

VENTURES

From Kenyan equity firm, a dose of capital for Rwandese drugs supplier

The cash injection may see the pharmaceutical wholesaler SOPHAR expand into the region

Fanisi Capital, a private equity venture, last month made its first investment outside the Kenyan market when it financed a leading pharmaceutical wholesaler in Rwanda.

With access to a fund of \$50 million, Fanisi focuses on agribusiness, healthcare, light manufacturing and oil and gas mining, and operates in the East African markets of Rwanda, Kenya, Tanzania and Uganda. The fund's aim is to inject capital into small businesses in order to propel them to the next level.

Ayisi Makatiani, co-Managing Partner of Fanisi Capital explained that the funding given to SOPHAR, a pharmaceutical wholesaler in Rwanda, will be used to build a WHO-certified warehouse in Kigali, significantly expand the company's product range from 900 to 3,000 products, set up distribution centres for enhanced access and improve supply chain.

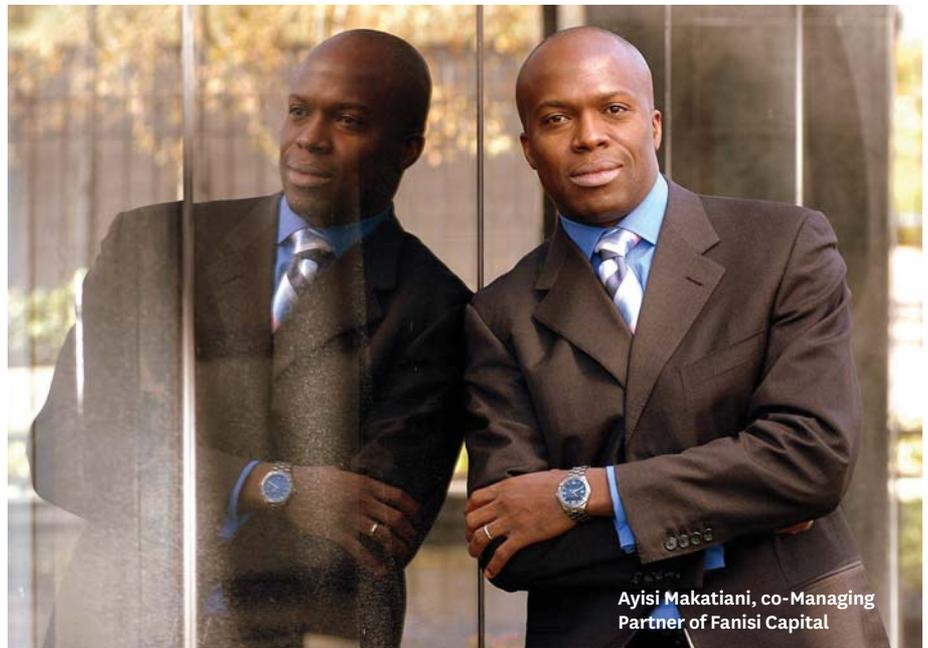
"The key benefit is that the investment will allow better access to drugs, especially for the neediest sections of the population," Ayisi says.

SOPHAR imports branded drugs, mostly from Europe, and markets them across Rwanda. The young company that was created in 2008 sets itself apart in the competitive Rwandan pharmaceutical market by focusing on maintaining price stability and a constant supply of pharmaceutical drugs.

Apart from being a positive move for the health care service in Rwanda, Fanisi Capital's investment in SOPHAR represents a key milestone for the private equity group as it is the fund's first investment outside of Kenya.

SOPHAR is unique in its business model. It was created by 58 pharmacists under the leadership of Leon Fundira, Chairman of the Association of Pharmacists in Rwanda, and over the years its semi-cooperative structure, where shareholders are also customers, has grown successfully.

The investment sets the foundation for



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SOPHAR to expand within Rwanda and into other countries including Burundi, DRC and Uganda where its unique business model can be replicated and scaled up.

SOPHAR will continue to be managed and run by its original founders and owners with the strong support of Fanisi, which will also bring international skills and resources to the Rwandese company.

Leon Fundira, SOPHAR's Executive Chairman, said the company's priority is to improve the quality, affordability and availability of drugs.

"SOPHAR will be seeking to build a modern warehouse with an excellent Warehouse Management Systems, and to recruit top-notch managers within the next year. Longer term, we intend to transform SOPHAR into one of the leading pharmaceutical wholesaler in East and Central Africa," he says.

Fanisi provides structured capital and management support to its portfolio companies, allowing them to build competitive advantage and achieve growth and sustainability.

Fanisi's investors include a variety of international financial backers including the World Bank Group's IFC, Norfund, Proparco, Finnfund, Soros Economic Development Fund, Segal Family Foundation, Sarona Capital and Lundin for Africa Foundation.

Coupled with the asset fund is a \$2 million business advisory services foundation that works with portfolio companies to address capacity gaps in management, environmental standards, health and safety requirements and governance requirements. In Kenya, Fanisi has invested in Hillcrest Schools. **NBSI**