

Detailed Investment Criteria 2025

SANARI
CAPITAL

sanaricapital.com

An Authorised Financial Services Provider FSP 45074



Sa nari /Suh-Nah-ree/
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(Tshivenda) 'Like a buffalo'.

Endurance, strength, courage and community.



An investment strategy that balances capital growth with capital preservation

We invest in:

- > Established medium-size / mid-market businesses
- > Emanating from Africa (South Africa and select markets in the rest of Sub-Saharan Africa)
- > With regional (Pan Africa) and global exposure and growth
- > At an inflection point with new avenues for growth
- > Driven by technology, innovation and thematic / sectoral growth drivers
- > Enabled through the 'soft skills' which are actually the hard skills for unlocking human and business potential
- > Doing good whilst doing well – a commercial fund with intentional positive social impact aligned with SDGs
- > With disciplined risk mitigation strategies



We review many potential investment opportunities, evaluating each against our investment criteria and for fit with our focus areas:

Investment criteria

- > **Enterprise value** R75 million to c.R2 billion (c.USD 5 to c.USD 100 million) (can be larger)
- > **Equity investment** R50 million to c.R250 million (c.USD 3 to USD 15 million) (can be larger with co-investor capital, may be invested in tranches or rounds)
- > **Well-established**, minimum 3-year operating history
- > **Inherently profitable** but **may be negative EBITDA** to fund growth strategy
- > Take **control** or have **significant influence**
- > Strict enforcement of **exclusions**
- > **Specialise** in founder-run, owner-managed or family-owned businesses

Sectors

- > **All connected / Industry 4.0**
Technology, ICT, IoT, automation, software and solutions
- > **Data is the new gold**
Artificial intelligence, machine learning, data and analytics
- > **Education is the most powerful weapon**
Education, schools, tertiary, skills, EdTech
- > **In sickness and in health**
Healthcare, wellness, food, agribusiness, AgTech, MedTech, care economy
- > **There is no planet B**
Green solutions, environmentally-friendly alternatives, circular economy





Geographies

- > **South Africa** (c.80% of fund size) and in select markets in the rest of **Sub-Saharan Africa** (maximum 20% of fund size)
- > With **global and regional growth**, exposure and expansion prospects: Local to Regional, Africa to the World

Investment Types

- > **Growth equity** / rollout
- > **Buy-and-build** / platform strategies
- > **Buyouts / recapitalisations** at inflection points (growth-focused, reinvigorate and reinvent)
- > **Limited earlier-growth stage** investment (max 15% of fund). Must be post-revenue, have minimum 3-year operating history and in execution stage (i.e. product-market fit already established, lower technology risk)

Impact Areas

- > **Diversity, equality, transformation and representation**
- > **Inclusive innovation**
- > Access to **life-enhancing products and services**
- > **Financial inclusion**
- > Decent work, **job creation** and economic growth
- > **Environmental** stewardship



Our Investment Themes

Our investment focus is framed by investment “themes” within which we spotlight specific sectors:



Technology as a horizontal: not (only) a vertical

<p>Investing in IoT, automation, advanced tech, ICT services and solutions to drive global innovation, revolutionise industries and connect communities</p>	<p>Investment in artificial intelligence (AI) across the data economy – encompassing collection, storage, processing, analysis, and dissemination of data for enhanced consumer and enterprise value</p>	<p>Partnering with schools, other educational institutions and providers and EdTech companies to enhance accessibility, affordability, and quality in education for future-fit citizens</p>	<p>Financing the well-being of African households and beyond through investment in healthcare, MedTech, wellness, food, agribusiness, AgTech and the care economy</p>	<p>Collaborating with businesses focused on green solutions to address critical environmental challenges and champion a circular economy</p>
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- Pipeline -





Sanari mandate: minimum criteria checklist

Whilst we would love to invest across all stages, locations and types of businesses, Sanari has strict investment criteria that tie back to our areas of expertise and the mandate funded by our investors. Prior to contacting us in relation to a capital raise or sale of all or part of your business (or in the case of an advisor, the business you are advising), please kindly check that the company meets the following MINIMUM requirements as we cannot invest in any businesses outside of these parameters.

ALL of the minimum criteria must be met in order for us to consider an investment.

✓	Description	Minimum Criteria
	Operating history of the company	>3 years
	Annual revenues or sales (actual)	>R50 million (USD 3 million) ¹
	Profitability	Is profitable OR inherently profitable but has negative EBITDA to fund growth and expansion
	Business stage	Typically well-established, must be post achieving product-market fit and be in commercial rollout (not proof of concept)
	Location of investment	Majority of operations are in South Africa or countries in the rest of Sub-Saharan Africa (as determined by operating costs and proportion of staff)
	Investment size	>R50 million (USD 3 million) ¹
	Stake (Sanari shareholding)	Control or minority shareholding provided there is “significant influence” including board representation and negative controls (alone or exercisable with like-minded investors)
	Excluded activities	The investment is <u>NOT</u> : <ul style="list-style-type: none"> > Seed capital or pre-revenue > A direct investment in primary agriculture, real estate, mining, or alcoholic beverages (excluding beer and wine) > A direct or indirect investment in weapons and munitions, tobacco, gambling, adult entertainment or derivatives for speculations, trade in waste, coal or fossil fuels, racist/anti-democratic media, forestry or logging > In any other activities listed in the IFC Exclusion list

¹ These minimum criteria may be waived for bolt-on acquisitions for existing portfolio companies or in combination with other planned investee companies.

Sweet spot / investment preferences

Our experience lies in working alongside owners and management in targeted investments to ensure their businesses consolidate, grow and flourish



See beyond equity

If your business has one or more of the following needs or opportunities, then Sanari may be your perfect partner...tap into our areas of specialisation:



Founder-run, owner-managed or family-owned business at an inflection point	<ul style="list-style-type: none"> > We have deep experience navigating the different phases of entrepreneurial businesses, grounded in our own entrepreneurial and family-business backgrounds > We partner with management in building Sustainable, Scalable, and Saleable (Sanari “3S”) businesses
Fit with our investment themes and resultant sectors	<ul style="list-style-type: none"> > Tap into our sector expertise and market know-how in tech, data, business services, education, food, healthcare and wellness, agri-business, green solutions
Navigate the opportunity and counter threats of technological advancement	<ul style="list-style-type: none"> > Senior team members with 15-35+ years in technology-related fields > We work with tech-enabled businesses as well as traditional businesses requiring digital transformation to access opportunity and/or counter threats
Growth through organic and acquisitive means	<ul style="list-style-type: none"> > Focus on growth/building, strategy and execution – organic or acquisitive. We contribute both strategic and M&A capabilities
Solve for B-BBEE ¹ gaps	<ul style="list-style-type: none"> > Professional private equity investment conferring 100% Black ownership for our investment, Black representation on board > Broad-based BEE scorecard support
Change management to support growth and development	<ul style="list-style-type: none"> > Experience with succession / generational change / sustainability beyond founder or CEO / incentives for next level management > Human-centric approach for unlocking potential > Best practice / corporatisation for scalability
Internationalisation / regional growth	<ul style="list-style-type: none"> > Operational growth and expansion experience in global markets > Re-organisation, international structuring and IP experience
Alignment with approach and purpose	<ul style="list-style-type: none"> > Shared commitment and track record of integrity, trust, resilience and drive > Shared commitment to profit with purpose

¹ Broad-Based Black Economic Empowerment



Reach out to us via the contact form to discuss your investment opportunity:

www.sanaricapital.com/contact/

Or submit your investment opportunity to our team directly [here](#).

