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E SQUARED INVESTMENTS

ANNUAL IMPACT REPORT 2023

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Tshilidzi Matlala
Chief Portfolio Officer


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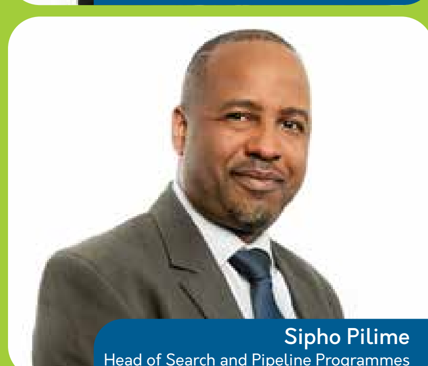
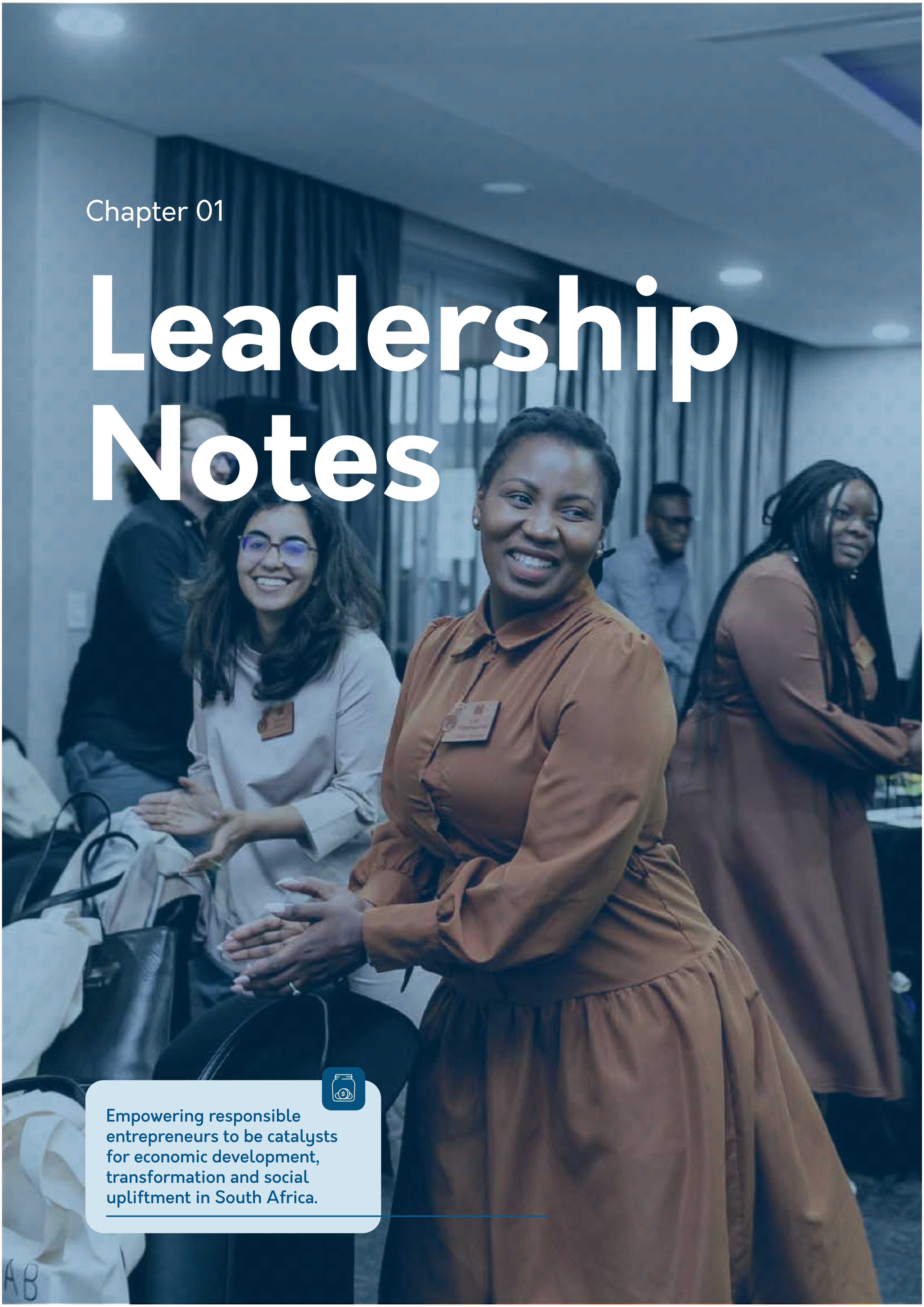
Ofentse Mkhandawiri
Head of Finance & Operations


Sipho Pilime
Head of Search and Pipeline Programmes


Audrey Makumula
Head of Stakeholder Engagement & Communications

Chapter 01

Leadership Notes



Empowering responsible entrepreneurs to be catalysts for economic development, transformation and social upliftment in South Africa.

Chairperson's Note

A Catalyst for Change

NAZEEM MARTIN //CHAIRPERSON OF THE BOARD

Dear Stakeholders,

This annual report serves as a window into the journey of E Squared in 2023, a journey marked by challenges, triumphs, and a continued commitment to our core values.

Reflecting on 30 Years of Democracy

This year, 2024, coincides with three decades of South Africa's democracy. It is imperative that we now engage in some sober reflection. While acknowledging the strides made – from housing initiatives to education – we must also recognise our shortcomings.

Socio-economic inequalities remain, unemployment persists, and external factors like the ongoing global conflicts cast a broad shadow.These challenges are not insurmountable. South Africa boasts abundant resources and a resilient populace. However, it demands a collective effort - from political leaders to businesses, civil society, and individuals. It is time to move beyond blame and embrace responsibility, harnessing our collective potential to create a better future for all.

> **WE WITNESSED THE IMPACTFUL WORK AND THE TRANSFORMATIVE POWER OF THE VENTURES IN OUR PORTFOLIO**

E Squared: A Catalyst for Change

E Squared, as a responsible corporate citizen, remains steadfast in its commitment to fostering positive change in South Africa. We believe in the power of responsible entrepreneurship, both commercially and socially, to drive economic growth, job creation, and a reduction in poverty and inequality.

Our 2023 achievements are a testament to this commitment. We witnessed the impactful work and the transformative power of the ventures in our portfolio within the Energy security, Access to finance, Healthtech, Quality education and support programmes, as well as the Transport & Logistics sectors, creating jobs and contributing significantly to the growth of our investment portfolio.

Looking Forward - Audacious Goals and a Conducive Environment

However, the current landscape demands more from us. We are setting ambitious goals to expand our reach, particularly towards women and historically disadvantaged entrepreneurs, further amplifying our impact.

> **WE BELIEVE IN THE POWER OF RESPONSIBLE ENTREPRENEURSHIP.**

Achieving these goals necessitates a more supportive environment. We, at E Squared, with our experience in impact investing, believe we can contribute to shaping a more conducive ecosystem for

entrepreneurship. We exhort our team to leverage their knowledge and actively advocate for policies that nurture early-stage businesses and foster innovation.

> **"TOGETHER, WE CAN AND SHOULD ENDEAVOUR TO SHAPE A BRIGHTER FUTURE FOR SOUTH AFRICA AND ITS PEOPLE.**

Appreciation and Gratitude

We extend our deepest gratitude to Malik Fal, our outgoing CEO, Gladwyn Leeuw, our newly appointed CEO, the E Squared executive team, our dedicated staff, and fellow board members for their tireless efforts and unwavering dedication – ensuring we do what is right. Their commitment has been instrumental in deepening and broadening E Squared's impact.

Finally, a heartfelt thank you and immense admiration go out to all the entrepreneurs – social and commercial – who persevere amidst much cynicism and challenges. You are the true heroes, building and rebuilding our economy, generating wealth for yourselves and your families, and creating jobs for many.

By partnering with us, you have allowed us to pursue our mission: as catalysts for economic development, transformation and social upliftment.

May we continue with the spirit of collaboration, responsibility, and audacious ambition. Together, we can and should endeavour to shape a brighter future for South Africa and its people.

Sincerely,

NAZEEM MARTIN
//Chairperson of the Board of Trustees

E Squared Investments

Chief Executive Officer's Note

Working for Growth.

GLADWYN LEEUW // CHIEF EXECUTIVE OFFICER

Dear Stakeholders, Partners, and Members of the E Squared Community,

It is a great honour for me to take on the role of CEO at E Squared Investments. The legacy left by our late founder, Dr. Allan Gray, and the impactful leadership of our previous CEO, Malik Fal, serve as constant sources of inspiration for me.

Building on Dr. Gray's vision, E Squared Investments has always endeavoured to be a catalyst for change, driven by values that extend beyond mere financial gain. Our unwavering commitment to fostering economic inclusivity and creating opportunities for under-served entrepreneurs aligns perfectly with his dream of cultivating a new generation of high-impact leaders.

2023 was a testament to the resilience and dedication of our team. We celebrated remarkable achievements, from spearheading new investments to the resounding success of initiatives like the SE Colab annual event.

> **OUR CORE VALUES CONTINUE TO SERVE AS THE BEDROCK OF OUR COLLECTIVE MISSION.**

These successes are a direct reflection of our commitment to making a positive impact on the African continent. The transformative power of impact investment was evident as we meaningfully impacted over 20,000 lives through our initiatives that supported these jobs and the exceptional growth of ventures like Pele Green Energy (PGE), contributing to a remarkable 30% increase in Actual Fair Market Value (FMV).

As we progress into 2024, we are charting a bold course with the launch of exciting programs like our Co-Investment strategy. This initiative seeks to directly address the lack of investment in black and female founders, fostering a more inclusive entrepreneurial landscape. Furthermore, the evolution of our Social Entrepreneurship offering to introduce new impact investment instruments through Venture Philanthropy, underscores our unwavering commitment to pioneering innovative approaches for sustainable impact.

41 NET PROMOTER SCORE (NPS)

I am thrilled to share that our Net Promoter Score (NPS) has surged to a commendable 41, a resounding testament to the positive experiences and satisfaction of our community. This achievement serves as a powerful motivator to continue striving for excellence and reinforces our dedication to providing you with unwavering value and support.

Our vision for 2024, "Innovating for South Africa's Future," represents a fundamental shift in how we perceive our role as an impact investor. We are embarking on a transformative journey guided by key pillars: alignment with the Allan & Gill Gray Philanthropies Group BHAGs and Vision, a revamped people strategy, data-driven decision making, and the cultivation of a vibrant and inclusive company culture.

20 000

LIVES IMPACTED THROUGH JOB CREATION

Throughout this journey, we remain committed to supporting entrepreneurs navigating the challenging "Valley of Death." We recognise the struggles, sacrifices, and relentless pursuit of vision that define their journeys. Our core values of long-term commitment, spirit of significance and humility, excellence, responsible stewardship, diversity & inclusion, and collaboration will continue to serve as the bedrock of our collective mission.

30%

INCREASE IN ACTUAL FMV

As we reflect on the words of Dr. Allan Gray and the formative leadership by Malik Fal, I am confident that our collective passion and commitment will drive us towards a future where innovative financial strategies power positive change across the African continent. Together, we are not just investing in businesses; we are investing in the potential of individuals to transform their own fortunes and, in turn, the fortunes of many.

Sincerely,

Gladwyn Leeuw

//CEO, E Squared Investments

Chapter 02

Investment Approach

Supporting high-growth businesses, early stage ventures and social enterprises to generate financial and social returns across all sectors.

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About E Squared

OUR VISION
An economically inclusive South Africa with meaningful opportunity for everyone.

OUR MISSION
To empower responsible entrepreneurs to become the catalysts for economic development, transformation and social upliftment in South Africa.

We are a South African Impact Investor

We support start-ups and growing ventures that drive commercial & social returns.

We invest into the entrepreneuriai growth of Allan Gray Orbis Foundation Candidate Fellows.

We provide early-stage investment into Allan Gray Orbis Foundation Fellow-Founded Ventures.

We invest in Social Enterprises with a focus on creating youth entrepreneurial opportunities.

We partner with start-ups, incubators, accelerators and investors to capture and nurture entrepreneurial talent and support in generating financial and social returns across all sectors.

We support enterprises that:

- Address poverty in a meaningful way.
- Generate sustainable commercial value.
- Address unemployment and inequality in South Africa.

We invest in High Growth Enterprises.

We provide value-creating post investment support to assist our portfolio companies to meet their business objectives.

E Squared is a strategic partner of the Allan & Gill Gray Philanthropies (AGGP) whose long-term strategy is to ultimately contribute to job creation and poverty alleviation, leading to social change, through developing responsible entrepreneurs across the African continent in service of the common good.

We understand that businesses and entrepreneurs need time to develop. And so we adopt a longer-term investment view:

Entrepreneur friendly patient capital to businesses from pre-seed to mature stages (sector agnostic funding).

We provide end-to-end business support through our post-investment assistance.

Organisational Values

Long-term Commitment

We are committed to making a longterm, sustainable contribution to society.

Spirit of Humility & Significance

We are ambitious for our work, and yet personally humble – complimenting a spirit of significance with humility.

Excellence

We focus on the things that matter most and strive to do them exceptionally well.

Responsible Stewardship

We are responsible stewards of our mission and of resources.

Diversity & Inclusion

Acknowledge and celebrate the human diversity we represent, the histories that have shaped us and actively maintain an inclusive culture. Our interactions are enhanced by empathy and respect.

Collaboration

Through open channels of communication, connection, dialogue, and discussion, we cultivate an inclusive culture that thrives on the exchange of ideas and collective problem-solving.

Allan and Gill Gray Group of Philanthropies

Theory of Transformation

Through providing financial and non-financial support to scalable and responsible ventures, E Squared contributes to fostering a higher number of successful businesses, which in turn drives the social and economic development of South Africa.

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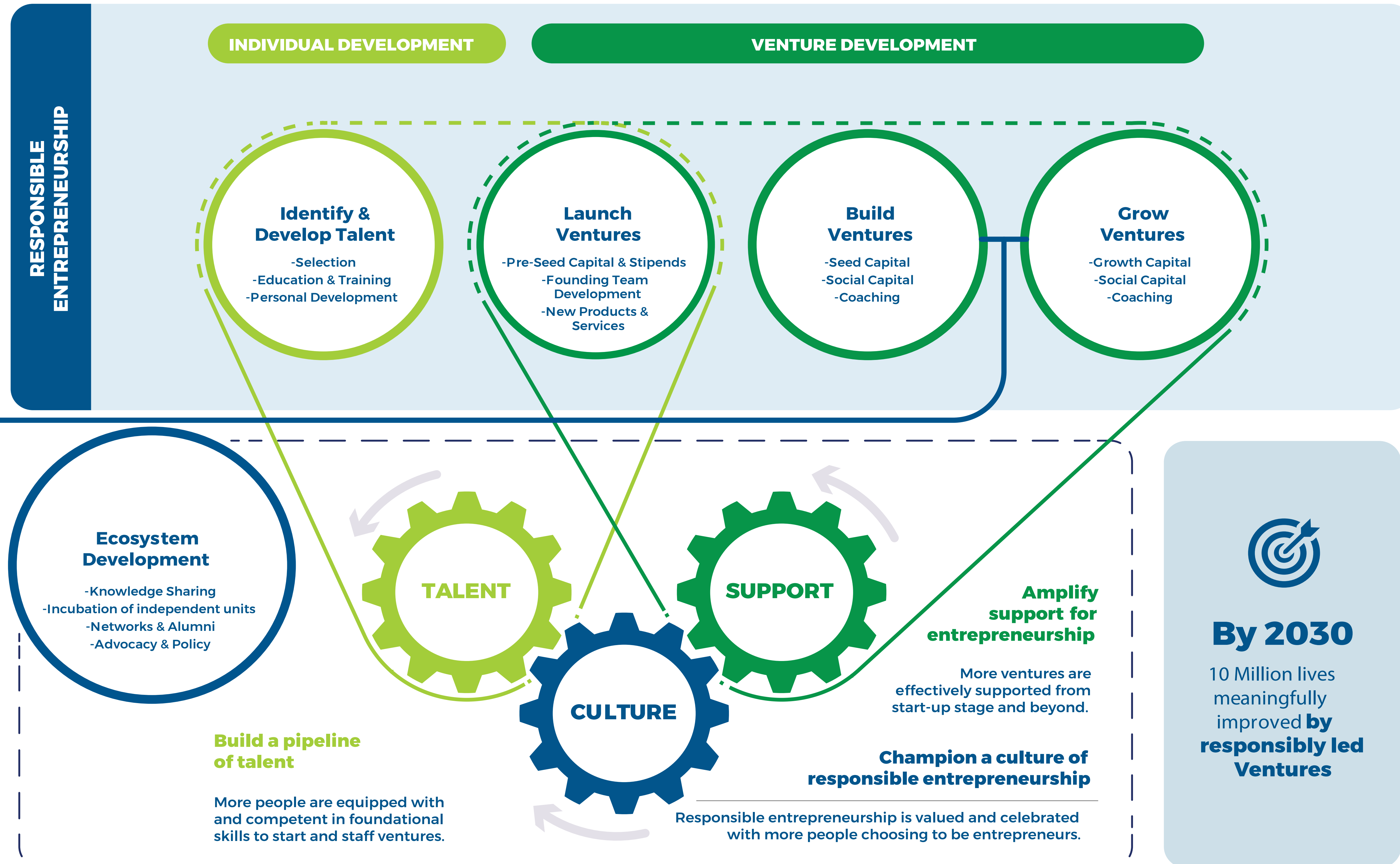

E Squared's Theory of Transformation

Through providing financial and non-financial support to scalable and responsible ventures, E Squared contributes to fostering a higher number of successful businesses, which in turn drives the social and economic development of South Africa.

INTERVENTIONS

1 Through identifying and selecting ventures with the potential to scale run by responsible entrepreneurs ... P, E2V, PIM, SE, AGEV

2 ... and through providing financial and non financial support ... P, SFP, FFP, E2V, PIM, SE, AGEVJ

SHORT-TERM OUTCOMES (WITHIN 2 YEARS)

3 ... Entrepreneurs are able to refine their business concept ... P, SFP, FFP, SE

4 ... Entrepreneurs operationalise their ventures ... P, SFP, FFP, SE, E2V, PIM

5 ... Ventures demonstrate traction ... P, SFP, FFP E2V, PIM, AGEV

6 ... Entrepreneurs are better able to lead their ventures ... P, SE, E2V, PIM

7 ... Ventures generate improved revenues ... P, E2V, PIM, SE, AGEV

8 ... Ventures start to grow ... P, E2V, PIM, SE, AGEV

MEDIUM-TERM OUTCOMES (WITHIN 3–5 YEARS)

9 ... Ventures attract further investment funding ... P, SE, E2V, PIM, AGEV

10 ... Ventures hire more employees ... SE, P, E2V, PIM, AGEV

11 ... Ventures generate more **value** and wont ... E2V, PIM, AGEV

12 ... Ventures start to scale ... E2V, PIM, AGEV

LONG-TERM OUTCOMES AND IMPACTS (6 YEARS AND BEYOND +)

13 ... There is an increase in the number of successful ventures in South Africa ... P, E2V, PIM, SE, AGEV

14 ... Ventures contribute to the socio-economic progress of South Africa ... E2V, PIM, SE, AGEV

15 **... The socio-economic conditions for South Africans have Improved ...** E2V, PIM, SE, AGEV

AGEV SE SE P SE AGEV

KEY

SFP	Start-Up Founder Pitch
FFP	Fellow Founder Pitch
P	Pathways
SE	Social Entrepreneurship
E2V	E Squared Ventures
PIM	Post-Investment Management
AGEV	Allan Gray Entrepreneurial Ventures

Deviation from pathway to impact

Generic pathway to impact

Businesses create value, more (inclusive) value reduces poverty. The change we want is thus to foster a higher number of successful* businesses in south africa. This along with our active participation in the entrepreneurial ecosystem through partnerships with other entrepreneurial entities forms part of our theory of transformation

*E Squared considers successful businesses to be: SUSTAINABLE, RESPONSIBLE, AND IMPACTFUL

*Fellowship Founder Pitch (FFP) refers to ex-Varsity Pitch held in conjunction with Allan Gray Orbis Foundation (AGOF). Start-up Founder Pitch (SFP) refers to the initiative for Association Fellows developing ventures alongside full-time work.

INVESTMENT SNAPSHOT 2023

OUR MISSION

To empower responsible entrepreneurs to become the catalysts for economic development, transformation and social upliftment in South Africa.

OUR VISION

An economically inclusive South Africa with meaningful opportunity for everyone.

"INVESTING IN THE POTENTIAL OF YOUNG ENTREPRENEURS IS NOT ONLY CREATING JOBS AND ECONOMIC GROWTH TODAY, BUT ALSO LAYING THE FOUNDATION FOR A MORE SUSTAINABLE AND EQUITABLE FUTURE.

IN 2023, E SQUARED INVESTED **R99.6M** INTO **106** BUSINESSES AT DIFFERENT STAGES OF DEVELOPMENT

R48.5M COMMERCIAL INVESTMENTS (E^2V, AGEV, IRF)

R27.7M EARLY STAGE INVESTMENTS (SE, PATHWAYS, SFP, FFP)

R60M INVESTMENT MADE INTO VENTURES FOUNDED BY AG FELLOWS (E^2V, PATHWAYS, SFP)

R661M TOTAL INVESTMENTS & GRANTS SINCE INCEPTION

R23.9M SOCIAL ENTERPRISES

64% INVESTMENTS MADE THROUGH E SQUARED VENTURES (E^2V) WERE BLACK WOMEN - OWNED BUSINESSES

R66.5M REALISED VALUE FROM INVESTMENTS PARTIALLY EXITED

61% INVESTMENTS MADE IN 2023,WERE TO VENTURES FOUNDED BY ALLAN GRAY FELLOWS

66% INVESTMENTS MADE THROUGH TO EARLY-STAGE PIPELINE BUILDING INITIATIVES WERE TO SUPPORT BLACK WOMEN

20 865 TOTAL JOBS SUPPORTED THROUGH BUSINESSES RECEIVING FUNDING FROM E SQUARED

1 270 FULL-TIME

1 945 PART-TIME

17 040 BENEFICIATED

610 SUPPORTED

30% GROWTH IN ACTUAL FMV OF BUSINESSES ON E^2V

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*IRF Innovation & Response Fund refers to a strategic fund that was initially created toaddress challenges during the COVID-19 pandemic. AGEV refers to High-growth investment intobusinesses with significant traction & returns; to preserve our fund for future generations; in partnership with Allan Gray Pty Ltd. Early-Stage Pipeline Building Initiatives refers to Pathways, Startup Founder Pitch, Fellowship Pitch and other programmes since inception.

Portfolio Update

E Squared Ventures (E^2V)

“OUR INVESTMENT STRATEGY IS CENTERED ON COLLABORATING WITH ENTREPRENEURIAL LEADERS TO AMPLIFY BOTH FINANCIAL VALUE AND SOCIETAL IMPACT. BY ACTIVELY PARTNERING WITH VENTURE FOUNDERS, E^2V AIMS TO STIMULATE GROWTH WHILE NURTURING AN ENVIRONMENT THAT IS CONDUCIVE TO ECONOMIC PROGRESS AND SOCIAL ADVANCEMENT.

TSHILIDZI MATLALA
//CHIEF PORTFOLIO OFFICER

Driving Growth and Impact

Diverse Portfolio

Our portfolio is both stage and sector agnostic, allowing us to capitalise on opportunities across various industries and investment stages. Since our inception in 2017, we have made 20 strategic investments spanning a wide spectrum of sectors including Infrastructure, Logistics, Medical/ Healthcare, Financial Services, Mediatech, Edutech, Manufacturing, Recycling and Agriculture.

20
STRATEGIC INVESTMENTS SPANNING A WIDE SPECTRUM OF SECTORS

Strong Survival Rate

Testament to our rigorous investment processes and ongoing value creation support, our ventures have a 75% survival rate with 15 active portfolio ventures currently under our stewardship.

75%
SURVIVAL RATE OF VENTURES

Commitment to Diversity

47% of our ventures have female ownership, a testament to our commitment to inclusivity and gender diversity in entrepreneurship.

47%
OF OUR VENTURES HAVE FEMALE OWNERSHIP

Significant Growth

Our portfolio demonstrated 30% growth in Fair Market Value from 2022 to 2023. This growth not only reflects the intrinsic value of our investments, but also underscores the ability of our ventures to navigate and capitalise on market dynamics effectively.

30%
GROWTH IN FAIR MARKET VALUE

Impact

Beyond the creation of employment opportunities, our portfolio companies have made contributions toward advancing 13 out of the 17 Sustainable Development Goals (SDGs). This achievement underscores the breadth and depth of our impact, reflecting a holistic approach to investment that not only drives economic prosperity but also addresses pressing societal challenges.

13 OUT 17
SDGs ADVANCED BY E²V

Attractiveness to co-funders

11 of our ventures have attracted co-funders demonstrating the commercial viability and attractiveness of our ventures. This external validation reaffirms our strategic acumen and positions us well as a preferred partner for collaborative funding, desirable for sharing financial risk especially in the earlier funding stages.

11 OF OUR VENTURES HAVE CO-FUNDERS

In 2024, governance enhancement will be a focal point to mitigate risks and uphold ethical standards. Strengthening governance practices instils investor trust, transparency, and accountability.

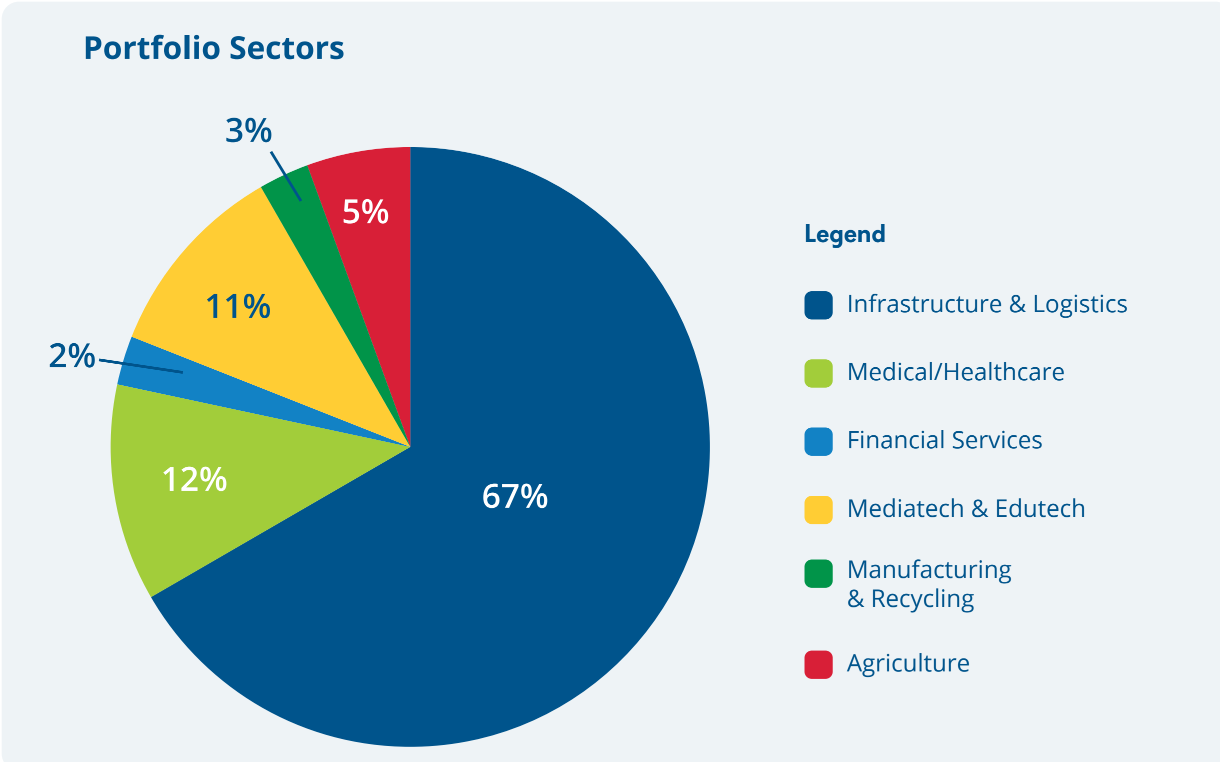


Fig 01: Portfolio Sectors

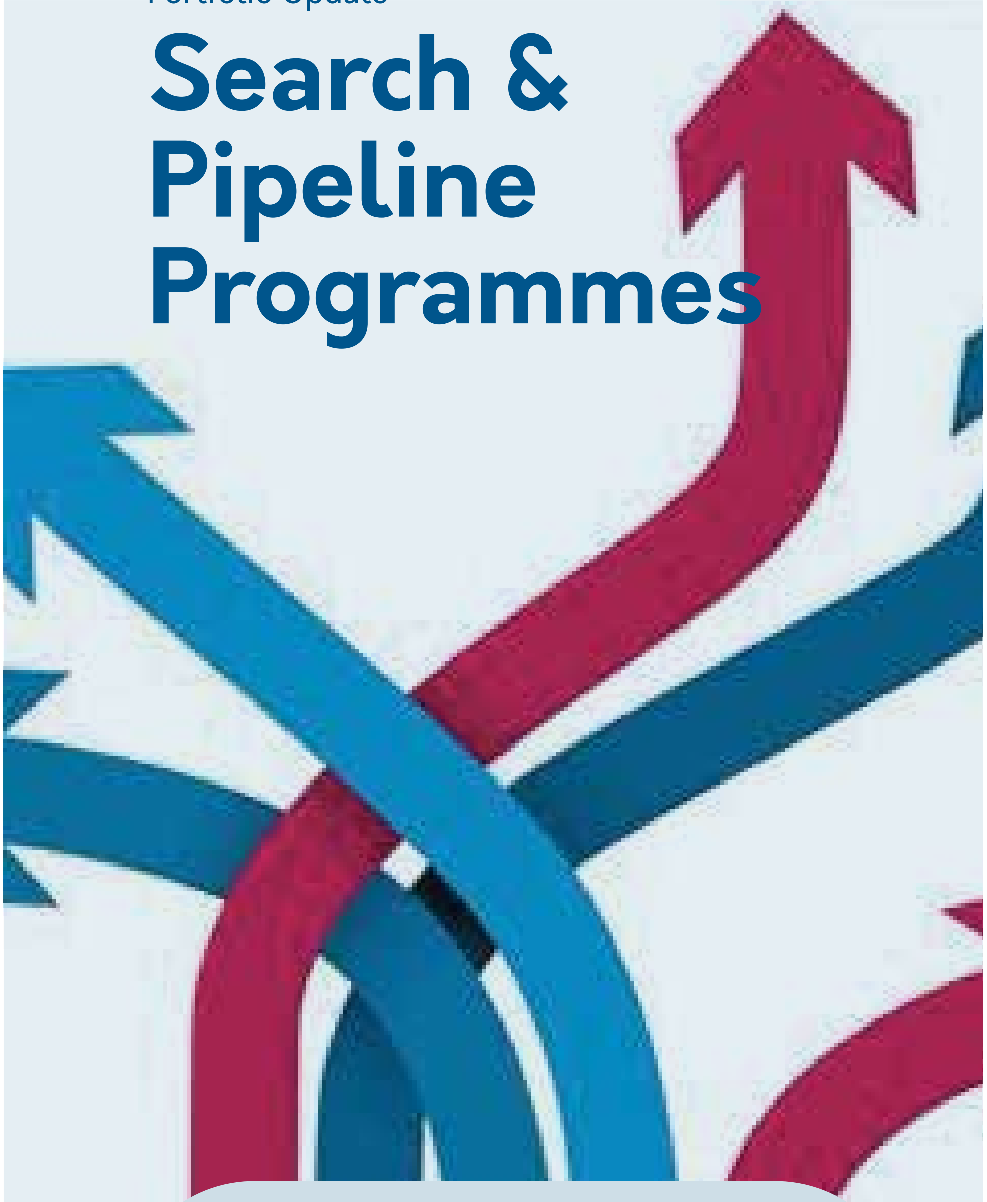
Portfolio Insights

2017 Portfolio Vintage Year — **06** Sectors	**07** Number of female-focused Investments — **R180.2m** total disbursements to female founders
20 Total Investments since inception	**06** Active investments that have sought follow-on funding
R329,7M Total Investments Approved	**04** Progressed from Pathways
15 Total Size of Portfolio	**11** Active Investments that have co-funders
R275,1 Total Disbursed	**30%** FMV Growth (target = 10%)

Fig 02: Portfolio Insights

Portfolio Update

Search & Pipeline Programmes



"IN THE DYNAMIC LANDSCAPE OF ENTREPRENEURSHIP, PROVIDING SYSTEMATIC SUPPORT TO EARLY-STAGE VENTURES IS ESSENTIAL FOR FOSTERING INNOVATION AND SUSTAINABLE GROWTH.

SIPHO PILIME
//HEAD OF SEARCH & PIPELINE PROGRAMMES

The Search and Pipeline Programmes (SPP)

The Search and Pipeline Programmes (SPP) portfolio offers pre-seed capital and expert guidance to early-stage entrepreneurs.

SPP serves as the entry point for start-ups, nurturing them until they reach a stage where they become viable investment prospects.

Utilising platforms such as Pathways, Start- up Founder Pitch, and Fellowship Founder Pitch, SPP accelerates research and development, facilitates prototype development and fuels commercial expansion within the community of Allan Gray Fellows.

Growth & Progression
Eight (8) businesses advanced through the three phases of the Pathways program (Phase 1a, Phase 1b, and Phase 2).

Two (2) ventures successfully transitioned from Pathways to E^2V, in receiving further investment to augment their model and support scaling plans. This brings the total number of businesses that progressed to E^2V from Pathways to 4, since inception.

16
BUSINESSES ONBOARDED IN 2023

In 2024, Pathways will introduce Phase 3 within its framework, serving as an investor readiness initiative to facilitate the businesses' seamless transition from the Pathways programme to E^2V.

Highlighted Recognition
Received Early-Stage Investor of the Year Award at the OCFO Founders Conference.

Commitment to collaboration

By fostering synergies and collaboration amongst all AGGP entities; SPP stand poised to build early-stage ventures to become future enterprises that solve global problems for the betterment of Africa.

Growth in businesses being onboarded onto Pathways each year since inception in 2020

Total businesses onboarded since inception: **41**
Businesses currently active: **30**
Businesses progresses to E^2V: **04**

Portfolio Update

Social Entrepreneurship

> THROUGH INVESTMENTS IN INITIATIVES ADDRESSING PRESSING SOCIAL CHALLENGES WHILE FOSTERING INNOVATION AND ENTREPRENEURSHIP, E SQUARED AIMS TO CATALYSE POSITIVE CHANGE AND EMPOWER COMMUNITIES.
>
> CHERYL JACOB
> //HEAD OF SOCIAL ENTREPRENEURSHIP

Reflecting on E Squared's Impact Portfolio

Objectives of the Portfolio

E Squared's Social Entrepreneurship portfolio is designed to contribute to an enabled ecosystem that offers tailored support for the growth and sustainability of social enterprises, enabling them to scale their social impact. Through investments in initiatives addressing pressing social challenges while fostering innovation and entrepreneurship, E Squared aims to catalyse positive change and empower communities.

Effect on E Squared's Strategy

Throughout 2023, the Social Entrepreneurship portfolio effectively executed E Squared's strategy by providing both risk and catalytic capital to social enterprises. This support enabled these enterprises to test scalable social innovations, particularly in addressing youth unemployment. Additionally, the Social Entrepreneurship portfolio facilitated engagement initiatives aimed at fostering collaboration among investors, facilitating learning exchanges for social entrepreneurs, and engaging in policy dialogues with government departments, thereby strengthening the social enterprise ecosystem.

Key Achievements for 2023

The achievements of the Social Entrepreneurship Portfolio in 2023 were significant:

5 investments made equalling **R30 336 000**

Creation of 1652 jobs. i.e. **257** fulltime, **846** part-time, **50** beneficiated and **499** supported

4 of the 5 deals were social enterprises led my Female Founders

Won **2 awards** through Business and Arts South Africa (BASA)

The Recycling Champions (ReCha) Program **nominated by UNICEF for an Innovation Award**

Visual Effects Program **first in Africa** solution to be researched by **Rhodes University.**

2 investments chosen for potential investment by the Jobs fund

Partnered with Social Enterprises for **1st collaborative deal**

Launched a new program called **Pitch not so Perfect.** 6 micro-entrepreneurs benefitted

Inaugural **Responsible Social Entrepreneur of year** Awards launched

Portfolio Insights

2018 Portfolio Vintage Year

06 Sectors

26 Total Investments since inception

R82.8m Invested into Female led organisations

10 Active Investments

R136.9M Total Invested

622 Full Time Jobs Created

1638 Part time jobs created

50% active investments are female-led organisations

850 Jobs Supported

16 817 Beneficiated Jobs

346 022 Beneficiaries reached

Environmental and Socio-economic Impact

An indication of each businesses' environmental and socio-economic impact

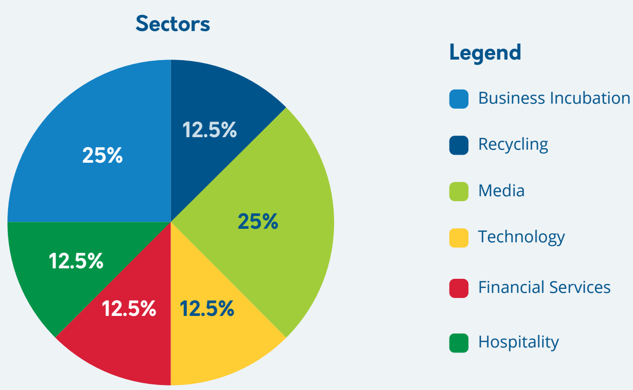


Fig 03: Portfolio Sectors

Plans and Outlook for 2024

In the year ahead, the Social Entrepreneurship Portfolio aims to close six innovative deals, with a focus on ventures from the Venture Philanthropy pipeline addressing youth unemployment.

Plans include deepening post-investment support, hosting collaborative events like the Annual Social Enterprise Colab and Pitch Not So Perfect, organising a social leaders winter school, and continuing to recognise responsible and ethical social entrepreneurs through annual awards. Additionally, the launch of COLAB Collectives will engage stakeholders in fostering effective collaboration within the social enterprise ecosystem.

Collaboration Feature

Jasiri Growth Accelerator

> “THE JGA PROGRAM IS HARNESSING E SQUARED’S EXPERTISE IN IMPLEMENTATION IN EAST AFRICA

Strengthening Entrepreneurial Growth: E Squared’s Collaboration with Jasiri

Objectives of the Collaboration

In 2023, E Squared initiated a collaboration with Jasiri, a member of the Allan & Gill Gray Philanthropies Group in East Africa, to serve as the implementation partner for the Jasiri Growth Accelerator (JGA).

The primary objective of the collaboration is to support the JGA. The JGA aims to provide tailored support to graduates of the Jasiri Talent Investor program as well as external applicants who have the potential to become Market Creating Innovations (MCIs). MCIs transform historically complicated and expensive products into affordable and accessible ones, targeting a large part of the population.

Implementation Approach

E Squared fulfils a project design and implementation management role, collaborating closely with the local Jasiri team. The JGA program is harnessing E Squared's expertise for implementation in East Africa, emphasising bespoke development planning and fund management for participating ventures. A high-touch venture building approach is adopted over a 9 to 12 month duration, aiming to move ventures towards investment or funding readiness.

Program Outcomes and Learnings

In 2023, six ventures from the Jasiri Talent Investor program were selected to join the JGA under E Squared's management, receiving $75,000 in investment after rigorous due diligence. Key insights gathered during this period guided program adjustments, including focusing on supporting ventures with strong MCI potential as well as implementing comprehensive due diligence and gap analysis processes.

Future Outlook

In the coming year, E Squared plans to expand the JGA program, aiming to intake two additional groups of six to eight ventures in 2024, including external applicants. Programmatic elements are being refined to focus on MCI-driven growth, while comprehensive due diligence processes will ensure informed decision-making. The partnership with Jasiri continues to evolve, extending the impact of both organisations beyond South Africa's borders.

Investments Case Studies

Providing entrepreneurial-friendly, patient capital with a long-term investment view.

esquared.org.za

Empowering Dreams

Excel@Uni's Journey Towards Student Success

" OUR JOURNEY WITH EXCEL@UNI HAS BEEN ABOUT EMPOWERING DREAMS AND TRANSFORMING LIVES

Background

In South Africa's education landscape, the challenge of high university dropout rates, particularly among disadvantaged students, looms large. Recognising this critical issue, Lungelo Gumede, Lesedi Makena and Ludwick Marishane founded Excel@Uni. Their mission was twofold: to provide comprehensive support to funded students while empowering corporate partners to go beyond financial contributions and actively support students' success. This dual approach ensures that students receive the holistic support they need to excel academically and graduate, while corporates are able to play an active role in nurturing talent and making a meaningful impact.

Photocred: Excel@Uni

Challenges and Triumphs

Excel@Uni embarked on a multifaceted approach to address the systemic issues contributing to low graduation rates. Over three and a half years, they piloted a program focusing on progress tracking, peer-to-peer mentorship, career readiness programs, academic workshops, and tutoring services. This holistic strategy yielded remarkable achievements, with students completing their university journeys and expressing heartfelt gratitude for the program's impact, not only on their academic growth, but social skills development too. Lungelo Gumede, CEO of Excel@Uni, emphasises, "Our journey with Excel@ Uni has been about empowering dreams and transforming lives. Every message of gratitude from a student reminds us why our work is so crucial." This holistic support not only benefits students but also provides corporates with real-time insights into the impact of their support.

E Squared Support

E Squared's investment propelled Excel@Uni's transition towards integrating technology into their services, enhancing their ability to support students and engage corporates effectively. This tech-driven approach aims to streamline operations, provide corporates with real-time insights into student support, and empower Excel@Uni to offer a comprehensive,

Photocred: Excel@Uni

holistic solution. As Gumede acknowledges, “In E Squared, we have an accountability partner that is invaluable in propelling our vision forward. They have enabled us to increase our in-house software development team three-fold, bringing us a step closer to revolutionizing student support in South Africa and beyond. With their investment and guidance, we’re not just building a business, but a movement towards a more equitable society.” The expansion of their digital platform will not only streamline operations but also enhance the quality and accessibility of their services.

110
PART-TIME JOBS CREATED

Future Outlook

Excel@Uni’s future lies in continued innovation and partnerships. Their vision extends beyond just numbers; they want to foster a culture of empowerment and collaboration, ensuring that every student has the opportunity to excel and graduate. Excel@Uni plans to increase its sales team to capitalise on promising leads, attract more investors, and establish governance structures to ensure the company operates within formal and effective corporate governance frameworks. Excel@Uni stands as a beacon of hope in South Africa's education landscape. By empowering student success and engaging corporates as active partners, they are not just addressing challenges; they are creating opportunities for growth and transformation. Excel@Uni's holistic approach ensures that students receive the support they need to excel academically and graduate, while corporates play a meaningful role in nurturing talent and making a positive impact. As they continue their journey, Excel@Uni remains committed to empowering dreams and transforming lives, one student and one partnership at a time.

“IN E SQUARED, WE HAVE AN ACCOUNTABILITY PARTNER THAT IS INVALUABLE IN PROPELLING OUR VISION FORWARD.

22

FULL-TIME JOBS CREATED

132

TOTAL JOBS CREATED

Photocred: Excel@Uni

Pathways to Prosperity

Sum1 Investments' Journey Towards Financial Inclusion

“PEOPLE WERE ASKING FOR ADVICE, BUT THEY DIDN'T KNOW WHERE TO START

Background

In 2020, Kurhula Baloyi embarked on a mission to transform the investment landscape in South Africa, founding Sum1 Investments to address the glaring disparities prevalent in the industry. Working in finance, she observed the under-representation of black individuals and communities in investment circles. Recognising this gap, Baloyi set out to create a solution that would empower her community through financial education and investment opportunities.

“People were asking for advice, but they didn't know where to start,” Baloyi recalls. “There was

Photocred: Sum1 Investments

this misconception that investing was only for the wealthy or the well-connected. But the truth is, everyone should have access to opportunities that can help them build wealth."

> **WE WANTED TO INVEST IN PEOPLE, ASSETS AND AREAS WHERE TRADITIONAL INVESTMENT AVENUES WERE SCARCE.**

Sum1 Investments provides short-term investments for stokvels and savings groups. It invests in income generating assets based predominantly in township and rural markets across South Africa through the Sum1 Stokvel Fund. The Fund leverages the power of the collective to create wealth and improve communities. The company is not only about making profits but making an impact. Baloyi and her team focus on investing in alternative assets within township and rural economies such as delivery bikes, livestock farming and agriculture. This not only creates the opportunity to transform these economies through job creation and development, but it ensures that the Fund provides returns for stokvels of 15% per year after fees.

15%

OF FUNDING IS PROVIDED TO STOKVELS PER YEAR AFTER FEES.

Photocred: Sum1 Investments

"We wanted to invest in people, assets and areas where traditional investment avenues were scarce," Baloyi explains. "It was about more than just generating returns; it was about uplifting communities and creating opportunities for socio-economic growth."

The approach of focusing on stokvels is a simple yet effective one, providing an entry point for individuals who were previously hesitant to explore investment opportunities but who also understand the power of stokvels and group savings in creating wealth.

Challenges and triumphs

Navigating the investment landscape was not without its challenges. As a smaller outfit, Sum1 Investments faced obstacles in dealing with a population lacking in financial literacy. Therefore, building trust and credibility was paramount, especially in an industry rife with scams and insecurities. Baloyi and her team were committed to fostering relationships and providing financial education to their clients, ensuring they felt empowered and informed every step of the way.

> ...UPLIFTING COMMUNITIES AND CREATING OPPORTUNITIES FOR SOCIO-ECONOMIC GROWTH.

Despite these challenges, Sum1 Investments experienced organic growth, with a client retention rate of 98% and a steady stream of referrals. The model of slow, steady onboarding proved effective in mitigating concerns and building long-term relationships with clients.

While leeway has been made, indicating progress, there is acknowledgment that there is still some way to go in achieving comprehensive financial inclusion and literacy. Baloyi's vision of impactful investments in overlooked areas has resonated deeply, driving the company's success trajectory.

E Squared Support

The investment from E Squared marked a significant milestone in Sum1 Investments' journey, providing vital resources to fuel their expansion efforts. The company is currently creating a digital platform to serve its growing clientele. The platform aims to elevate the customer experience by availing up-to-date performance statements and reports while ensuring compliance and security.

E Squared's investment also enabled the recruitment of a community manager to build and manage client related matters furthering the mission of financial inclusion and empowerment in the communities of Limpopo and Gauteng where Sum1 Investments operates.

98%

RETENTION RATE AND A STEADY STREAM OF REFERRALS

CREATING WEALTH

THROUGH STOKVELS & GROUP SAVING

Future Outlook

In the medium to long term, Sum1 Investments is poised for further growth and impact. It plans to expand its team, increase visibility, and establish itself as a full-service financial institution providing comprehensive advice and support to its clients. It has started the process of obtaining the necessary licensing and complying with legal frameworks aligned to this goal.

In the short-term, the company will continue to educate and support township businesses to flourish and build generational wealth and prosperity. Baloyi emphasises, "For township businesses to thrive and create lasting impact, they need investment from within their own communities. Who better to invest in their success than those who understand the challenges and opportunities firsthand?" With a focus on creating an ecosystem of inter-dependence and socio-economic upliftment, Sum1 Investments is dedicated to fostering the thriving of communities and empowering individuals to achieve financial independence.

Empowering Communities and Shaping Futures

Mzansi Business Services

Background

In 2011, Cheryl-Lynn Freeman embarked on a mission to make a difference in her community. Growing up on the Cape Flats, she had witnessed firsthand the devastating impact of gangsterism, having tragically lost family members to its grip. Determined to shield others from similar experiences, Cheryl-Lynn set out to empower her community through education and opportunity.

Starting as a part-time venture, Cheryl-Lynn founded Mzansi Business Services with just a laptop and a Gumtree ad. Her vision was clear: to provide comprehensive financial services to empower entrepreneurs and non-profit organisations in her community. Mzansi Business Services has grown into three integral divisions that drive the vision of becoming a sought after one-stop shop for entrepreneurs and non-profit organisations. These are:

Cheryl-Lynn Freeman
Founder

Mzansi Business Services (MBS): At the heart of MBS lies its commitment to empowering entrepreneurs and non-profit organisations through a range of services, including accounting, payroll, tax, and compliance, tailored to meet the diverse needs of solopreneurs, small to medium-sized enterprises (SMMEs), and non-profits. By providing expert guidance and support, MBS helps clients navigate the complexities of the financial realm with confidence, enabling them to focus on growing their businesses and achieving their goals.

600
STUDENTS EDUCATED THROUGH MEA

Mzansi Empowerment Academy (MEA):

The Mzansi Empowerment Academy serves as a catalyst for transformation, bridging the gap between ambition and success. Through extensive training in business, taxation, productivity, soft skills, and artificial intelligence, MEA empowers individuals from all walks of life to unlock their full potential. Targeting the youth, unemployed, and working professionals, MEA offers finance, productivity, and technological training, equipping participants with the knowledge and skills they need to thrive in today's competitive job market and entrepreneurial landscape.

Photocred: Mzansi Business Services

The Digital Accountant Academy (DAA):

As the digital revolution reshapes the financial industry, the Digital Accountant Academy emerges as a pioneering force, equipping finance professionals and accountants with the digital and AI tools necessary to excel in today's dynamic business landscape. Through digital and AI training and implementation services, DAA empowers accountants and finance professionals to stay ahead of the curve, embracing technology to enhance efficiency, accuracy, and innovation in their work.

Challenges and Triumphs

Despite facing numerous challenges along the way, Cheryl-Lynn turned Mzansi Business Services from a part-time endeavour to a full-time commitment in 2017. This has enabled the organisation's steady growth, transitioning rom a home-based office with just five staff members, to a new office space accommodating sixteen. The employment of new staff has enabled the expansion of training divisions and accessing new students and revenue opportunities. Throughout the journey, partnerships have been crucial to Mzansi Business Services' success. When space was limited, they utilised public libraries as training venues for entrepreneurs, demonstrating their commitment to community engagement and resourcefulness. Leveraging technology like Google Classroom and free social channels like WhatsApp, highlights the company's innovative approach to education and outreach. Their unwavering commitment has yielded achievements such as an escalation in its social media following, with its TikTok following sitting at over 25,000, and Mzansi Empowerment Academy educating over 600 students in its inaugural year.

> **...UPLIFTING COMMUNITIES AND CREATING OPPORTUNITIES**

E Squared Support

The investment from E Squared provided a turning point for Mzansi Business Services. It presented numerous opportunities for growth and innovation, empowering Cheryl-Lynn and her team to take their vision to new heights. With the funding, Mzansi Business Services was able to employ new staff for expanding training divisions, transition Cheryl-Lynn into a qualified trainer and techpreneur, and build a robust tech stack of courses and online resources. Initiating accreditation processes and acquiring additional technical equipment further enhanced the company's capabilities to provide top-notch services to its clients. Mzansi Business Services also remains committed to its team's continuous learning and growth by leveraging leadership programs to garner invaluable networking opportunities and learn more about global trends in digital innovations and services.

Future Outlook

Mzansi Business Services' outlook is characterised by a commitment to innovation, inclusivity, and empowerment. Some of its goals include, evolving into a comprehensive business training centre that supports township entrepreneurship by extending its network access to up to 800 entrepreneurs, achieving course accreditation to enhance its credibility and attract more students, and the continuous implementation of a Learning Management System to streamline its operations, create online internship programs through simulated case studies as well as improve the overall learning experience for students.

Mzansi's Business Services' commitment extends beyond the training and servicing of entrepreneurs, to fostering partnerships that will yield employment opportunities for graduates. The company looks forward to collaborating with colleges and providing graduates with valuable work experience, paving the way for successful careers in finance and accounting.

"At Mzansi Business Services, our mission is rooted in uplifting our community," Cheryl-Lynn emphasises. "Every milestone we achieve is a testament to the legacy we are building of empowering the individual and fostering growth." She further adds, "No matter the ups and downs, at Mzansi Business Services we stand firm in Nelson Mandela's assertion that Education is the most powerful weapon which you can use to change the world."

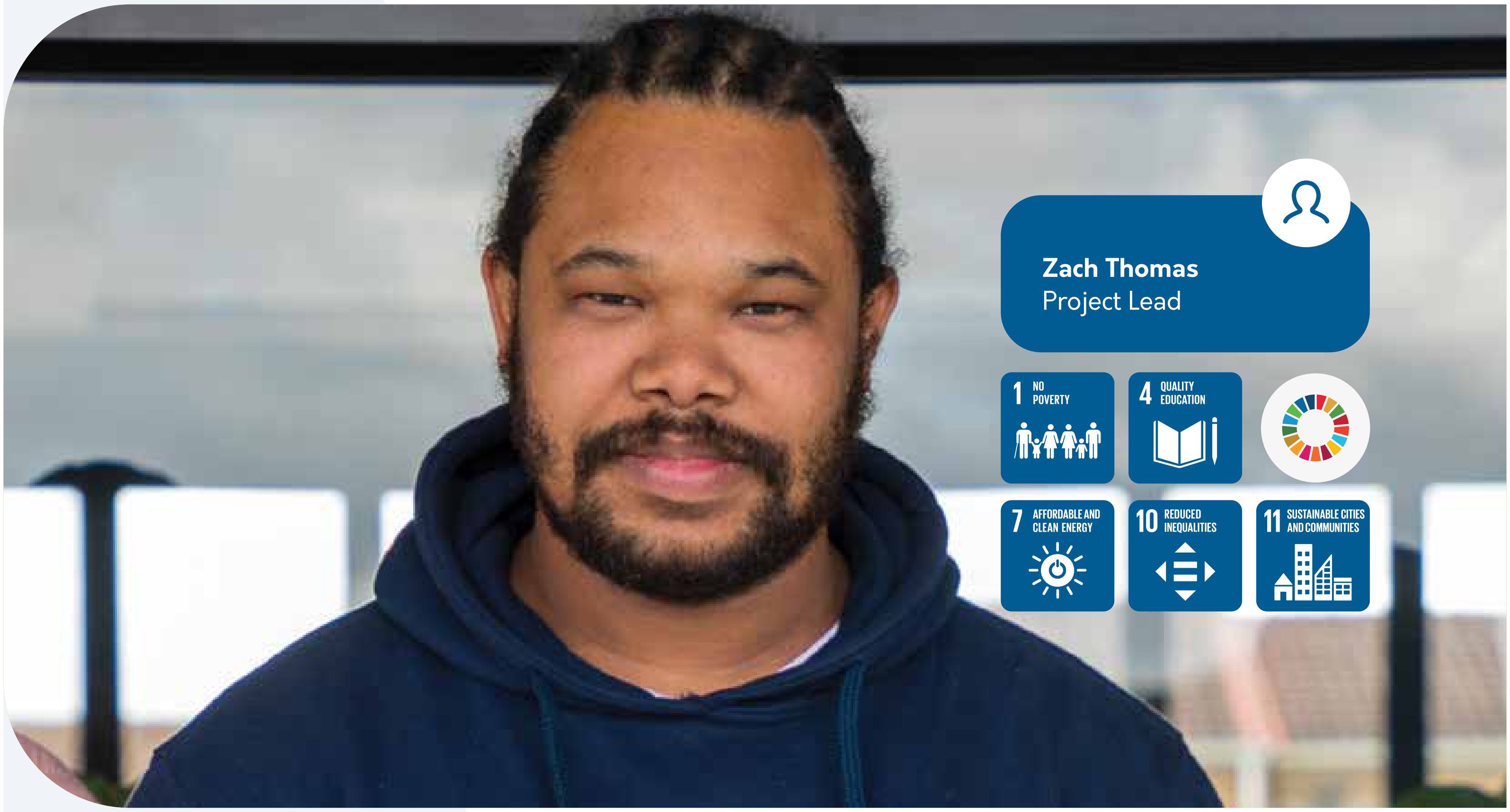
Revolutionizing Waste Management

The Recycling Champions (ReCha) Program by RLabs

> “ReCHA OPERATES ON THE PRINCIPLE OF PROMOTING CIRCULAR ECONOMY PRACTICES WHILE EMPOWERING UNDERSERVED COMMUNITIES.

Background

RLabs (Reconstructed Living Labs), a prominent South African non-profit organisation, launched the ReCha (Recycling Champion) program to transform waste management and recycling in South Africa. It empowers micro waste collectors and unemployed youth to become recycling champions through training, mentorship, and startup capital. The program, piloted in Mitchells Plain, aims to increase recycling rates, reduce landfill waste, lower emissions, and promote local economic growth by supporting micro collectors and establishing Material Recovery Facilities (MRFs).



Photocred: Rlabs

"The RECHA program seamlessly integrates into RLabs' award-winning value chain model, which emphasises impact, innovation, and sustainability. By empowering unemployed youth to become recycling champions, we are not only addressing environmental challenges but also creating economic opportunities and driving social change,' explains Zach Thomas, Project Lead for the program.

10

10 RECHAS ESTABLISHED SINCE INCEPTION

Challenges and Triumphs

In 2023, the ReCha program faced logistics challenges and cash flow issues due to increasing waste volume. Despite this, it successfully set up 10 ReCha enterprises, generating 10 permanent jobs and creating additional opportunities in logistics and mobility services, resulting in 45 direct temporary jobs. Moreover, the program trained 139 people with 106 graduating, indirectly benefited 701 micro collectors monthly, diverting over 265 tonnes of waste from landfills and generating more than R860,000 in earnings. The commitment to supporting micro collectors went beyond essential aid, demonstrating genuine care through provisions like water, meals, and personal attention. Recognised as imGen Venture Global Winners 2023, the program demonstrated significant

Photocred: Rlabs

impact and care for its beneficiaries.

E Squared Support

E Squared's investment enabled the operationalisation of the ReCha model, expanding training initiatives and developing a digitized platform for waste diversion tracking. This included providing hardware and software solutions to ReChas, integrating industrial scales, and creating a mobile app for waste tracking. RLabs aims to scale the program and its digitization journey with E Squared's support.

265
TONNES OF WASTE DIVERTED FROM LANDFILLS

Future Outlook

In 2024, the ReCha program aims to establish 30 operational enterprises, create more job opportunities, and enhance community awareness, particularly in schools. Collaborations with Accenture consultants will facilitate marketing and scaling efforts, while technological advancements will improve the ReCha mobile app and data dashboards. Partnership opportunities with impact funders and the City of Cape Town are expected, alongside team expansion to ensure sustainable growth and impact.

Current Investments Portfolios

E Squared Ventures

- Cape Bio
- Digital Africa Ventures
- Excel@Uni
- Khula!
- Media Measure
- Nafasi
- Nambu
- Oh My Cake!
- Rewoven
- Setana Capital
- Xplorio
- Zoie Health

Pathways

- Achiever
- AirStudent
- Amnovatech
- Brand Pay
- City Birds
- Deep Medical Therapeutics
- Don't Fail
- Four-One-Wine
- Zarafa Pictures
- Guardo Gear
- Haelix Laboratory
- Hot Nozzle
- Isiqalo Farming
- Kasi Money
- Legal Standpoint
- Mabu Tribe
- Mota Yedu
- Nepstart
- Nibble Sport
- Novita
- Nubrix
- OURS Studio
- Pocket Couch
- Raire Gold
- Sellers Plug
- SUM1 Investments
- TAQA
- The Boxer
- Transerva (Pty) Ltd
- Umbane Energy
- Visionary Writings
- Vumba Online
- Wyer

Startup Founder Pitch

- Agrimash Industries
- Humtech
- Haytham Academy
- Mzansi Business Services
- Najeh Fugen t/a 1982 Brewery
- Sellers Plug
- Eggscellent
- Glo's Cookies
- KTK App Vision
- Novito Biotech
- Shangri Les Studios
- Sizanani Technologies

Fellowship Founder Pitch

- Creation
- Buddy Learning
- Djol
- Flare Collective
- Sneakers Hub
- Rekamoso Agrimart
- The Dealer
- Ebuhleni Bricks
- Boost
- Instant Eats
- Grow
- Embellished
- Color Eswatini
- Tigerly Fleet
- Fola
- Price Grab
- Validation
- Joy of Media
- Asehair
- Chava Wines
- Sparking Crown
- Munchir
- Melodie
- Emakhaya
- Buslink
- Engineering By Us for Us
- JTR
- Warrenty
- Trackmate
- Aid By Youth
- Nsinde Trading
- Maren Creation
- Dinaledi

Social Entrepreneurship

- Amazi
- Aspire Youth
- Cooktastic
- Enke: Make your Mark
- Learn to Earn
- Just Grace
- Sunshine Cinema
- Word of Mouth
- ReCha (Recycling Champions)
- The South African Creative Industries Incubator

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