

Catalyst Private Equity



Ennis Rimawi, Catalyst Private Equity

Ennis Rimawi, managing partner and founder of Catalyst Private Equity, is passionate about technology. He says: "I am from Jordan but grew up in the US. I always had the intention to come back and build a tech industry in the region. Through technology you create sustainable economies that are designing the widget as well as manufacturing it, and are not based on who you are or what your last name is."

Rimawi's time in the US includes earning a Masters from MIT (the world renowned Massachusetts Institute of Technology) and working for Ford Motor Co.

Pre Catalyst

Through Catalyst Private Equity, which invests in technology companies with products related to the energy and water sectors, Rimawi is poised to have a positive impact on the region through technology. But this was not where he began on his return to Jordan and the wider Middle East region.

He explains: "I started a software company and in four years grew that to be 350 people company. It was a software development company with research based in Jordan and China and it was positioned to go public on NASDAQ in 2000 but the market im-

ploded. We ended up having to spin off the Jordanian business and closed everything else down. So One World Software became estarter solutions and we turned it around as a regional software solutions company. It was the first company Microsoft invested into in the region and Cisco came in later." From here Rimawi went on to found Catalyst Private Equity late in 2006.

Fundraising

The following year in September he had secured \$50m for Catalyst Private Equity's first fund. This fund is made up of \$33m in debt and \$17m of equity. The \$33m debt component comes from OPIC, which sent in a third party due diligence team, an experience Rimawi describes as "rigorous".

OPIC, the Overseas Private Investment Corporation, is a US government agency that provides medium- to long-term funding through direct loans and loan guarantees to eligible investment projects in developing countries and emerging markets where it feels conventional financial institutions may be reluctant or unable to lend on such a basis. The \$17m equity comes from institutional investors. The eventual target on which Rimawi hopes to close this maid-

en fund is \$100m.

Rimawi envisages that when fully invested the fund will carry around 12 investments that will each have around \$7m of investment from Catalyst. That figure is likely to be invested over the life of an investment, rather than in a single round.

Why water & energy?

Rimawi explains the focus on water and energy. Water treatment, he believes, will become increasingly important as the Middle East region's population grows: today the region has 5% of the world's population compared to 1% of its fresh water supplies. And with the region's large and existing, and previously under invested in, infrastructure surrounding the oil and gas industry, herein lies another opportunity as countries have stepped up investment levels again.

"We have made two investments so far, one in oil and gas technologies in the UAE and the other in a solar energy technology company that also has water technologies, which is based in Jordan. They are all profitable companies, but they are small," says Rimawi.

It's not just the companies that are small, Jordan's venture industry, and for that matter the whole of the Middle East region's venture industry, is fledgling and as such the infrastructure supporting early stage growth companies is limited. And such companies are rarely au fait with the concept of private equity or venture backing, what to expect from it, how to attract it or even where to go looking for it.

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