



Info session on Capital & Investments  
**Early Stage Capital 101**

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<https://the97.fund/>  
[the97@ortusafrica.com](mailto:the97@ortusafrica.com)



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## OVERVIEW

The 97 Fund managed by **Ortus Africa Capital**, is an investment company that builds and invests in high growth early stage companies. **The 97 Fund adopts a Venture Builder + Fund model.**

### Sectors Covered:

Financial services, Health, Transport and Logistics, Supply Chain, Energy, Agriculture, Education, Tourism, Manufacturing, Media and Creative Arts.

### Geography Covered:

Domiciled in Uganda with East Africa coverage, The 97Fund invests at an early stage in entrepreneurs that have the potential to create jobs and opportunities of the future at scale amongst women and youth.

**Stage, Form of investment:** Active, hands on approach that leverages our entrepreneurial and early stage expertise. Provide help to entrepreneurs to increase their chance of success through extensive operational knowledge and access to networks, capital and funding.

<https://the97.fund/>

<https://the97.fund/about-covid19-relief-fund/>

## PARTNERS



**Brief:** The Mastercard Foundation's new strategy, Young Africa Works, outlines how, over the next decade, it will focus on finding solutions to the youth employment challenge and reducing poverty in Africa.

**Role:** Vehicle setup; Anchor Investor (Covid19 Relief Fund)



**Brief:** The Innovation Village is a destination entrepreneurs call home. Their purpose is to deliberately grow innovation by putting in place a platform that challenges assumption, ignites thought and questions status quo.

**Role:** Pipeline Sourcing; Venture building support



**Brief:** Ortus Africa Capital is a an Advisory and Investments firm, building Africa's largest multi-assets alternatives investments platform.

**Role:** Investment management and operations; Compliance; Venture building; Pipeline sourcing and screening



**Brief:** The Kampala Angel Investment Network (KAIN) gathers innovators, entrepreneurs and Angels under the mutual objective of bringing IDEAs to life.

**Role:** Pipeline Sourcing; Co-Investment partners

## LEADERSHIP



### **Kenneth Legesi, CFA**

Kenneth is the Managing Partner and Chief Investment Officer for The 97Fund at Ortus Africa Capital. He is responsible for providing leadership and strategic oversight towards achieving the fund's vision and mission to harness investment into and finding impactful capital for entrepreneurs and businesses to drive Africa's growth. Prior to co-founding Ortus Africa Capital, he was a corporate finance advisor and management consultant at Deloitte (UK, East Africa). He advised on a number of assignments including the formation and fundraising of an agribusiness private equity fund domiciled in Uganda which achieved a \$20m close.

Kenneth has co-founded and invested in companies including ventures in fintech/e-commerce, research and data analytics, transport & logistics, energy & infrastructure. He is passionate about working with and supporting entrepreneurs to grow. He is also the Co-Founder and Trustee of the Kampala Angel Investment Network (KAIN), which is an angel investment network that prepares and matches early stage entrepreneurs in Uganda to angel investors locally and globally.



### **Alice Muwonge, FCCA**

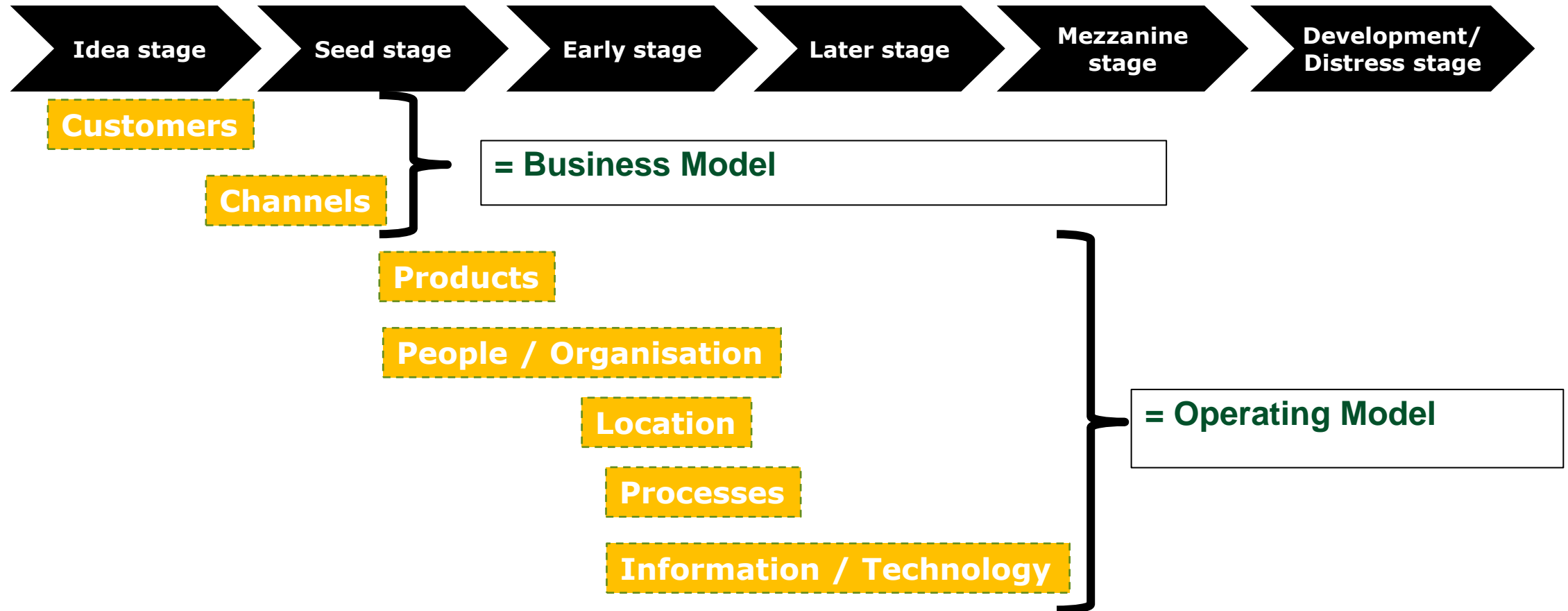
Alice is the Financial Controller for The 97Fund at Ortus Africa Capital, where she oversees the appropriate allocation and documentation of fund accounts. Alice is a highly competent and skilled Finance & Administration management and Audit Manager with over 18 years' experience working in the Sub Saharan Africa. Previously she was a finance professional with Deloitte in Uganda. She has led start-up fund management projects and audit teams through challenging periods of change, flexibility and creativity whilst maintaining focus on deliverables, both in terms of meeting commitments to clients and ensuring the requisite quality.

She has prior experience with fund Management, grant management, financial advisory services, financial analysis, procurement reviews, financial reporting, stakeholder management, financial due diligence, taxation, program management and external and internal audit, risk management, Training, Recruitment, Leadership and Coaching.

**Work with a team of Associates, Analysts and Venture Builders; overseen by Board of Advisors and Investment Committee**

## Understanding stages of a business/venture

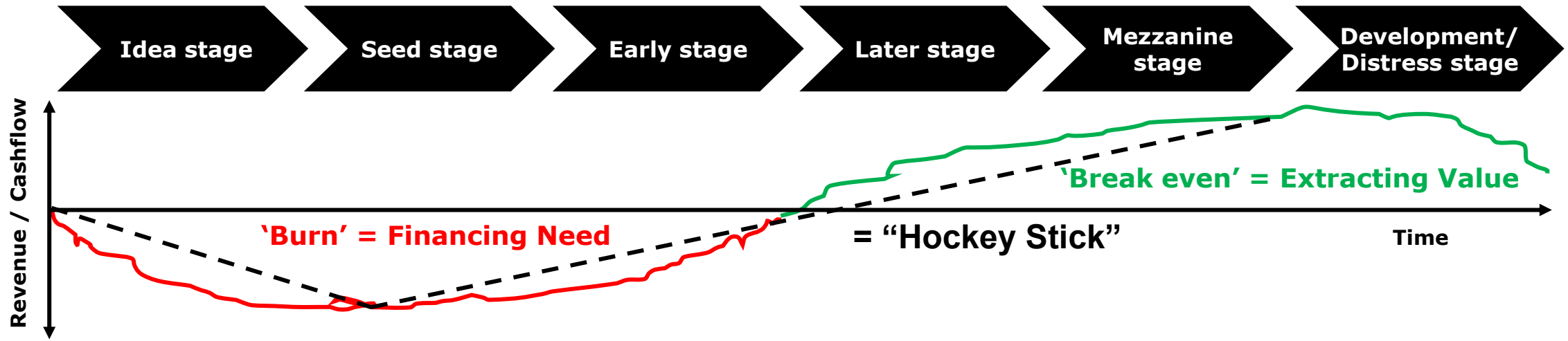
- Stages of a business/venture is defined based on the maturity of the business/operating model and revenue/cashflow that the business is making



1. How mature is your business / operating model?

## Understanding stages of a business/venture

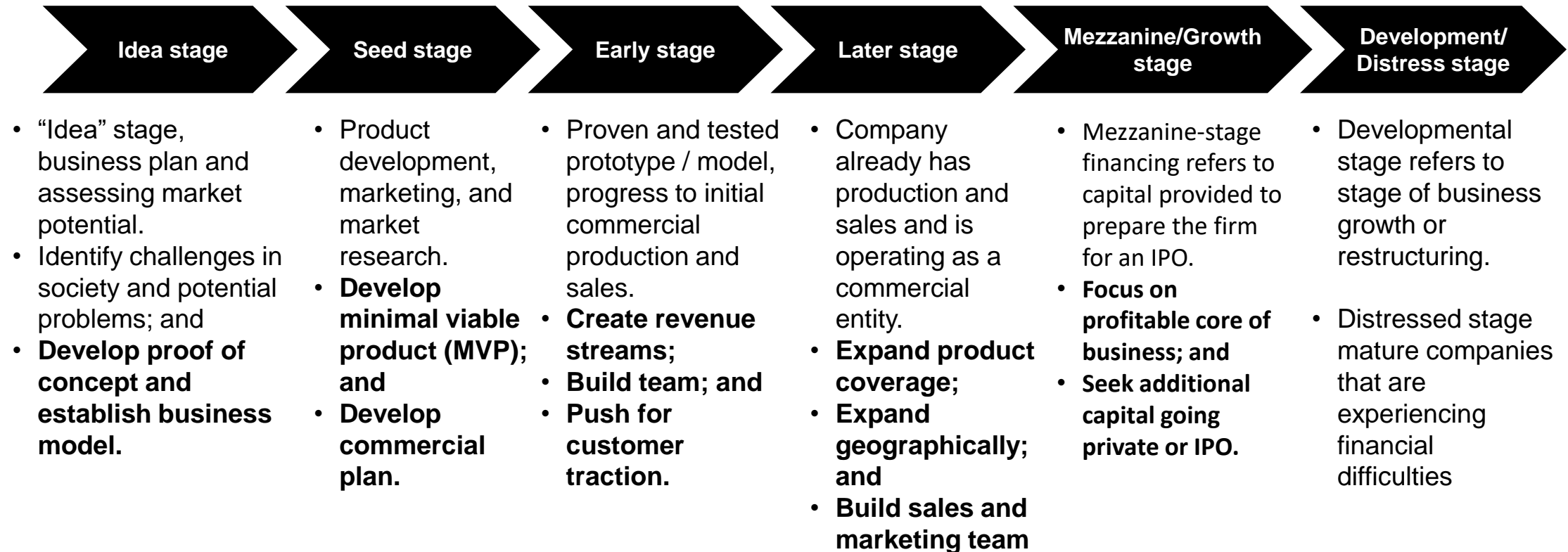
- Financing can range from debt (fixed repayment obligations, lower risk) to equity (contingent repayment obligations, higher risk) and in between (convertible debt, convertible preferred shares, debt with warrants, revenue share, etc.)



2. Which stage of the lifecycle is your business? maturity vs revenue/cash?

## Understanding stages of a business/venture

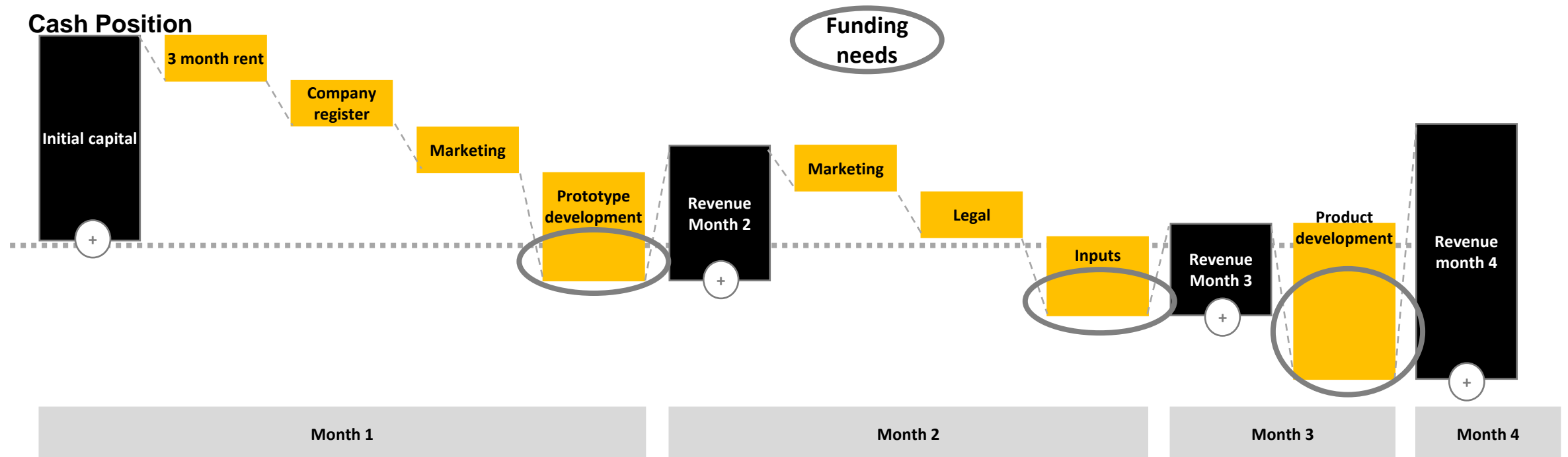
- Stages of a business/venture is defined based on the maturity of the business/operating model and revenue/cashflow that the business is making



## Defining funding needs

### You should ask yourself:

- How much money will be required ?
- When the money will be required ?
- What will the money will be used for ?
- When can debt be paid back ?
- When can investors expect to see returns ?





## Defining funding needs

### You should ask yourself:

- Do we really need the money? Will the money really make a tremendous difference for our company – or could we achieve what we want without it? And if we need money, do we need it now or could it wait till later?

#### Your own priorities

- Ownership of the company
- Control
- Growth

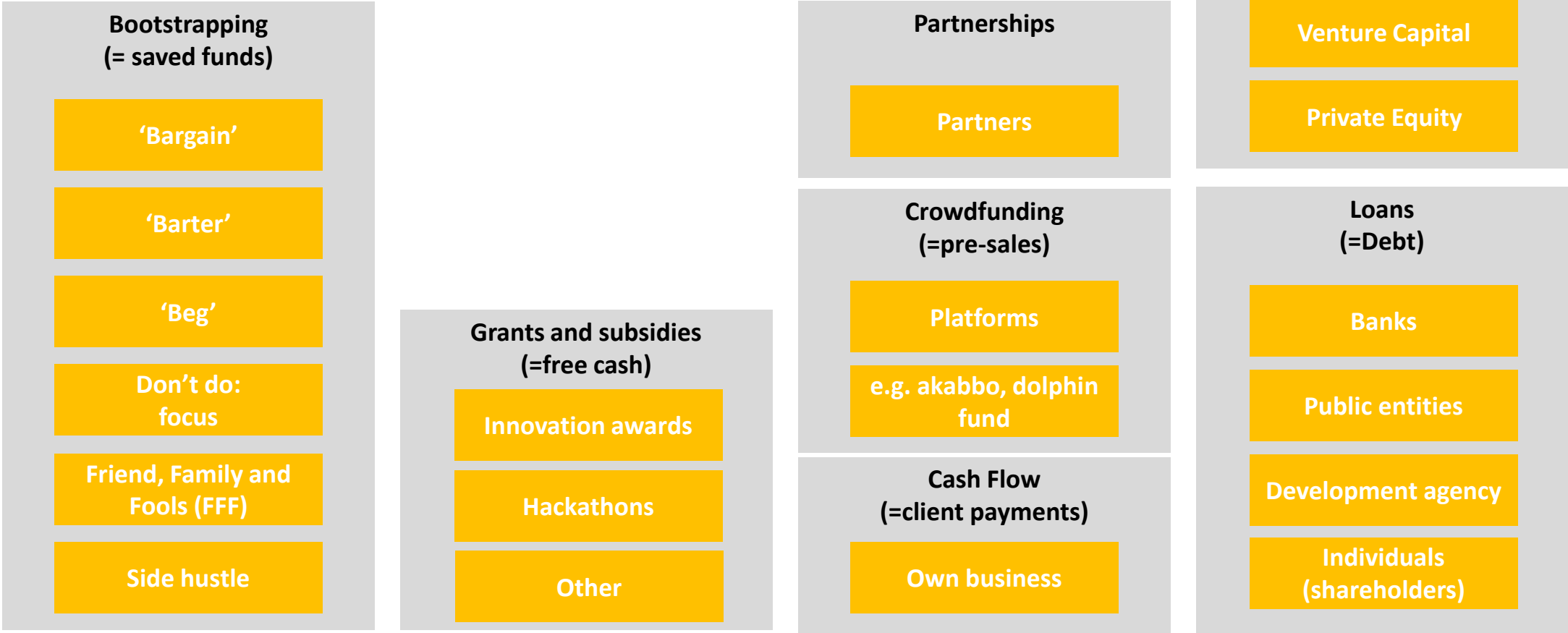
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#### Your business plan

- Growth and expansion
- Product development
- Go-to-market speed

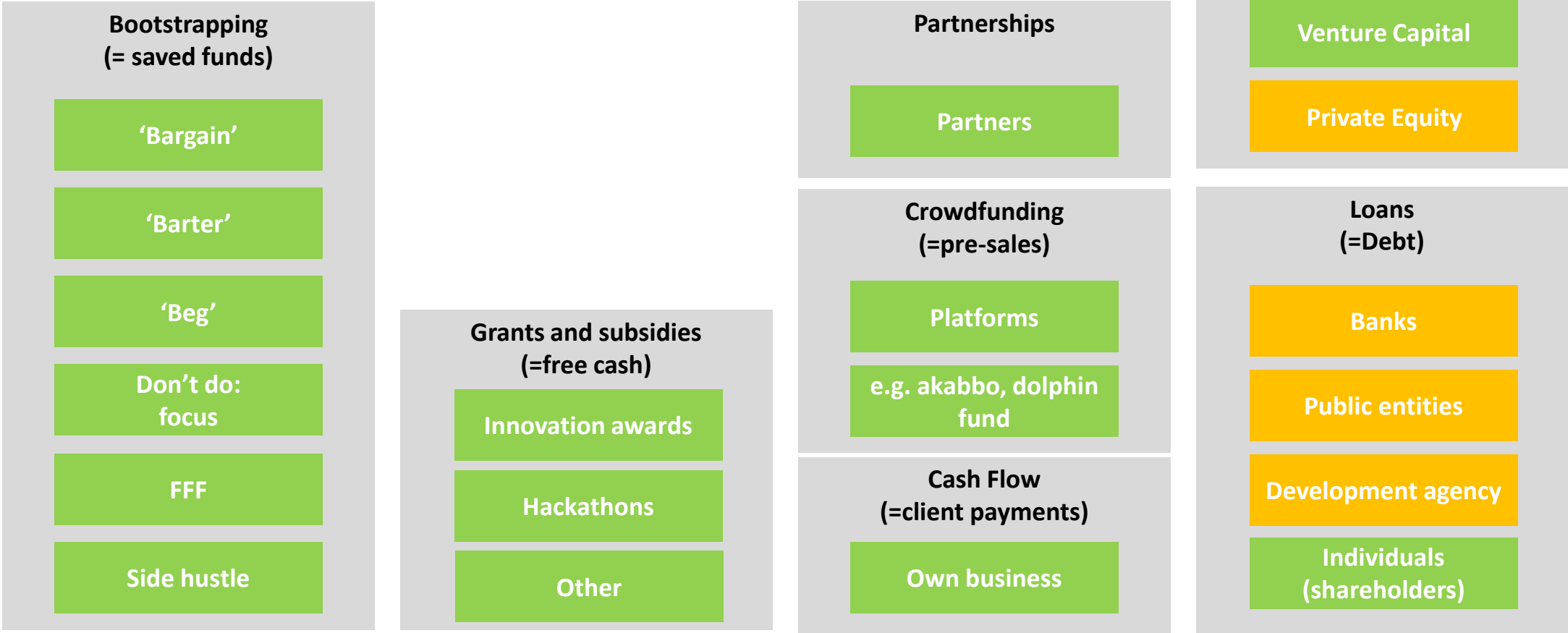
# Types of funding

Various options for funding



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Various options for funding



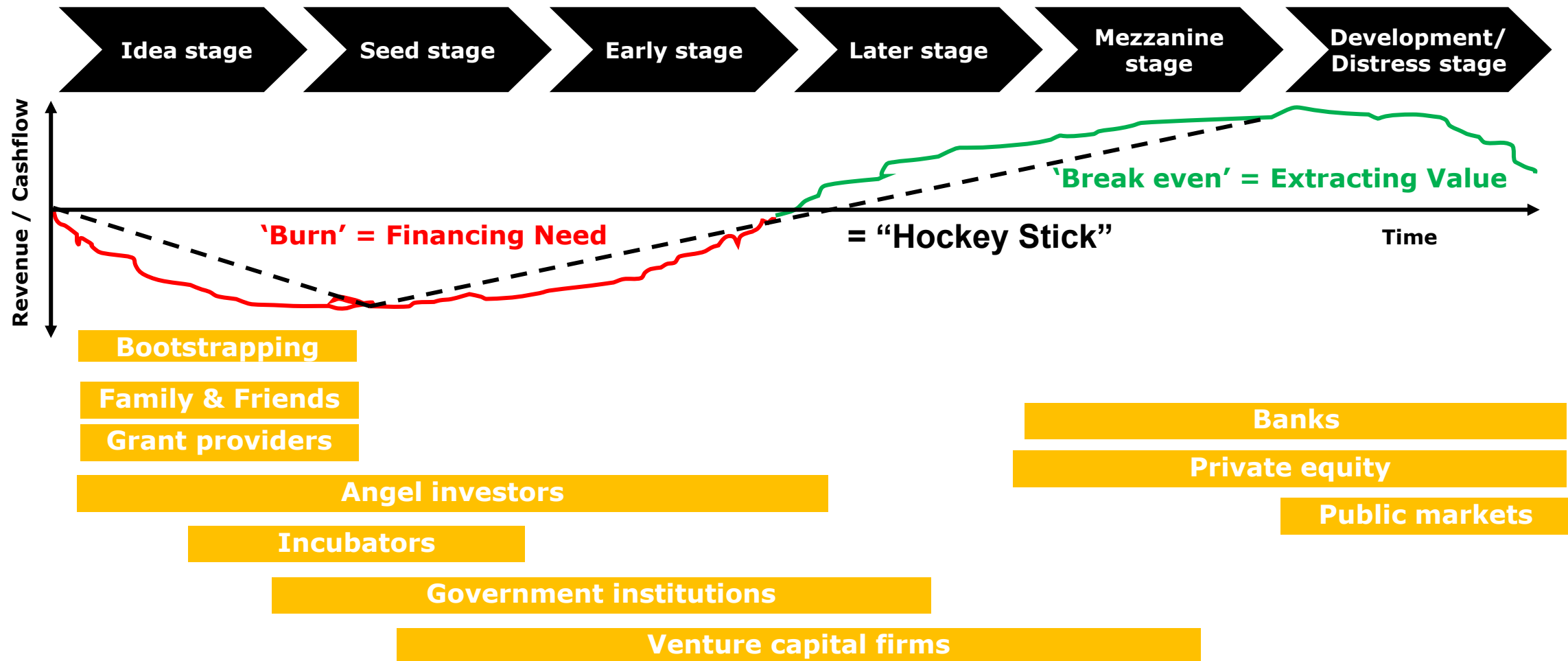
## Types of funding

### Pros vs Cons

Fund types	Cost	Pros	Cons
Bootstrapping	No / negative costs	<ul style="list-style-type: none"> <li>No costs</li> <li>Helps run the company efficiently</li> </ul>	<ul style="list-style-type: none"> <li>Can limit growth</li> </ul>
Grants and subsidies	Free	<ul style="list-style-type: none"> <li>No costs</li> </ul>	<ul style="list-style-type: none"> <li>Can be long process</li> <li>Conditions apply</li> </ul>
Crowdsourcing	Free	<ul style="list-style-type: none"> <li>No costs</li> <li>Validate the solution upfront</li> <li>Early cash-flows</li> </ul>	<ul style="list-style-type: none"> <li>Takes time to put in place</li> </ul>
Cash Flow	Return = equal to company expected return	<ul style="list-style-type: none"> <li>Natural growth strategy</li> </ul>	<ul style="list-style-type: none"> <li>Usually limited amount of cash</li> </ul>
Partnerships	Shared revenues / fee	<ul style="list-style-type: none"> <li>No impact on ownerships</li> <li>Alignment of strategic interests</li> <li>Stronger proposition</li> </ul>	<ul style="list-style-type: none"> <li>Management of the partnership</li> </ul>
Loans	Interest rate: 15%-120% in UGX	<ul style="list-style-type: none"> <li>No impact on ownerships</li> <li>Availability</li> <li>Amount</li> </ul>	<ul style="list-style-type: none"> <li>Cost</li> <li>Access</li> </ul>
Equity	Expected IRR = 20-30% (no negative cash flow at first)	<ul style="list-style-type: none"> <li>Amount</li> <li>No negative impact on cash flow</li> <li>Support from investors</li> </ul>	<ul style="list-style-type: none"> <li>Loss of ownership (dilution)</li> <li>Complexity of deals</li> <li>Can take time</li> </ul>

## Type of funding vs stage of business

- Financing can range from grants (no/repayable) to debt (fixed repayment obligations, lower risk) to equity (contingent repayment obligations, higher risk) and in between (convertible debt, convertible preferred shares, debt with warrants, revenue share, etc.)



## Early Stage Funding in Uganda

- A review of funding shows a total of **190 disclosed funding rounds**; representing a value of **\$55M**.
- We note the following about early stage funding in Uganda:
  - Most funding based on number of deals by stage: Grants (133 deals) and Seed stage capital (25 deals)
  - Largest deal is debt finance of \$13M to [Tugende](#); Debt financing representing \$40M in disclosed financing (Tugende \$23M; [Solar Now](#) \$17M)
  - Most funding by amount for the top 3 sectors to Financial Services (41 deals, \$28M), Energy & Environment (23 deals, \$20M) and Health & Pharmaceuticals (40 deals, \$2.5M)
  - Most active investors by number of deals participated in: [National ICT Initiatives Support Programme](#) (32, \$890K); [United States African Development Foundation](#) (11, \$120K), [MTN Uganda](#) (9, \$18K), Villgro (6, \$140K), [NSSF Hi Innovator](#) (6, \$120K)
  - Beyond grants, active investors include: Up Accelerate (4, \$40K), [Techstars](#) (3, \$145K), [Villgro](#) (4, \$100K), [Google Launchpad Accelerator](#) (3, \$30K)
  - Startup that has raised a Series A onwards: Series A ([Safeboda](#), \$1.1m, Undisclosed Investors); Series B ([Safeboda](#), Amount undisclosed, [Allianz X](#) and [Go-Ventures](#))
  - Year on year growth: 2016 (\$2.2M), 2017 (\$8.6M), 2018 (\$9.0M), 2019 (\$32M), 2020 (\$1.3M); 67% and 68% YoY growth respectively in amount of funding and number of deals between 2016 - 2019

Source: <https://digestafrica.com/digest-africa-country-brief-uganda-summary/>

## Grant funding options

Grants are non-repayable funds given by a government, organization, or person for a specific purpose. A grant does not include technical assistance or other financial assistance, such as a loan or loan guarantee, an interest rate subsidy, direct appropriation or revenue sharing.

### Examples of grant providers in Uganda ecosystem;

Launchpad Accelerator is a 3-month program that helps startups in the ideation and seed stage. Investments include companies like; Swipe2pay and Teheca.



Villgro Kenya is an early stage incubator that provides seed funding, technical assistance and business development support to global health innovators. Investments include; Matibabu



Mastercard Foundation Fund for Rural Prosperity is a US\$ 50 million challenge fund established by the Mastercard Foundation. Investments include; Solar Now and Farmerline



Airtel recognized and awarded grants to innovators. The innovators include; Akellobanker, SafeBoda and Matibabu



## Angel Investor funding options

An angel investor (also known as a private investor, seed investor or angel funder) is a high net worth individual who provides financial backing for small startups or entrepreneurs, typically in exchange for ownership equity in the company.

### Examples of Angel Investors in Uganda;



The Kampala Angel Investment Network (KAIN) gathers innovators, entrepreneurs and Angels under the mutual objective of bringing IDEAs to life.



Victoria Business Angel Network are Angel investors that inject capital into seed stage investments in tech startups in East Africa.



African Business Angels Network (ABAN) supports development of early stage investor network in Africa








Rising Tide Africa engages in educating and training women to become sophisticated angel investors through its Program while offering them the opportunity to build a diversified portfolio of investments and receive mentoring from other women who are experienced angel investors.





# Angel Investor funding options


Angel investing in action...

15:33





Zachariah George




**Zachariah George**





15 h • 



Yesterday marked my 49th and 50th direct Angel investments into African early-stage technology ventures. Two top-notch Nigeria-based fintech startups. Never thought that I'd get to 50 investments in just the last 6 years. It's a lot of hard work, involves mentoring, growing and learning from some of the smartest founder teams on the continent. It may not be everyone's cup of tea, but is something I truly am passionate about and believe will change the future of socio-economic prosperity on the African continent.

For those that are interested, here are some high-level stats -

Geographical Spread:

- Southern Africa - 60%
- West Africa - 22%
- East Africa - 10%
- Other - 8%

15:33





Zachariah George



Sector Spread:


- Fintech / Insurtech - 42%
- Ecommerce / Marketplaces - 24%
- Big Data / A.I. - 14%
- Mobility / Logistics - 6%
- HealthTech - 6%
- EdTech - 4%
- Funds - 2%


Returns (based on exits, most recent institutional priced rounds or valuation caps of completed Convertible/SAFE financings):

- Folded: 16%
- At Par: 30%
- 1x - 5x: 20%
- 5x - 10x: 14%
- 10x - 20x: 10%
- >20x: 10%

Aggregate Return on Invested Capital: 8.8x  
Annualized return (IRR): 102%


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## Venture Capital funding opportunities

Venture capital is a form of financing where institutional investors provide funding to startup companies and small businesses that are believed to have long-term growth potential. Venture capital financing is funding provided to companies and entrepreneurs. It can be provided at different stages of the business.



Leapfrog Ventures is a Japan based venture which invests in seed stage startups like; **Swipe2pay** and **Xente**.



Hi-Innovator is a Venture Capital initiative of Uganda's NSSF that seeks to give visibility to small and growing businesses. Investments include; **Famunera**, **Chap Chap**.



Go-Ventures is the investment arm of Go-Jek. Investments made in Uganda include **SafeBoda**.



Oikocredit is a cooperative and social investor that provides funding to the microfinance sector. Investments include **Solar Now** and **Peg Africa**



We build companies

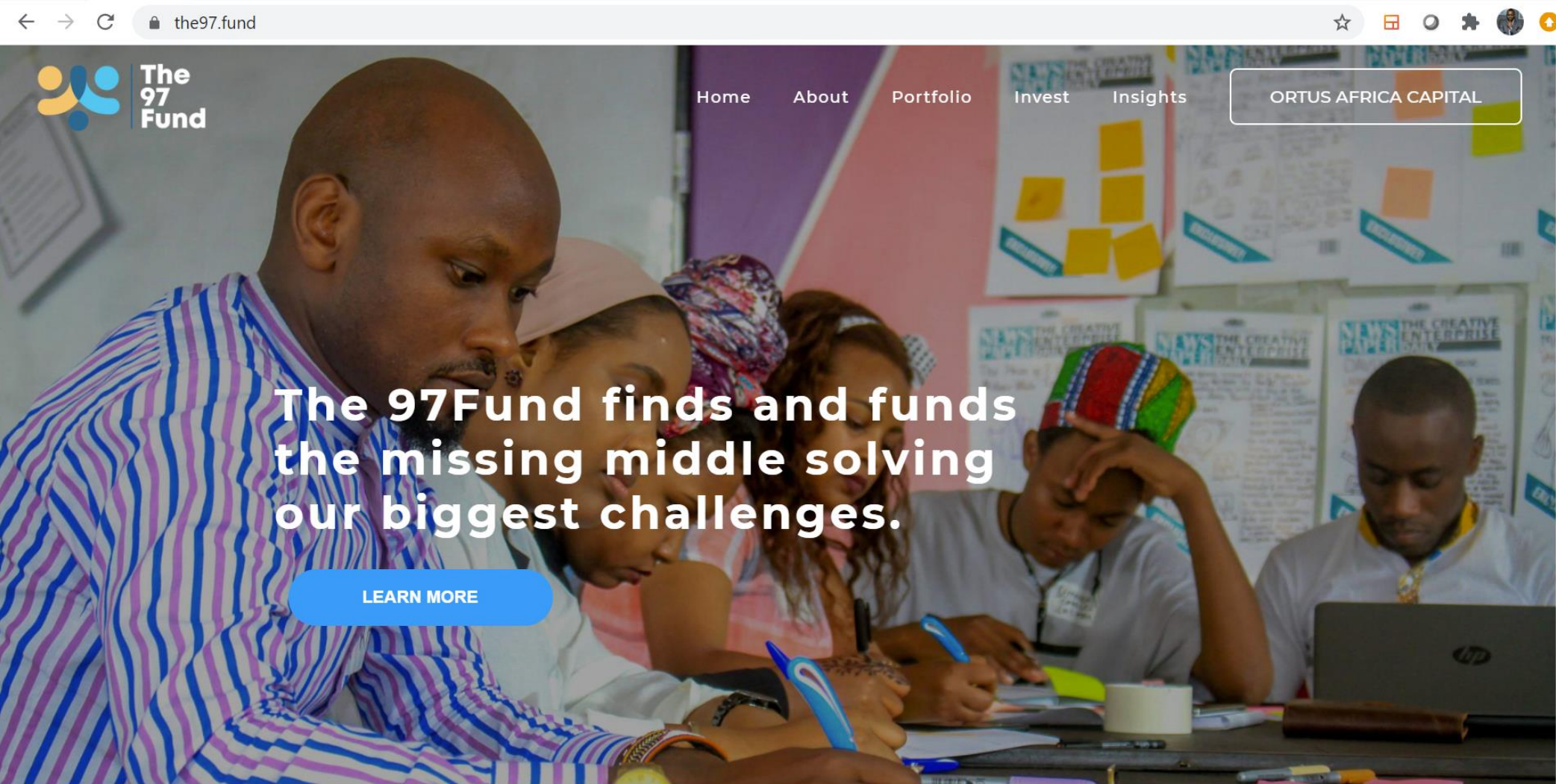
Allianz X is the digital investment unit of the Allianz Group. Investments made in Uganda include **SafeBoda**.



**Finding and funding the missing middle solving  
society's biggest challenges**

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# The 97Fund: Overview





## The 97Fund: Covid19 Relief Fund

digestafrica.com/the-97fund-covid19-relief-fund

digestafrica

FEED

DEALS

EXITS

COMPANIES

INVESTORS

INSIGHTS

METHODOLOGY

# PRESS RELEASE: The 97Fund Launches \$1 Million COVID19 Relief Fund

Aug 24, 2020

FUND

PRESS RELEASE


The 97Fund, a Ugandan domiciled Open-end Investment Vehicle (HoldCo) that invests in high growth early stage companies in Africa, has launched a \$1 Million COVID19 Relief Fund (the "Fund"). The 97Fund is managed by [Ortus Africa Capital](#). The Fund shall focus on Uganda and invest in solutions targeting and addressing challenges caused by the COVID19 pandemic and solutions that prepare Uganda for a post COVID-19 environment.

The COVID19 Relief Fund supports promising entrepreneurs to scale and develop solutions that will help Uganda emerge from the coronavirus crisis and create competitive advantage for the post-crisis period. The potential number of jobs created and contribution to livelihoods are the key metrics



<https://the97.fund/about-covid19-relief-fund/>

# The 97Fund: Covid19 Relief Fund




HomeAboutPortfolioInvestInsights


ORTUS AFRICA CAPITAL

## Target Companies:


The 97 COVID19 Relief Fund is targeting companies that are responding to the pandemic as well as creating jobs in these times through;




Providing healthcare and pharma solutions




Re-imaging business models in the most hit sectors




Providing new ways of working (collaborative working, work from home, gig work)




Supply chains and logistics;



Digital economy especially market places.




## The 97Fund: Covid19 Relief Fund

[Home](#)[About](#)[Portfolio](#)[Invest](#)[Insights](#)


ORTUS AFRICA CAPITAL

# What we offer to Businesses




### Equity- Free Grant

Grant ticket size offer of \$2,000 - \$10,000.




### Technical Assistance

Active mentorship to scale and grow solutions.



### Access to Partners and Potential Co-Investors

Connection to our network of veteran entrepreneurs and industry experts.



# The 97Fund: Covid19 Relief Fund

## The Process

1

Applications

2

Screening and Demo Day 1

3

Investment Committee

4

Due Diligence

5

Investment

6

Mentoring and Venture Building Support

7

Demo Day 2





# The 97Fund: Covid19 Relief Fund

Apply for The 97 Covid-19 Relief Fund

Apply


<https://the97.fund/about-covid19-relief-fund/>

THE 97FUND

The Innovation Village  
Plot 31 Ntinda – Kisaasi Road  
Ntinda Shopping Complex,  
Block D Ground Floor, Kampala

ORTUS AFRICA CAPITAL

1st Floor, King Caesar Square, 9 Portal Avenue  
Kampala, Uganda  
Tel: +256 414 667 986  
Email: [the97@ortusafrica.com](mailto:the97@ortusafrica.com)  
[info@ortusafrica.com](mailto:info@ortusafrica.com)

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@The97Fund we adopt a co-investment model to unlock diverse





Q&A

# Connect



Ortus Africa Capital, 1st Floor, King Ceasor Square, 9  
Portal Avenue, Kampala, Uganda

+256 414 667 986 | [the97@ortusafrica.com](mailto:the97@ortusafrica.com)  
[www.ortusafricacapital.com](http://www.ortusafricacapital.com)  
<https://the97.fund>

