Lakeba

Corporate Investment Exit Plan

Objective:

At Lakeba, our investment approach is embedded in the pursuit of capital appreciation through strategic investments in high-potential companies We recognise that successful exits are essential for generating substantial returns. Therefore, our investment exit plan focuses on two main strategies:

1. Trade Sale:

When a venture reaches a stage where it has matured and achieved its goals, Lakeba will actively seek opportunities for trade sales, whereby the target company is acquired by a strategic buyer or another company within the same industry. This strategy leverages the interest of potential acquirers who can benefit from the synergies and growth potential of the target company.

Exit Process:

- Identify Potential Buyers: We will identify and approach potential buyers who can derive significant value from the acquisition.
- Negotiation: Engage in negotiations to achieve a favourable sale price that reflects the company's growth and potential.
- Due Diligence: Facilitate a comprehensive due diligence process to ensure transparency and mitigate risks for both parties.
- Sale Agreement: Draft and finalize a comprehensive sale agreement that outlines the terms of the transaction.
- Transition: Assist in the seamless transition of operations, assets, and intellectual property to the acquirer.

2. Initial Public Offering (IPO):

For companies that have reached a certain level of maturity and scale, we will consider an IPO as an exit strategy. Taking the company public can provide liquidity and access to capital markets, unlocking further growth potential.

Exit Process:

- IPO Readiness: Prepare the company for the rigorous regulatory and financial requirements of going public.
- Underwriting and Offering: Collaborate with investment banks to underwrite the IPO and offer shares to the public.
- Regulatory Compliance: Ensure full compliance with regulatory authorities throughout the IPO process.
- Market Debut: Facilitate a successful listing on the chosen stock exchange, generating interest and investor participation.

Exit Criteria:

To determine the optimal timing for an exit, we will consider the following criteria:

- Achievement of Growth Targets: Exit when the company has achieved predefined growth and performance targets.
- Market Conditions: Evaluate the current economic and industry conditions to capitalize on favourable market trends.
- Competitive Landscape: Assess the competitive landscape and the company's unique value proposition in relation to potential acquirers or investors.
- Investor Objectives: Align the exit timing with the preferences and objectives of our investors.

Flexibility and Adaptability:

We acknowledge that market dynamics are subject to change. As such, our exit plan remains flexible and adaptable to unexpected developments, ensuring that we can pivot our strategy while still optimizing returns.

In summary, our investment exit plan revolves around strategic trade sales and potential IPOs, guided by meticulous preparation, negotiation, and execution. By aligning our exit strategies with the growth trajectory of the invested companies and prevailing market conditions, we aim to generate maximum value for our investors and the companies we support.