

## FSDAi Nyala Facility invests US\$ 1 million in Linea Capital to boost funding opportunities for small and growing businesses in South Africa.

Johannesburg 24<sup>th</sup> April: FSDAi Nyala Facility BV, a facility set up by FSD Africa Investments to invest in emerging local capital providers, is injecting US\$1 million into Linea Capital, a South Africa-based financier. Linea Capital specializes in revenue-based finance (RBF), an innovative model that supports the growth of Small and Growing Businesses (SGBs).

Most SGBs on the continent are faced with limited funding options, and this is no different in South Africa. Traditional debt either requires significant collateral or is unaffordable, while equity investments dilute ownership, control and long-term economic value and often involve lengthy negotiations on valuation.

By contrast, [Linea Capital](#)'s revenue-based financing solution is a collateral-light and non-dilutive source of capital, with repayments structured around the company's revenue cycle to reduce the burden of fixed monthly repayments. Although driven by the investee's revenue growth, the typical term of Linea's financing ranges between 2 and 3 years. Linea also offers a range of post-investment support services aimed to help businesses manage growth.

FSDAi Nyala Facility's investment will be through junior funding tranches to enable Linea to raise lower cost senior debt, with the intention of crowding-in local and global institutions seeking lower risk and more liquid non-equity investments.

This is the Facility's third investment; previous investments include [Aruwa Capital Management](#), a Nigeria-based fund that targets growing companies that either serve the expanding female economy or are led by women or gender-diverse teams, and [WIC Capital](#), a Senegal-based manager that not only provides much needed capital but also technical assistance and access to business networks for female-led businesses in the region.

Speaking during the announcement, FSD Africa Investments' Chief Investment Officer, Anne-Marie Chidzero hailed the novel financing instrument. *"We are excited to collaborate with Linea Capital to accelerate local financing for small and growing businesses. This investment demonstrates FSDAi Nyala Facility's mandate of backing innovative financing solutions that position these businesses to thrive and drive economic growth,"* noted Anne-Marie.

Linea Capital cofounders Julia Price and Colin Hundermark welcomed the investment which will translate to an attractive capital alternative for small and growing South African companies *"We are delighted that FSDAi Nyala Facility is making this investment with us. It provides further support for revenue-based financing as an alternative for the owners and founders of SGBs in South Africa, and we are excited about how it will assist us in raising further capital to support the growth of a vital segment of our economy,"* they explained.

For more information/queries on FSD Africa Investments, please contact.

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#### About FSDAi Nyala Facility

FSDAi Nyala Facility (FNF), a subsidiary of FSD Africa Investments (FSDAi), aims to provide critical anchor funding to gender lens focused Alternative Local Capital Providers (ALCPs) in Africa, who provide much needed investment and support to early stage small and growing businesses (SGBs). The Facility leverages the experience and skills of African Alternative Local Capital Providers (ALCPs), many of which are founded and led by women, and who deliberately prioritise financing “missing middle” stage enterprises and investing with a gender lens.

FSDAi alongside FSD Africa, is a UK International Development-funded regional program, based in Kenya, that operates in over 30 countries to make finance work for Africa's future. FSDAi invests in novel financial instruments, facilities and intermediaries to support of policy objectives and accelerate the role of finance in Africa's green economic growth. FSDAi, a private company with shareholders including FSD Africa and the UK's FCDO, employs diverse investment instruments while embracing considerable risk. FSDAi bridges funding gaps by supporting novel financial solutions for transformative change in Africa's financial markets to deliver better-quality jobs and economic opportunities, equitable access to basic services, reduction of human vulnerability and inequity, and environmental benefits.

For more information, visit <https://fsdafrica.org/our-work/fsdai/>

#### About Linea Capital

Linea Capital is dedicated to raising and mobilising capital to small and growing businesses in Southern Africa. Linea invests using an innovative revenue-based finance model to limit founder, staff and investor dilution. The Company has partnered with USAID and the Dutch Good Growth Fund to scale its revenue-based finance model in Southern Africa.

Revenue-based finance is a critical source of funding for emerging market entrepreneurs. As a funding alternative it limits founder dilution, retaining incentives to create jobs and preserves equity ownership for women and previously disadvantaged founders.

Linea has a special interest in agri-processing, education, job creation & gender. It is run by an experienced team of professionals based in South Africa. The Company's model is to partner with local VCs, angel networks and tech hubs to source deal opportunities. Colin Hundermark, James King and Julia Price are co-founders of Linea Capital and that James King serves as a non-executive director.

For more information, visit <https://lineacap.com/>