www.EXEOcapital.com.