

PRESS RELEASE:

Knife Capital's Grindstone Accelerator programme expands to Johannesburg

Call for applications from innovation-driven SMEs that are scaling up!

25 March 2019: Knife Capital has joined forces with the SA SME Fund and Deloitte to launch the next iteration of their Grindstone Accelerator programme in Johannesburg. Aimed at entrepreneurs who are ready to take their businesses to the next level, the programme promises to spotlight the contribution that high-growth entrepreneurs make in enabling Gauteng to be the economic powerhouse of South Africa.

Grindstone is a structured entrepreneurship development programme, jointly owned by Knife Capital and Thinkroom Consulting, that assists high-growth innovation-driven SMEs to become sustainable and fundable. Grindstone supplies 10 companies in a year-long programme with knowledge, networks and funding readiness through growth measurement, gap analysis and deep interventions designed to build a foundation for growth, transfer skills, create relevant business networks and enable these companies to take advantage of market access opportunities.

"With this being the first time that the programme is offered in Johannesburg after successfully running it in Cape Town for four cohorts, we really want to tap into the city's entrepreneurial ecosystem and highlight success stories," says Andrea Böhmert, Co-Managing Partner at Knife Capital. "Entrepreneurship doesn't flourish in a vacuum. We are working with the current leading Johannesburg-based incubators, entrepreneurial support organisations and individuals committed to building the ecosystem". She adds that while up to 35% of South Africa's GDP is generated in Johannesburg, the contribution of high-growth entrepreneurs is not that visible, contrary to what is happening in the Western Cape. "We are very excited to support Gauteng's rising stars."

"The programme helps entrepreneurs who are navigating their way through the treacherous business scale-up phase by identifying the pitfalls and success metrics of their businesses strategies while closing growth gaps to execute those strategies. A big differentiator is our approach to measurement – the companies need to be able to experience and measure the positive impact the programme has on their businesses. Across the previous programmes, the Grindstone Accelerator participants on average experienced a consistent growth in revenue of 56% year-on-year off a descent base, while creating jobs and addressing business fundamentals to set up a platform for further accelerated growth," says Böhmert.

Ketso Gordhan, CEO of the SA SME Fund elaborates on the partnership synergies: "The SA SME Fund is committed to developing world class local entrepreneurs and has partnered with Grindstone as they have consistently supported and grown South African Scale-Ups." The SA SME Fund is providing favourable funding support to the 10 Grindstone Companies to enable them to close the initial growth gaps identified. Further growth funding is also available on commercial terms to scale the companies through Knife Capital's Section 12J VCC *KNF Ventures* as well as other funding vehicles backed by the SA SME Fund.

Valter Adão, Chief Digital and Innovation Officer at Deloitte Africa says that the biggest challenge facing entrepreneurs is access to business insights, mentorship and access to

customer networks at the right levels of seniority. To this end, Deloitte contributes significant value to the programme's pillars of Knowledge and Networks.

"Deloitte has deep and intimate industry insights. We understand the challenges our clients face and more importantly, we know how to get to the root cause, not being distracted by the symptoms. For us to thrive in this highly competitive environment, we invest heavily in our people. Developing critical business leadership and operational competencies is critical, as is the dissemination and augmentation of industry insights. As an entrepreneur, getting access to this fast paced, and high-performance learning environment, and the respective knowledge that comes with it is highly valuable," says Adão.

He adds that through the programme, Deloitte is able to introduce entrepreneurs and businesses to the valuable and credible networks that Deloitte has access to.

Long-time strategic partners in Grindstone: FNB Business, Webber Wentzel and the BillyBo Group have once again committed their support to the entrepreneurs alongside some new collaborators. Knife Capital Co-founder Keet Van Zyl said the accelerator programme was created by compressing the VC firm's venture capital engagement model of aggressively growing a company for three to five years into an intense year-long programme. "But this is only possible because of the thought leadership our strategic partners provide" he adds.

Successful businesses that have completed the Grindstone Programme in the Western Cape include iKubu (subsequently acquired by Garmin), Payfast, SeaMonster Animation, Electrum Payments, Iono fm, Quicket, PICSA Finance, Custos Technologies and WhereIsMyTransport, amongst others.

For more information on the programme, or to apply, visit (<https://www.knifecap.com/grindstone>). Applications are now open and will close on the 22nd of April 2019.

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