



Dutch Good Growth Fund

Notice proposed transaction: KawiSafi Fund II L.P. Date of Publication: 20 March 2024

Taking into account the provisions for governing bodies that apply under the 'Freedom of Information Act' ('Wet openbaarheid van bestuur') and the 'Data Protection Act' ('Wet bescherming persoonsgegevens'), the Fund Manager of the DGGF part 'Financing local SMEs' will publish its anticipated transactions.

Views

Parties can express their views on the proposed transaction to the Fund Manager by contacting **dggf@nl.pwc.com** within 30 days after the publication date of the notice. After the transaction has been closed, or after it has become clear that the transaction will not take place, the Fund Manager will respond as soon as possible to these Parties concluding on the expressed views by these Parties.

Description (English)

Part of DGGF

Financing Local SMEs

Name Intermediary Fund (IF):

KawiSafi Fund II L.P.

Domicile IF:

KawiSafi Fund II L.P. will be domiciled in Ontario, Canada. The Fund is tax transparent.

Name of manager of the IF

Marula Partners LLC

Nature of the activities of the IF

KawiSafi Fund II L.P. is a 10-year closed-end late venture and early growth stage investment fund targeting companies in Cote d'Ivoire, Democratic Republic of the Congo, Nigeria, Rwanda, Uganda, Zambia, Kenya, Ghana, Senegal, South Africa. The objective of the fund is to invest in businesses providing low carbon technologies that meet the essential needs of growing African markets. Key thematic verticals include Energy Transition, Energy Productivity, and Mobility and Logistics. KawiSafi team are building on the success of Fund I which focused on East Africa.



Size of proposed investment

DGGF is expected to commit up to USD 10 million. With this investment DGGF is contributing to a total expected fund size of approximately USD 65-100m.

Intended transaction date

The Fund Manager aims to close the agreement with KawiSafi Fund II L.P. in Q1 2024.

Expected financial results

A positive net financial return on the investment is expected.

Expected impact

KawiSafi Fund II L.P. will provide capital to entrepreneurs to achieve decarbonization, increase access to clean and affordable energy-enabled products and services, and reduce poverty and better opportunities for lower-income communities. The strategy aligns with DGGF Green Growth objective. The Fund targets investment in between 10-15 companies, predominantly in the form of equity.

DGGF has been one of the first institutional investors to commit to invest at first close and the manager is still attracting investors to reach a first close size of USD 65 million. Through backing KawiSafi Fund II L.P., DGGF is helping lay the foundation for interest from other investors focused on venture capital in Sub-Saharan Africa with a climate angle.

ESG compliance

As a condition for DGGF investment, KawiSafi Fund II L.P. will require an updated ESG policy to ensure all relevant ESG risks are adequately covered, in line with most recent ESG standards. The ESG policy shall be in accordance with the DGGF ESG Policy and shall be implemented within three (3) months of the First Closing Date. Furthermore, Kawisafi will adopt the exclusion list in accordance with the DGGF ESG policy withing (1) one month after the first closing date. KawiSafi will also be required to implement a proper complaints mechanism, established in line with DGGF Guidance on Complaints Mechanisms.

Tax compliance

KawiSafi Fund II L.P. will be domiciled in Canada, which meets the OECD transparency requirements. KawiSafi Fund II L.P. will be structured as a limited partnership and will be transparent for Canadian tax purposes. The companies the fund invests into will in principle be subject to domestic statutory tax rates. KawiSafi Fund II L.P. will not make use of artificial constructions to lower the taxation of SMEs which it funds and DGGF's investment conditions focus on ascertaining this. KawiSafi Fund II L.P. requires the SMEs that it finances to



comply with local laws and regulations, amongst others, those regarding tax and KawiSafi Fund II L.P. will monitor if the SMEs meet their tax obligations. DGGF will monitor whether KawiSafi Fund II L.P. acts in accordance with the DGGF Tax Criteria.