

KZNGF FUND OVERVIEW

KZN
GROWTH
FUND

Financing a better future

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FUNDING MANDATE

FOCUS SECTORS

-  MANUFACTURING
-  TELECOMMUNICATIONS
-  EDUCATION
-  HEALTHCARE
-  TRANSPORT / LOGISTICS
-  MINING AND MINERAL BENEFICIATION
-  POWER & ENERGY
-  TOURISM
-  AGRO-PROCESSING

FUND OBJECTIVES

- ✓ STIMULATE ECONOMIC GROWTH WITHIN KZN
- ✓ DEBT AND EQUITY FINANCE TO VIABLE
- ✓ START-UPS OR EXPANSION PROJECTS
- ✓ CREATE & RETAIN JOBS
- ✓ REDUCE INEQUALITY
- ✓ PROMOTE EMPOWERMENT

FUNDING CRITERIA

GEOGRAPHY

- Limited To Kwa-Zulu Natal

DEBT FUND RANGE

- ZAR 25m – ZAR 200m

EQUITY FUND RANGE

- ZAR 20m – ZAR 100m

BEE CRITERIA

- 51% Black Ownership
- At Least 25.5% Black African

JOB CREATION

- At Least One Permanent Job Per R1m Investment

Commercial Viability

- Project Should Be Supported By Market Viability Or Certain Off-take Arrangements For Product Or Service

Min 10% promoter/sponsor contribution

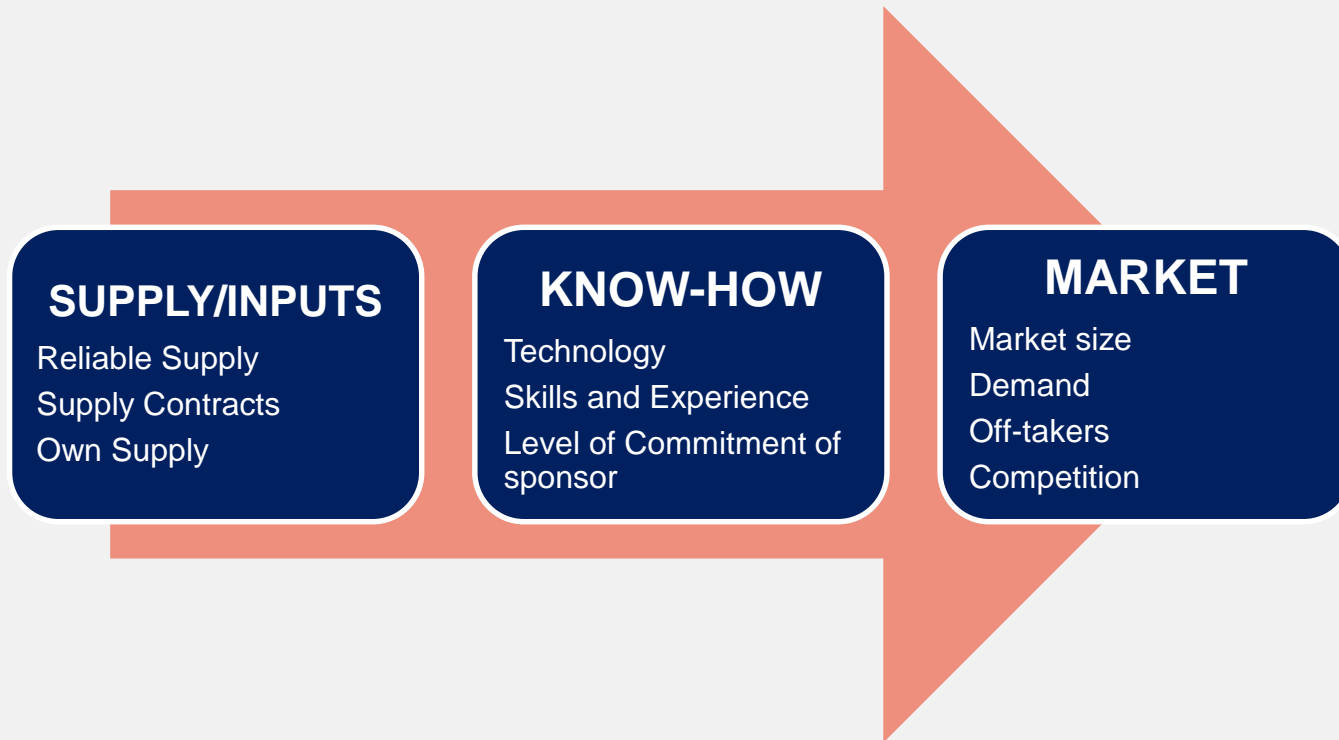
- 10% of Total Project Value To Come From Key Promoter/Sponsor



FUNDING INSTRUMENTS

EQUITY INVESTMENTS	DEBT FUNDING
FUNDING PARAMETERS	
<ul style="list-style-type: none"> • Ordinary Equity (KGF takes shareholding of 26 - 49%) • Preference Shares • Convertible Instruments 	<ul style="list-style-type: none"> • Mezzanine or senior loans • Loans from 5 – 10 years • Capital and Interest grace period of up to 2 years • Min equity contribution is 10% • Interest rate of between Prime Minus and Prime Plus
FUNDING CRITERIA	
<ul style="list-style-type: none"> • Borrowing capital to be repaid over a specific period with interest 	<ul style="list-style-type: none"> • Raising money by selling shareholding in the company
<ul style="list-style-type: none"> • Fixed repayment terms regardless of business or financial performance 	<ul style="list-style-type: none"> • Shareholders are paid dividends only when the business can afford such
<ul style="list-style-type: none"> • Limited to the agreed-upon repayment of the principal and interest 	<ul style="list-style-type: none"> • Unlimited claims on company profits
<ul style="list-style-type: none"> • No management control 	<ul style="list-style-type: none"> • Contribute/influence and drive company strategy

PROJECT ASSESSMENT



FINANCE MARKET DIFFERENTIATOR

- ✓ KZN focused – Strong on Transformation
- ✓ Provides long-term debt and equity capital
- ✓ Has a higher risk appetite for developmental projects
- ✓ Acts as a catalyst to attract private investors
- ✓ Promotes socio-economic development
- ✓ Provides competitive interest rates
- ✓ Project flexibility allowing for customised financial structures for each project
- ✓ Assists project promoters in better packaging of projects
- ✓ Small and Nimble - Faster turn around times



THANK YOU!

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