



GIAF: Grow In Africa Fund

**A new concept to drive
entrepreneurship growth
in the Continent**



GIAF Fund Overview - Objectives

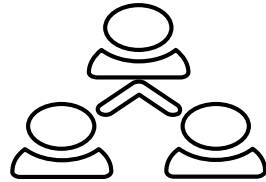
GIAF will support startups or growth companies who have a proven track record in a given country by helping them expand into other African countries. G.I.A.F will invest in the green-field operation in the new countries to achieve the following objectives:

1. **Lowering the risk of investment**, as the company has already reached product-market fit in at least one country. G.I.A.F support includes strategic market selection and in-country market development.
1. Taking existing successful products or solutions from one country and implementing them in another country, which would **benefit many low-income countries** in Africa in terms of increased choice, lower costs and/or increased productivity. This cross pollination of innovation will have the knock-on effect for supplier and partner developments.
1. Paving the way for startups that are established in small economies and low-income countries to **expand into larger markets** (eg a Burundi startup that has a good product as a hotel in the European market to expand there).



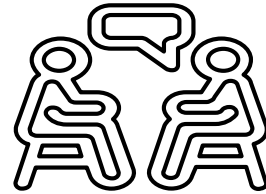
Funding

GIAF will invest in the new expansions of each startup, and will also syndicate funding from local funds to allow for bigger investments and more value-add investors



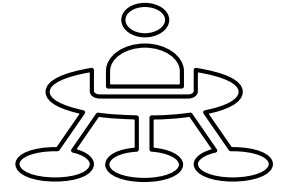
Mentoring/Networking

In early-stage, startups typically need more help than just the financial investment, which the majority are focused on. Our approach is to give such full support at least until the startup can raise series A/B from a VC.



Partnerships/

GIAF will capitalize on its network of connections to support the startups in forming partnerships and activate perks that can help the startups grow faster.



Market Entry Support

GIAF will support startups expansion on the ground through a hands on approach including strategic insights, market success and knowledge, recruitment and introduction to potential customers.



Gap

- > Most of the money in the VC sector in Egypt and in Africa is focused on series A and B. The total amount invested in 2019 in such series is close to **USD500m** across Africa.
- > Although there is not sufficient data about the amount of **angel investments** in early stage companies in Africa, our estimate is that it does not exceed **USD30-40m annually**, an order of magnitude less than what is allocated for series A and B. This has left a gap in funding for companies needing around **USD500K-1m**
- > The result of that is an **unhealthy pipeline** and **increasing (unjustified) valuations** particularly in Series A. Alternatively, VCs find themselves forced to **reduce the size of their tickets and invest at earlier stages** than their fund thesis.

Opportunity

- > There are plenty of **demographic similarities** between most African countries.
- > Many innovative ideas and products developed by African startups can be **easily applied to other countries** in the continent, thus expanding their market significantly.
- > HIMangel has established **strong connections** in many African countries and Khaled Ismail sits on the **board of the African Business Angel Network (ABAN)**.
- > By focusing on startups that have had already a successful start in their own home countries, the **risk of investment is lowered significantly**.
- > Pipeline companies like BioDiesel Misr have already raised money from angel investors in South Africa, CUBII has exported machines to Kenya, Rology is operational in Kenya, DRC and expanding into Nigeria and Rwanda.



Importance for Startups?

The fund will allow Egyptian startups to grow in additional markets instead of staying constrained within the Egyptian market only

The fund will help export Egyptian technology solutions and services to neighboring African countries. Egypt is already quite ahead in the health, manufacturing and agriculture sectors compared to the majority of the neighboring countries. By adding the technological innovation, Egypt will be able to maintain its leadership position.

The fund will help strengthen Egypt's position among several African countries as the leading country in entrepreneurship and innovative technological solution

The fund will also allow successful African startups to grow into Egypt, thus allowing for more job opportunities in Egypt and strengthening the ties with all the participating countries.



Participating Countries

The fund will initially invest in the following countries:

Egypt-Sudan-Kenya-Tanzania-Zambia-DRC-Uganda and Rwanda

With the exception of Tanzania, they are all **COMESA** countries, and with the exception of Zambia, they are **Nile basin** countries. Thus the ties between these selected countries are extremely strong, and they all belong to the list of growing economies that have a high untapped potential.



Summary

--> **Early stage with lower risk**

--> Starting point are existing startups with clear track record in a given country. Investment is in a green field operation to replicate the success

--> **High IRR**

--> Low valuation of the green-field investment, combined with high exit potential

--> **High-impact Sectors**

Investments focused on sectors that have strong contribution to the economy such as agriculture, manufacturing, health and recycling, which are quite often overlooked by the majority of VCs

--> **Social and Environmental Aspects**

--> Gender equality, starting from the fund management team itself to the investees and employment by the start ups
Social impact in terms of job creation