

Empowerment Capital closes almost R200m in 18 months

Although investment activity was subdued across the board in 2020, it was an extraordinary deal making year for South African venture capital firm, Empowerment Capital Investment Partners. The company had its most active year yet, aggressively and pro actively executing investments in South Africa's up-and-coming entrepreneurs.



Mark Fitzjohn and Anton Baumann, executive directors at Empowerment Capital

Empowerment Capital and its investment funds – Andzani Ventures, Imvelo Ventures and Thuthuka Nathi Ventures – approved and placed a total of R162 million into 13 South African start-ups between July 2019 and February 2021. Furthermore, R32.5 million is approved for placement in the coming weeks in three exciting new ventures.

Started in 2015 by Anton Baumann and Mark Fitzjohn, Empowerment Capital is seeking aggressive growth as it enters the next phase of its business, to raise funding with institutional investors for further support of the SMME sector. The focus of the next 24-month growth phase is a second raise of third-party institutional investment into a portfolio of de-risked investment assets backed by strong listed corporate partners that value both financial returns and meeting social upliftment and transformation objectives.

Transformation, empowerment and nation building

All of the Empowerment Capital's funds have been set up to promote commercial investments into the SMME sector and are conducted in the true spirit of transformation, empowerment and nation building. The company has pioneered mutually beneficial long-term equity investments in the SMME sector as a form of sustainable and impactful enterprise and supplier development with its corporate partners Sappi, Capitec Bank, Shoprite Checkers and others.

"We looked for investees with strong leadership teams that offered our corporate partners attractive investment opportunities which we believe are able to drive inclusive growth in the South African economy through solutions that address the current challenges faced by consumers and society," said Anton Baumann, Executive Director at Empowerment Capital and Co-founder of the venture funds Andzani, Imvelo and Thuthuka Nathi.

"Twenty-twenty was a pivotal year for us to show how promising tech start-ups can showcase the value offered by corporate venture capital," said Mark Fitzjohn, Executive Director at Empowerment Capital and Co-founder of the venture funds Andzani, Imvelo and Thuthuka Nathi.

The deals closed span a range of sectors including agriculture, food and beverage, but with a bias towards a variety of technology platforms and marketplaces which all provide their corporate investors with strong transformation prowess, a

promising model for attractive returns on their investment, while also addressing their transformation objectives that most often go beyond black economic empowerment scorecard requirements.

The successful entrepreneurs who received equity investments don't just receive capital which allows them to quickly scale their operations, but they also receive hands-on support and mentorship from the Empowerment Capital team in the form of management and stakeholder support, strategic marketing, mentoring, access to extensive business networks and most importantly, access to market.

"Successful businesses and their owners require different forms of support as they evolve from concept to start-up to a sustainable and profitable company. The South African environment is dominated by large and established market players. We provide support to SMMEs at various stages of their growth path while ensuring that the capital invested goes to supporting sustainable growth" said Fitzjohn.

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