



EXEO  
DEBT

BUSINESS INVESTMENT WITH PURPOSE

# Empowering growth companies through innovative debt solutions



As part of the EXEO Capital group, EXEO Debt plays a critical role in the broader investment landscape, complementing the group's existing portfolio of funds under management and direct equity investments. EXEO Capital is known for its partnership ethos and a sustainability focus in its investment activities, and EXEO Debt continues this legacy by providing bespoke financing solutions that drive sustainable growth across various sectors. By leveraging EXEO Capital's extensive relationships and expertise, EXEO Debt is uniquely positioned to offer innovative, structured finance solutions to medium and large corporates in South Africa, enhancing access to capital markets, while delivering value to both borrowers and investors.

A key differentiator for EXEO Debt is its unwavering commitment to stringent compliance and oversight. The company maintains a robust framework for risk management and regulatory adherence, ensuring that all transactions are executed with the highest standards of integrity. This rigorous approach not only safeguards investor interests but also supports the long-term success and stability of the funded companies.

In an ever-evolving financial landscape, access to tailored debt funding has become a key enabler for growth companies in South Africa. EXEO Debt addresses this need by offering unique financing solutions through its own note programme. This programme allows medium- to large-sized, performance-proven growth companies to extend their debt funding options beyond traditional banks and tap into debt capital markets, including asset managers, pension funds, and institutional investors.

In addition to providing senior funding, EXEO Debt provides mezzanine and equity funding advice, and plays a pivotal role in providing corporate finance across the capital stack to medium- to large-sized corporates in South Africa. This flexibility helps companies meet their capital requirements, while maintaining growth momentum.

## A team of financial experts

At the heart of EXEO Debt's success is its seasoned leadership team, bringing decades of experience and expertise across various facets of finance. Led by Rob Marnewick (portfolio executive), Mike Baldwin (portfolio manager), and Pieter van der Merwe (credit and risk officer), the team is equipped to deliver value to both investors and borrowers.



Rob Marnewick has an extensive background in managing equity and debt funds, including founding Censeo Capital and Catalyst, with over R20 billion in debt advisory transactions across 25 years.



Mike Baldwin, a co-founder of a multi-asset class R2.5 billion CISCA fund, brings a wealth of experience in alternative investments, structuring Islamic investments, and corporate advisory.



Pieter van der Merwe offers distinguished credit risk expertise, having managed credit portfolios worth R135 billion across 12 countries at Barclays Africa (ABSA), and serving as a chief risk officer in the private credit fund industry.

This dynamic team not only originates, analyses and closes deals but also provides comprehensive oversight on transaction execution and risk management, ensuring high-quality outcomes for their stakeholders.

# Comprehensive funding solutions

EXEO Debt offers a diverse range of funding products designed to meet the specific needs of its corporate clients. These include:

- Structured credit and asset-backed debt solutions, including term loans, project finance, commercial property finance, and debtor finance.
- Renewable energy financing, with a focus on primary debt and broad-based black economic empowerment (B-BBEE) refinancing.
- Preference share funding for new and secondary capital refinancing transactions.

EXEO Debt's ability to structure innovative financing solutions across various sectors – including asset-backed finance, secondary agriculture, food manufacturing, fast-moving consumer goods, and renewable energy – ensures that its clients can access

the capital needed for growth, while benefiting from flexible financial structures and attractive risk-adjusted borrowing rates.

To qualify for funding from EXEO Debt, companies must meet the following criteria:



Proven track record in excess of ten years



Positive cash generation



Active management with a vested interest in the business.

This careful selection process ensures that only well-established, financially sound companies receive support, aligning with EXEO Debt's commitment to delivering value through its financing solutions.

## Outlook for the private debt market

The private debt market continues to show strong growth, positioning itself as a valuable portfolio and funding diversifier with low correlation to traditional asset classes. This is particularly evident in recent months, as businesses increasingly seek alternative financing options outside of conventional bank loans. The current market climate has given both investors and borrowers enhanced negotiation power and flexibility, especially in bilateral transactions, where bespoke funding structures can be created to meet the specific needs of both parties.

Over the past few months, private debt has delivered attractive risk-adjusted returns for investors, as its accrual-based valuation model has proven to be resilient amid ongoing market volatility. For example, several transactions in the renewable energy and asset-backed financing sectors have demonstrated the ability of private debt to provide stable, long-term returns. These sectors, which are largely shielded from the short-term swings seen in equity markets, continue to attract significant interest from institutional investors.

Recent market experience has highlighted a key challenge: while private credit asset managers excel at deal origination, many have struggled with ongoing asset maintenance. In the past few months, several high-profile cases of inadequate management have led to credit defaults, reinforcing the critical need for continuous monitoring and active oversight. This underscores EXEO Debt's commitment to robust asset management practices, ensuring proactive risk mitigation, strict compliance with regulatory standards, and effective credit management.



### A Case Study

One of EXEO Debt's standout transactions involved securing R700 million in funding for a leading asset-based financing client. Using a bankruptcy-remote special-purpose vehicle structure, the deal provided the borrower with flexible financing at a favourable risk-adjusted rate, while investors benefited from attractive covenant protection, credit enhancement, and comprehensive oversight management.

## A tailored approach to funding

EXEO Debt's unique position in the market stems from its deep expertise across the capital stack and its ability to provide bespoke financing solutions typically available only to companies accessing corporate and investment bank services. We offer corporate- and investment bank-type finance solutions to companies that will otherwise only qualify for vanilla-type finance products. Its investor relationships, post-transaction support infrastructure, and rigorous credit analytics framework further differentiate EXEO Debt from other private debt providers.

With assets under management expected to reach between R3 billion and R5 billion in the next few years, EXEO Debt's future growth trajectory includes developing specialist products focused on working capital and interest rate volatility solutions – further reinforcing its position as a leader in corporate finance solutions in South Africa.

Since its founding, EXEO Debt has established an extensive investor contact framework, partnering with some of the largest fund managers in South Africa. The company focuses on big-ticket investment transactions, targeting high-performing companies through structured deals that offer strong growth potential. This strategic focus not only enhances EXEO Debt's ability to deliver attractive returns to its investors but also strengthens its position as a key player in the private debt market.

## Navigating the economic environment

Despite a challenging economic environment marked by high interest rates, inflationary pressures, and tighter regulatory capital requirements for banks, opportunities abound. High interest rates are expected to level off, potentially triggering increased corporate activity, particularly in the infrastructure and renewable energy sectors, which are ripe for investment. In addition, many medium- to large-sized corporates are facing challenges accessing traditional bank financing due to increased regulatory scrutiny and the higher cost of capital.

EXEO Debt is well-positioned to address these challenges by providing tailor-made, structured financing solutions across the capital stack. The firm offers alternative funding channels that enable corporates in South Africa to diversify beyond traditional banking, accessing efficient funding through the debt capital markets. In sectors such as infrastructure and secondary agriculture, where medium to long-term capital is essential for growth, EXEO Debt's expertise in asset-backed finance and project funding ensures that businesses can thrive in the current economic environment.

Moreover, as regulatory constraints on banks continue to tighten, EXEO Debt's flexibility in structuring innovative funding solutions enables companies to manage cash flow and investment needs more effectively. By offering competitive, risk-adjusted funding rates and comprehensive credit oversight, EXEO Debt ensures that corporates can not only secure financing but also mitigate risk and maintain financial stability in a volatile market.

## Looking forward

As EXEO Debt continues to grow, it is not only committed to delivering innovative, flexible, and structured finance solutions but also to anticipating the evolving needs of corporates in South Africa's dynamic market. By leveraging its expertise across the capital stack, a highly experienced team, and extensive investor relationships, EXEO Debt is well-positioned to lead in areas such as digital transformation in debt structuring, sustainable financing, and more complex risk management tools.

As market conditions evolve, EXEO Debt remains agile, proactively identifying opportunities in targeted sectors. The company's ability to provide bespoke, high-value solutions positions it as a trusted partner in navigating financial complexities.



### About EXEO Capital:

EXEO has invested across 8 countries and 15 sectors, and completed 27 transactions since 2008.