

Media release from SA SME Fund
11 February, 2020

SA SME Fund investment in A2Pay to drive growth, financial inclusion for spazas

- *Investment aimed at reaching 10 000 spazas and creating 40 000 jobs in the next 10 years*
- *Collaboration between government and corporate SA to enable small business growth*

KwaMashu, KwaZulu-Natal, 11 February, 2020 -- Corporate South Africa, through its investment in the SA SME Fund, will enable the financial inclusion of 10 000 South African spaza shops, and create more than 40,000 jobs, through its R25 million investment in fintech player, A2Pay over the next 10 years.

The SA SME Fund's investment is underpinned by A2Pay's expertise in driving social and financial inclusion by leveraging technology and innovation to enable spaza shops and stokvels to compete in the thriving township economy.

A2Pay, in partnership with the Jobs Fund, provides both access to capital and the backend technology systems that allow for the digitisation of small township business in order to drive growth and efficiency, financial oversight and transparency, management training, stock control and bulk buying.

A2Pay provides hands-on coaching to these local entrepreneurs, which improves the running of their businesses. Importantly, the data generated by the A2Pay system is an excellent input into credit decisions, and assists with identifying and mitigating repayment risk.

At the announcement of the investment, held at a spaza shop in KwaMashu, KwaZulu-Natal, today, Ketso Gordhan, CEO of the SA SME Fund, said: "The SA SME Fund investment leverages the initial funding of A2Pay by the Government's Jobs Fund, which seeks to spur innovation and investment in activities which directly contribute to sustainable job creation and growing small businesses. This is a brilliant collaboration which will have a profound impact on the lives of small business owners in SA."

Tina Mason, COO of A2Pay, said: "Corporate SA and the SA SME Fund's investment is a critical catalyst and stepping stone to creating jobs and securing financial sustainability and inclusion for an important sector of our economy. In our view, digitisation is a fundamental enabler for better business management and therefore growth and sustainability of SMEs."

"We began this journey by implementing a pilot project which culminated in us disbursing R3 million in 78 capital loans to 48 spaza shop owners. The combination of the loans, technology, and training has resulted in a 25-30% sustained increase in their revenues, and some of the spaza shop owners have even opened up second stores," says Mason.

“We have big plans for the future. In the next 10 years, we aim to consolidate and grow our base to include 10 000 small township businesses across South Africa. Spaza shops are essential for job and wealth creation in this country. This excellent partnership between Government and corporate South Africa will also allow us to create over 40,000 jobs.”

A2Pay introductory video - please feel free to share this on your website / social media channels: <https://www.youtube.com/watch?v=tTBd7jypvfg&feature=youtu.be>

Ends

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