

PRESS RELEASE

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Aradei Capital welcomes South African shareholder PIC in its Shareholding

PIC invests USD 50 million in Aradei Capital

The Public Investment Corporation (PIC), on behalf of its client, the Government Employees Pension Fund (GEPF) of South Africa, has acquired a 13% stake in Aradei Capital for USD 50 million.

Aradei Capital is a real estate platform headquartered in Morocco that specializes in commercial real estate assets. It has a presence in 15 cities across Morocco. Through this investment, the PIC joins other reputable investors in Aradei Capital that include the European Bank for Reconstruction and Development (EBRD), Label'Vie (LBV), a leading food retailer and franchisee of the Carrefour brand in Morocco, SANAM Holding and Best Financière which has interests in large and medium retail properties in Morocco.

Aradei Capital aims to be a leading platform in commercial real estate in Morocco since the country recently enacted legislation that enables real estate investment trust (REIT).

Against the backdrop of the COVID-19 crisis, the completion of this transaction is a testament to the strong fundamentals and growth prospect still forecasted in this segment.

“We are proud to welcome the GEPF to the shareholding and look forward to a long-term partnership” said Mr. Nawfal Bendefa, CEO of Aradei Capital. “This capital investment is key to funding our identified pipeline and we anticipate strong growth emerging from this global COVID-19 crisis. We expect such growth will be driven by a migration to commercial real estate with higher standards” he added.

This transaction is a mixed capital increase and a partial block-sale of shares held by the EBRD.

Mrs. Marie-Alexandra Veilleux-Laborie, EBRD Director for Morocco, commented: “Our investment in Aradei Capital demonstrates our strategy in promoting innovative financings and capital market development in Morocco. The EBRD supported the company’s governance and growth, which have enabled it to attract a new foreign investment with the entry of PIC as a large international institutional investor. We look forward to remaining an active shareholder and further contributing to the development of commercial real estate in the country.”

Mr. Vuyani Hako, the PIC’s acting Chief Executive Officer believes the investment in Aradei Capital is in line with its Africa Property strategy. “We believe that partnerships are essential for us to deliver on the Africa strategy. Aradei Capital has the necessary expertise in Morocco that will enable us to deliver on our partnership approach to investing in African property markets”.

“We are, particularly excited about future growth prospects informed by Aradei Capital’s clear and solid strategy to diversify into new asset categories and other yield generating real estate asset classes. We believe that our client, the GEPP, stands to benefit from this investment in the long run,” he added.

About PIC

The Public Investment Corporation SOC Limited (PIC) is an asset management firm wholly owned by the government of the Republic of South Africa, represented by the Minister of Finance as Shareholder. The PIC ranks amongst the best and most successful asset management firms in the world and is by far the largest in Africa.

The PIC’s clients are mostly public sector entities, which focus on the provision of social security. Amongst these are the GEPP, the Unemployment Insurance Fund (UIF), the Compensation Commissioner Fund (CC), the Compensation Commissioner Pension Fund (CP) and the Associated Institutions Pension Fund (AIPF). The PIC runs a diversified investment portfolio, which comprise multiple asset classes. These include listed equities, real estate, capital market, private equity and impact investing. Through listed investments, the PIC controls over 10% of the Johannesburg Stock Exchange (JSE) and has direct and indirect exposure to almost all sectors of the South African economy. The Corporation has a mandate to invest in the rest of the African continent and beyond. Over and above generating financial returns for clients, through its impact-investing programme, the PIC seeks to generate social returns by investing in projects that ensure inclusive growth. The PIC supports the United Nations’ Sustainable Development Goals and considers environmental, social and governance issues in all its investments.

About EBRD

The EBRD, owned by 69 countries and two intergovernmental institutions, is supporting the development of market economies. The Bank has been investing in Morocco since 2012. To date, the Bank has invested around € 2.4 billion in more than 60 projects across the country. The EBRD has also provided technical assistance support to more than 600 local SMEs (small and medium enterprises).

About Aradei Capital

Aradei Capital is a leading Moroccan commercial real estate platform. The company owns and manages properties across 15 cities in Morocco with a total gross leasable area of 320,000 sqm (as of 31 March, 2020). The main tenant for its properties, and one of its main shareholders, is the Label'Vie group (CSE: LBV), the franchisee of the Carrefour brands in Morocco. Other shareholders include the EBRD. The Company's portfolio spans across several retail segments including malls, strip malls, retail parks, and the Company is currently diversifying its investments into industrial, offices and other sectors in Morocco. It is managed by an independent real estate investment manager, REIM Partners.