



Dutch Good Growth Fund

Notice proposed transaction: Algebra Ventures II

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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):

Algebra Ventures II Cooperatief U.A (AV II)

Domicile IF:

AV II will be domiciled in the Netherlands.

Name of manager of the IF

Algebra Ventures II BV

Nature of the activities of the IF

AV II is a 10-year closed-end investment fund targeting early-stage technology companies predominantly in Egypt (80%) with up to 20% reserved for opportunities in SSA and MENA. The Fund's objective is to help solve developing countries' long-standing problems by leveraging the power of technology. Key sectors targeted are fintech, healthtech, edutech, agritech, cleantech, core technologies, marketplaces, and consumer internet and mobile applications.



Size of proposed investment

DGGF will provide a loan to AV II of USD 10 million. With this investment DGGF is contributing to a total expected fund size of approximately USD 90-125m.

Intended transaction date

The Fund Manager aims to close the agreement with Algebra Ventures II BV in the first quarter of 2022.

Expected financial results

A positive net financial return on the investment is expected.

Expected impact

AV II will provide capital to companies that facilitate service inclusion for the base of the pyramid by leveraging technology. As a continuation of their Fund I strategy, AV II will provide funding to technology companies that enable the creation of indirect employment (online marketplaces & platforms) as well as the provision of goods and services to underserved communities in rural and low-income urban areas at low marginal cost and with viable unit economics. This creates good alignment with the DGGF objective of inclusive growth within the target countries. The Fund targets investment in 22 companies, predominantly in the form of equity.

DGGF will support Algebra Ventures with expanding into new markets for AV II and play a strong role in further developing the market ecosystem and attract new players into the emerging venture capital space in Egypt, and the SSA and MENA regions.

ESG compliance

As a condition for DGGF investment, AV II is required to have an updated ESG policy to ensure their exclusion list is in line with the most recent ESG standards and that all relevant ESG risks are adequately covered. The ESG policy shall be in accordance with the DGGF ESG Policy and shall be implemented within nine (9) months of the First Closing Date. Algebra will also be required to implement a proper complaints mechanism, established in line with DGGF Guidance on Complaints Mechanisms and execute an Environmental and Social Management System (ESMS) which identifies and documents ESG risk categories and outlines roles and responsibilities as part of the investment process.

Tax compliance

AV II will be domiciled in Netherlands and structured as a Cooperative. Furthermore, Algebra will be transparent for Dutch tax purposes. Investors in Algebra will be subsequently taxed in their home jurisdiction. The companies in which the fund invests will in principle be subject to domestic statutory tax rates.