



**GREEN  
OUTCOMES  
FUND**

## CATALYTIC FINANCE PARTNER: EDGE GROWTH VENTURES

### **Edge Growth Ventures**

Edge Growth creates meaningful social impact by partnering with corporates and growing Small and Medium Enterprises (SMEs). We grow SMEs by addressing the key constraints they face:

- Access to finance
- Access to corporate markets
- Access to skills

We partner with committed corporate clients to design and implement bespoke Enterprise and Supplier Development (ESD) solutions that create real business impact and supply chain transformation.

We have been doing this since 2007 and in this time gained real track record and have created more than 2 500 jobs to date.

Our services focus on three distinct areas:

- Assisting corporates with ESD Strategy and building SMEs in their value chain;
- Investing in and growing SMEs in line with specific impact criteria through fund management; and
- Helping to scale businesses to grow to their full potential through our accelerator programmes.



**Edge Growth Ventures' Investment Mandate:**

<i>Fund</i>	<i>Vumela ESD Fund</i>	<i>ASISA ESD Fund</i>
<b>Black ownership / B-BBEE</b>	Must be at least 51% black owned pre-investment.	Must be at least 51% black owned post investment i.e. the Fund is able to assist with transforming SMEs that are committed to transformation and that have shown initial steps towards transforming.
<b>Supply-chain alignment</b>	The Vumela Fund is managed on behalf of the FirstRand Group. Being an ESD fund, the focus is on supplier development thus funding is currently reserved for existing suppliers of the FirstRand Group (FNB, RMB, Wesbank) or those that have previously been supplier development beneficiaries of FRG.	The ASISA Fund is an industry-wide ESD fund that looks to support SMEs that are existing suppliers or those that have strong potential to be suppliers to the insurance and investment industries (and the broader financial sector). Our ASISA members consist of SA's largest insurers and asset managers (e.g. Old Mutual, Discovery, Sanlam, Coronation, Allan Gray, etc.).  <b>However, for GOF, the ASISA ESD Fund is considering select SMEs that do not meet this criteria but fulfil/exceed all other criteria.</b>
<b>Business stage/size and investment required</b>	<p><b>Early-stage growth phase (debt):</b>  <u>Revenue:</u> R5m – R50m – strong preference for contracts in place with FirstRand Group.  <u>Investment required:</u> R1m – R10m  <u>Investment horizon:</u> 3-5 years</p> <p><b>Later-stage growth/mature (equity):</b>  <u>Revenue:</u> &gt;=R10m – preference for SMEs that are cash flow positive.  <u>Investment required:</u> R10m – R40m</p>	<p><u>Business stage:</u> Early-stage businesses in operation for at least 1 year (with evidence of sales/income over this period) will be considered, but more established SMEs are preferred  <u>Revenue:</u> Strong preference for SMEs with revenue &gt;=R10m and that are cash flow positive  <u>Investment required:</u> R15m – R50m preferred (but will consider &gt;=R5m)  <u>Investment horizon:</u> &gt;=5 years  <u>Instruments:</u> Debt, Mezzanine (incl. Convertible Debt), Equity</p>



	<u>Investment horizon: 5-6 years</u>	
<b>Uses of funds</b>	Capex, Working Capital or operating expenses	Capex, Working Capital, operating expenses or buy-out/buy-in for transformation deals
<b>Target sectors for GOF</b>	No mandatory sectors as long as the business meets GreenCape's Green SMME definition and is a supplier to FirstRand	Must meet GreenCape's Green SMME definition and operate in one of the following sectors: <ul style="list-style-type: none"> <li>• <b>Sustainable Energy</b> (e.g. Renewables and Energy Storage)</li> <li>• <b>Sustainable Waste Management</b> (e.g. Recycling)</li> <li>• <b>Water Conservation and Management</b></li> <li>• Peripheral sectors: Sustainable Agriculture and Clean Oceans</li> </ul>
<b>Social and/or Environmental Impact</b>	High (will naturally have environmental impact but additional social impact will be an advantage)	High (will naturally have environmental impact but additional social impact will be an advantage)
<b>Job creation potential</b>	High	High
<b>Growth potential</b>	High – sizeable and growing market, and SME displays competitive advantage	High – sizeable and growing market, and SME displays competitive advantage

**Application Details:****Vumela ESD Fund:**

Link to application form on website: <https://vumelafund.com/apply-for-funding/>

**ASISA ESD Fund:**

Link to application form on website:

<https://docs.google.com/forms/d/e/1FAIpQLScEHhcNFsgnPG3cAnvTT1rhrGv8RhOc2h89sMA46VlIpsveyA/viewform?c=0&w=1>

**Application Processing and Timelines:**

Candidates should receive a response within 7 days of application. This will either be to request additional information or to notify candidates that their application has been unsuccessful. A successful application typically takes 12-16weeks.

**Edge Growth Ventures' Contact Details:**

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