

Clive Butkow, CEO of Kalon Venture Partners

Kalon Venture Partners and the Smollan Group have invested R14m in tech startup SnapnSave

CASH  
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COUPONS



## Bright future for discount vouchers

Kalon Venture Partners (formerly Grotech) and Smollan Group SA both acquired a minority stake in South Africa's fastest-growing shopping community, SnapnSave. Kalon (a venture capital fund) and Smollan Group (a leading international retail solutions business) invested R7 million each. SnapnSave, founded by Mark Bradshaw, is South Africa's leading cashback coupon app that gives shoppers cash back on their favourite products, wherever they shop, by snapping a photo of their till slip.

The launch of SnapnSave comes in the wake of a surging global trend that will see over one billion people globally expected to use digital coupons by 2019. "Mobile-based coupons are part of the daily shopping habits of Europeans and Americans. Now we're seeing this trend emerge in South Africa with over 15% of SA smartphone owners already having used a digital coupon. Consumers love saving money and with the state of the economy they are looking at ways to put real cash back into their own pockets," says SnapnSave CEO Mark Bradshaw.

In just over 18 months, SnapnSave has already given SA shoppers over R3.5m cash back into their bank accounts and is about to reach 200 000 app installs. The funding will help grow the app downloads to 500 000 in South Africa within a year and will support entry into Asian and African regional markets: Singapore, Malaysia and Vietnam, as well as Nigeria, Kenya and a North African country. SnapnSave will enter these markets via Smollan's network which is present in more than 50 countries and provide services to over 500 000 retailers.

"Our till slip technology means shoppers can get cashback wherever they shop simply by taking a till slip selfie. The tech is all enabled without any till point integration that as a result

means the product can easily scale into markets without any barriers," adds Bradshaw.

"We are excited about the investment and its growth opportunities locally, into Africa and globally," says Kalon CEO Clive Butkow. The investment forms part of Kalons' strategy to position itself as the preeminent venture capital company in Africa, investing in disruptive digital technologies solving African problems. This acquisition strengthens Kalon's commitment to investing in South African entrepreneurs who are disrupting various industries. The fund has raised R90m to date and aims to raise a further R160m by March 2018.

Through Section 12J Venture Capital Companies such as Kalon, the SA government aims to stimulate the economy and promote investment in SMEs while providing tax benefits to investors. The tax relief is potentially 45% for individuals and trusts and 28% for companies, which mitigates the investment risk and significantly enhances the potential return. Kalon is targeting returns of more than 30% per annum and a minimum of five times the money invested over five to seven-years. ➤

Kalon Venture Partners is a venture capital fund set up under the Section 12J venture capital tax incentive where investors receive a 100% deduction of their investment from their taxable income. Kalon's board and investment committee consists of tech leaders and entrepreneurs such as, Gil Oved, a dragon in the launch series of Dragons Den, a shark on the South African version of Shark Tank and co-founder of The Creative Counsel, South Africa's largest advertising agency and Romeo Khumalo, the former COO of Vodacom who now runs his own investment company. Romeo was also a shark on Shark Tank.  
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