



Press Release

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RENEW's Impact Angel Network Exits Two Investments that Financed Ethiopian SME

Washington, D.C. and Addis Ababa, Ethiopia, May 23, 2019 -- RENEW's Impact Angel Network (IAN), one of the most active equity investors in Ethiopia with an expanding presence in East Africa, have successfully exited two investments to a regional private equity fund and a family office. RENEW and the IAN provided two rounds of angel financing to support the launch of an Ethiopian production company that exports to international markets. With the recent buyout of these positions, these investments realized gross internal rates of return (IRR) of 26.70% and 17.58%,* respectively.

The IAN's investments helped a start-up company become a leader in its industry in Ethiopia. The company has received international awards and certifications on account of a superior product and exceptional processes. It now purchases from thousands of smallholder farmers and employs hundreds of Ethiopians in permanent and temporary positions. The company's success can be attributed to the strong leadership and disciplined management of a visionary entrepreneur and committed contributor to the well-being of the communities in which he operates.

"At RENEW," says CEO Matt Davis, "we aim to back companies with strong leadership and good market position or potential. The companies we invest in are often overlooked due to their size as SMEs and their location in countries in East Africa that are promising but not yet seeing significant inflows of capital. We cannot expect all investments to follow the trajectory of the two exits we are announcing. Today, though, I celebrate these wins for the IAN, for Ethiopia and for SMEs providing good jobs to a lot of people."

About the Impact Angel Network and RENEW

Members of the Impact Angel Network seek to realize both social impact and financial returns through investments in small and medium enterprises (SMEs) that are engines of economic growth and job creation in Africa but that often lack capital due to their size. IAN members believe that targeting employment through SMEs, dollar-for-dollar, can help reduce poverty in a more sustainable way than charity.

RENEW, with its largest office in Addis Ababa, Ethiopia, manages the IAN's investment operations and provides investment advisory and consulting services in support of its investments. RENEW's work in Ethiopia was piloted with USAID and is currently undertaken with financial support from the Government of Canada provided through Global Affairs Canada for a project entitled Accelerating Business Growth (ABG). This project targets sustainable job creation for low-skilled workers, including women and young adults, through a dynamic and growing small and medium business sector in Ethiopia.



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Legal Disclaimer

*We maintain documents in our files supporting the IRRs stated above. The IRRs were realized for the two investments discussed in this press release and does not represent results achieved by other IAN portfolio companies or the portfolio as a whole. There is no guarantee that such results will be achieved by other IAN investments or those of other investments managed by RENEW.