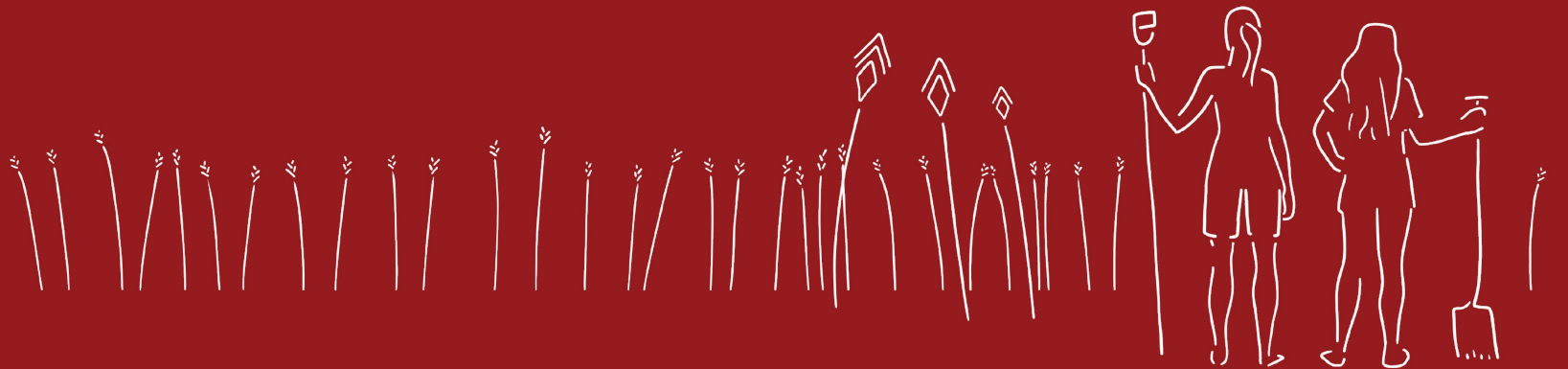




ENYGM  
VENTURES

IMPACT REPORT  
Prepared by Palladium



June 2023



# Palladium Report – Introduction

- *Enygma Ventures is a unique purpose-driven investment fund, led by Sarah Dusek and Jacob Dusek who accumulate 40 years of combined experience growing and scaling businesses in Africa, US & Europe. Enygma Ventures invests in women-led businesses in Africa that have an established track record, a proven revenue model and demonstrated growth. Employing an annual application process, Enygma Ventures meticulously selects entrepreneurs and businesses to join their investment portfolio. To date, they have cultivated a diverse portfolio of approximately 10 investees, showcasing their commitment to fostering innovation and sustainable development in the region.*
- *As Enygma Ventures seeks to expand its reach and explore new funding avenues, the Fund requested Palladium to collaborate in the development of a succinct IMPACT REPORT that showcases the impact achieved so far and provides recommendations in terms of their impact framework. Palladium had already worked with Enygma Ventures' founders to help them develop the Impact Strategy and Framework for their other business called Quiver Tree.*
- *Palladium has developed this Impact Report using the impact data provided by Enygma Ventures, which was gathered from their investees, in addition to the insights gathered by Palladium from interviewing three Enygma Ventures investees.*

# Enygma Venture's Philosophy

**Where we invest our money has the ability to change the world.**

**We are re-balancing inequalities of gender, race and geography through our investments.**



# Context – there is a fundamental and persistent gap in Africa

## Advancing women is the key to economic growth, development and creating gender equality

The continent is home to **the highest proportion of female entrepreneurs** in the world – over a quarter of all businesses are either started or run by women.<sup>1</sup>

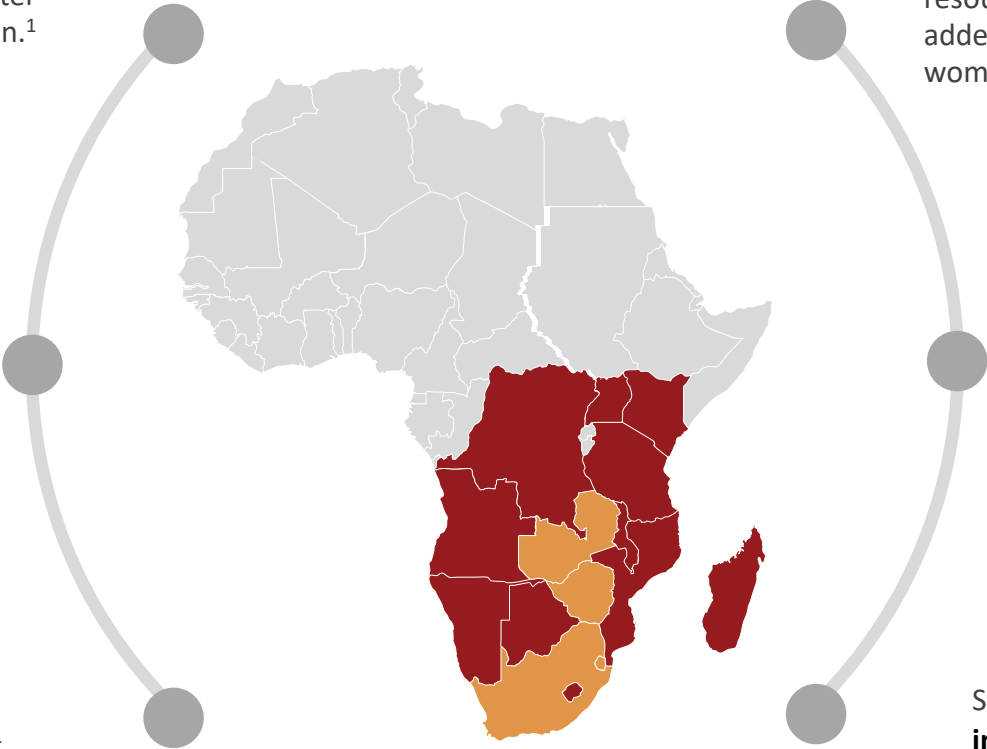
Women are an underutilized economic resource: an estimated **\$12 trillion** can be added to global growth by advancing women's equality.<sup>2</sup>

In Africa, **for every \$1 invested in women, \$25 goes to men** in the startup space. Many countries in Southern Africa are considered small markets and lack investing platforms, making it hard for businesses to attract investors. Women often lack role models, networks, access to information, or skills required to attract investment.<sup>3</sup>

Women founders receive less than **7% of venture capital (VC) investment** on the continent, even though they make up around 20% of founders<sup>4</sup>

**70%** of formal women-owned Small, and Medium Enterprises (SMEs) in developing countries **are shut out by financial institutions**.<sup>5</sup>

Supply side constraints, such as **high interest rates and collateral requirements**, play a major role in excluding women from accessing credit.<sup>6</sup>



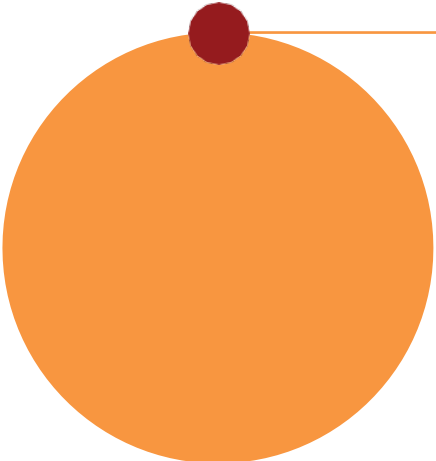
■ Enygma Ventures Scope countries  
■ Enygma Ventures Countries with existing investments

<sup>1</sup>Anzentse Were, *How Women Stabilise and Grow Economies in Africa* (2022), <sup>2</sup>McKinsey & Company, *The Power of Parity: Advancing Women's Equality can add \$12 trillion to Global Growth* (2015). <sup>3</sup>Gebre et al, *Female Startups fight 'Tomato Seller' Cliché for Funds in Africa* (2022) <sup>4</sup>Blake, *Comment: Africa has the highest proportion of women entrepreneurs. How can we make sure they get funded?* (2023). <sup>5</sup>World Bank, *Women Entrepreneurs Finance Initiative* (2017). <sup>6</sup>Morsy, *Access to Finance: Why Aren't Women Leaning In?* (2020)



# Vision - Enygma Ventures aims to address this crucial gender gap

## Why Women?



Across the globe women entrepreneurs are drastically underfunded. In the US for example, **just 2%** of all Venture Capital deployed went to women founders.

*“We believe when women take their seat at the table the future looks better for everyone”*

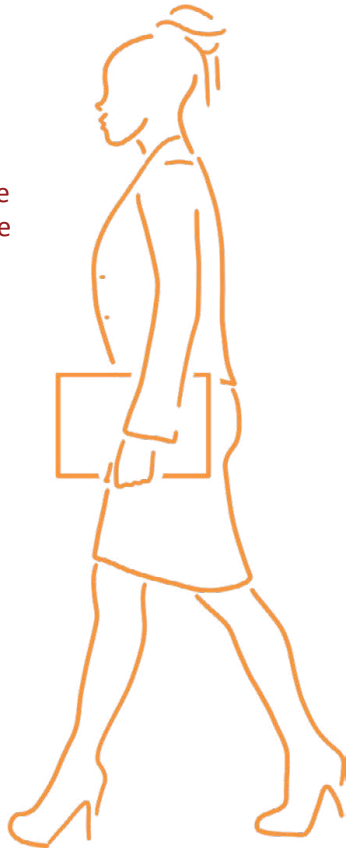
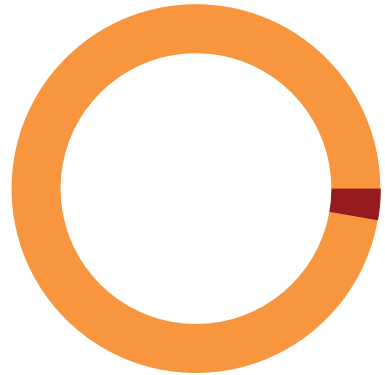
Sarah Dusek.

## Why Africa?

Investing accomplishes more in Africa.

We believe building Africa’s SMEs will build Africa’s missing middle. SMEs are the heart of strong economies, that accelerate job creation, wealth creation and development. We believe we can make a meaningful contribution to building the continent in an empowering, impactful way, putting women right at the center of driving that growth.

In 2021 just \$4B of VC funding was deployed across the continent which was **3%** of what was deployed in the US.





# Enygma Ventures' Theory of Change

### Inputs

Enygma Ventures invests in promising women-led businesses...


#### Mentoring, education and seed funding

Businesses at ideation stage may access Enygma Ventures' Prinary programme, providing mentorship and training to grow and validate the business. Businesses that have validated their concept may access equity seed funding, and/or debt funding.




### Outputs

... to help each business thrive and benefit their stakeholders...




#### Employees

Women have **high quality and sustainable jobs** across the value chain, ensuring the **economic stability** of their **families and dependents**.



#### Customers

Consumers access **impactful goods and services** that encourage financial inclusion, sustainable agriculture, education and support to SMEs\*.




#### Communities

Communities have the **knowledge and skills** that enable them to practice **responsible business**.


### Outcomes

... which ultimately strengthen the ecosystem, achieve social impact and create economic progress




#### Ecosystem

The ecosystem for women's entrepreneurship in Africa is a **level playing field**, with more female leaders and examples of success.



#### Business

Women-led businesses in Southern Africa **achieve their social impact vision**.



#### Economic growth

As women realise their economic potential, the economy grows and everyone benefits.





5 GENDER EQUALITY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



8 DECENT WORK AND ECONOMIC GROWTH



# Investment Thesis

Enygma Ventures invests in high growth potential, early stage start-ups in selected sectors, namely but not exclusively:

**Education, fintech, consumer goods, digitization & technology platforms, health care, and environmental sustainability.**

Enygma Ventures has seen enormous growth in both its fintech and education investments in the last 3 years and have discovered the characteristics of founding teams that thrive. Strong 2 person founding teams with complementary skill sets dramatically increases an early stage company's chances of success.

Enygma Ventures has successfully deployed just under \$10m in the last 3 years and are now raising the second fund to continue to invest in outstanding female entrepreneurs. Levering its experience in this space, they now also seek to empower other rising female fund managers by training and equipping "micro managers" to deploy small amounts of capital under their supervision.

This will enable rising managers to build their own investing track record and gain valuable expertise and experience. Enygma seeks to multiply its impact on women by investing in founders and fund managers to bridge the funding gap on the African continent.

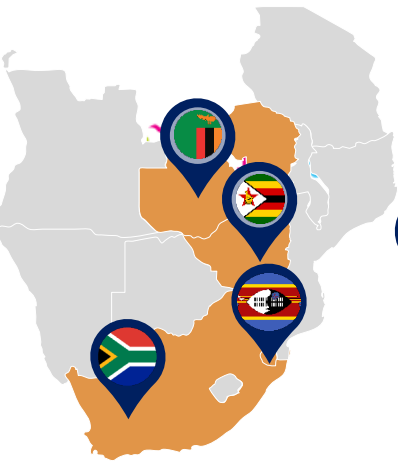




# Impact in Numbers

## Enygma Ventures is supporting women-led businesses deliver impact across Africa

10 women-led businesses have received **capital** and/or **capacity-building** from Enygma Ventures



**5**  
Countries supported:  
Zambia, Zimbabwe,  
South Africa, Eswatini  
and Mauritius

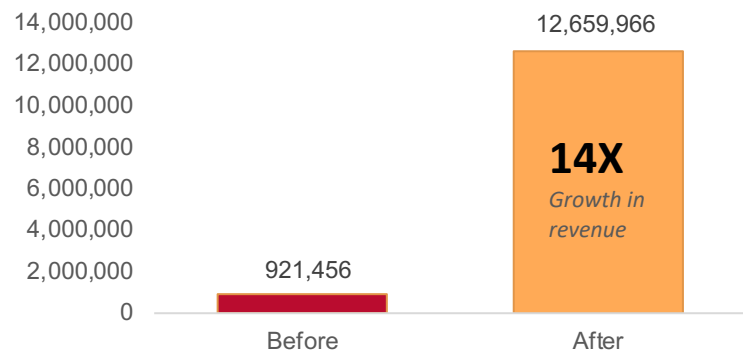


**\$10 642 420**  
Total capital deployed

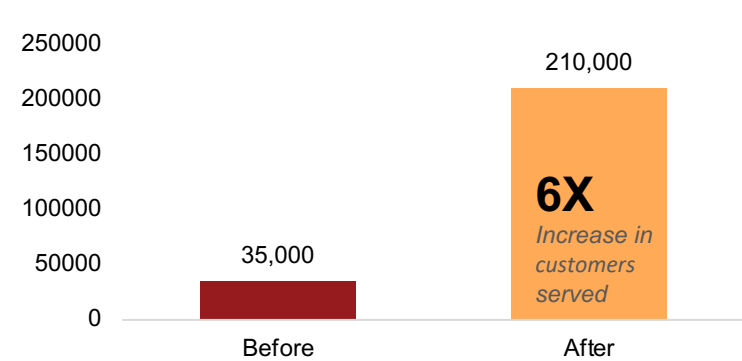


Revenue has significantly increased revenue across all portfolio companies

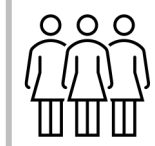
Total revenue from all portfolio companies (USD) before and after investment



Total customers served by Enygma Ventures' investees before and after investment

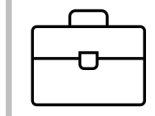


Women receive high quality employment, and given a seat at the table to deliver impact



**71%\***  
Average proportion of women in investees' workforce

**100%**  
Invested companies have a female founder or co-founder



**363\***  
Women directly employed by investees

**100%**  
Invested companies have a female owner or CEO

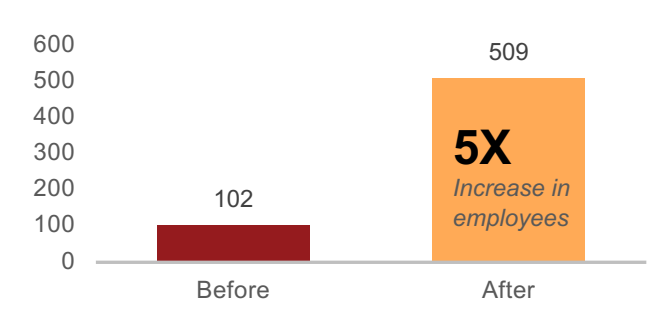


**4000+**  
Women have enrolled in Enygma Ventures' Pranary programme since 2020

**>50%**  
Share of the senior management team that is female in all investee companies



Number of people employed by investees before and after investment



Sources: Impact surveys with seven businesses (2022), Communications with Enygma Ventures and partners (2023), Key informant interviews (2023)

\*Based on survey responses from 7 businesses, true figure is likely higher



# Premier Credit (1 of 2)



**PREMIER CREDIT**  
ZAMBIA LIMITED

A Zambia-based innovative financial institution that addresses unmet need for financial products among individuals earning less than \$10/day. These customers tend to be excluded from the traditional banking sector and are disproportionately women. Access to online loans and savings accounts has enabled women to more easily manage healthcare and education costs.

Premier Credit also aims to address the financing gap among MSMEs\* in Africa who compose 90% of businesses but are often unable to access capital.

In 2019, Premier Credit’s revenue was \$51k. Following Enygma Ventures’ investment in 2020, this has now grown to \$7 million. This growth has allowed their business to expand into Zimbabwe and establish partnerships with three major mobile providers.



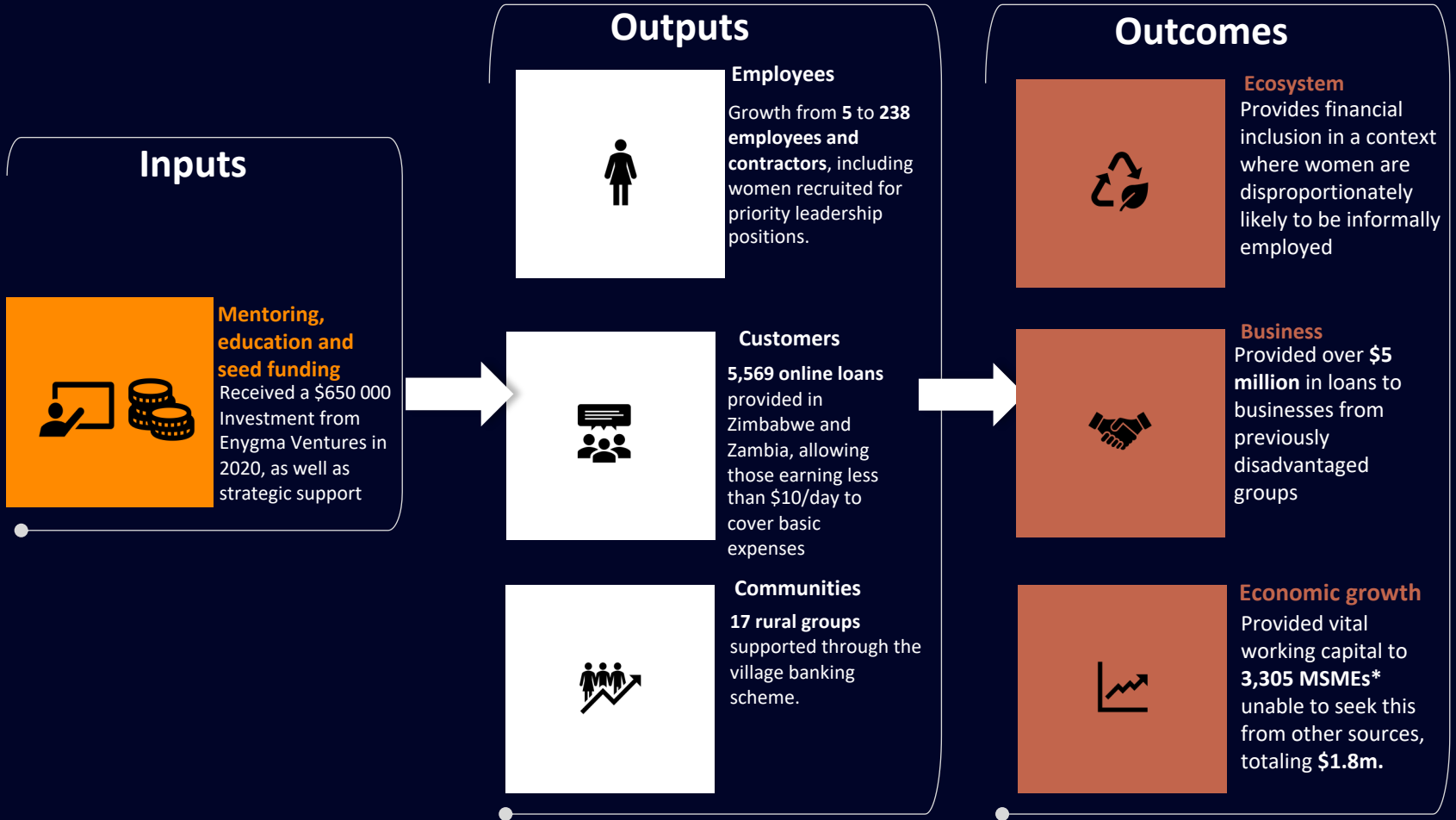
*“With Enygma Ventures’ support, we created employment and expanded into new markets, gaining access to 12m more customers.”*

- Chilufya Mutale, co-founder and CEO of PremierCredit

\* Micro, Small, and Medium Enterprises



# Premier Credit (2 of 2)



\* Micro, Small, and Medium Enterprises

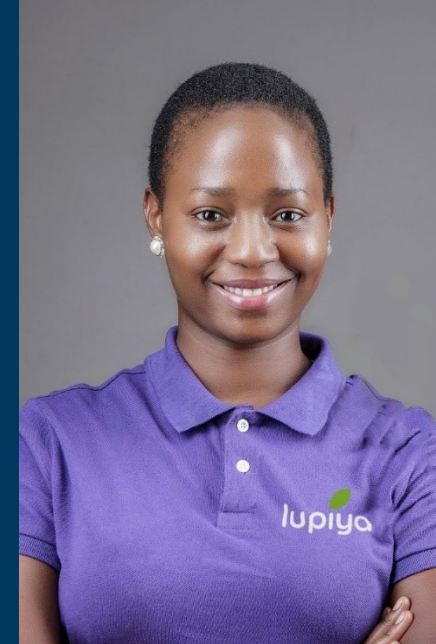
# Lupiya (1 of 2)



A Zambian online Fintech startup that is building inclusive and accessible financial institutions, with an intentional focus on women.

With most financial institutions in Zambia offering brick-and-mortar services that cater to urban and peri-urban areas, the shift to online loans means that women in hard to reach and rural areas now have access to cheaper capital.

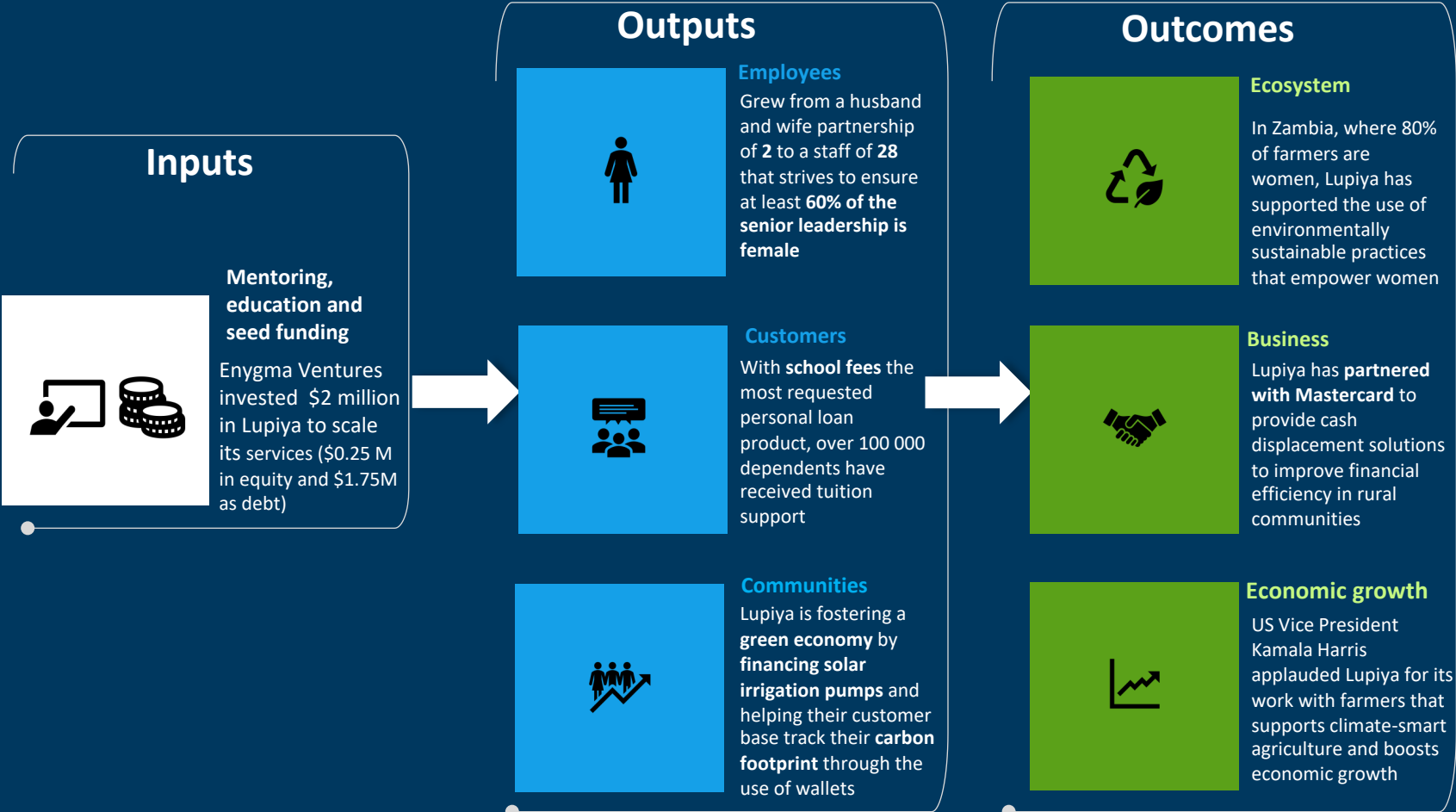
With the backing of Enygma Ventures, Lupiya has been able to significantly expand their customer base, now reaching 14 000 people, and grow their loan product offerings. They have since raised more than \$5 million, partnered with Mastercard to deliver cash displacement solutions in rural Africa, and received praise from the US Vice President for their work with climate-smart agriculture on smallholder farms.



*"We typically come from cultures that dictate it is not our place to be in this space. It's very important to drive that conversation and allow for women to see that it's possible, and practical."*

*- Evelyn Kaingu, CEO Lupiya*

# Lupiya (2 of 2)



# Black Mamba (1 of 2)



An award-winning chili product brand in Eswatini founded to achieve social impact through an inclusive value chain and sustainable approaches with an 85% female team.

Its partnership with NGO Guba, Black Mamba supports farmers and communities by building skills in permaculture (90% women). Once they establish food security for their families, they are then supported to grow high value crops, maximizing the benefit of their smallholdings. Black Mamba purchases these crops directly, guaranteeing these farmers an equitable price and increasing market efficiency.

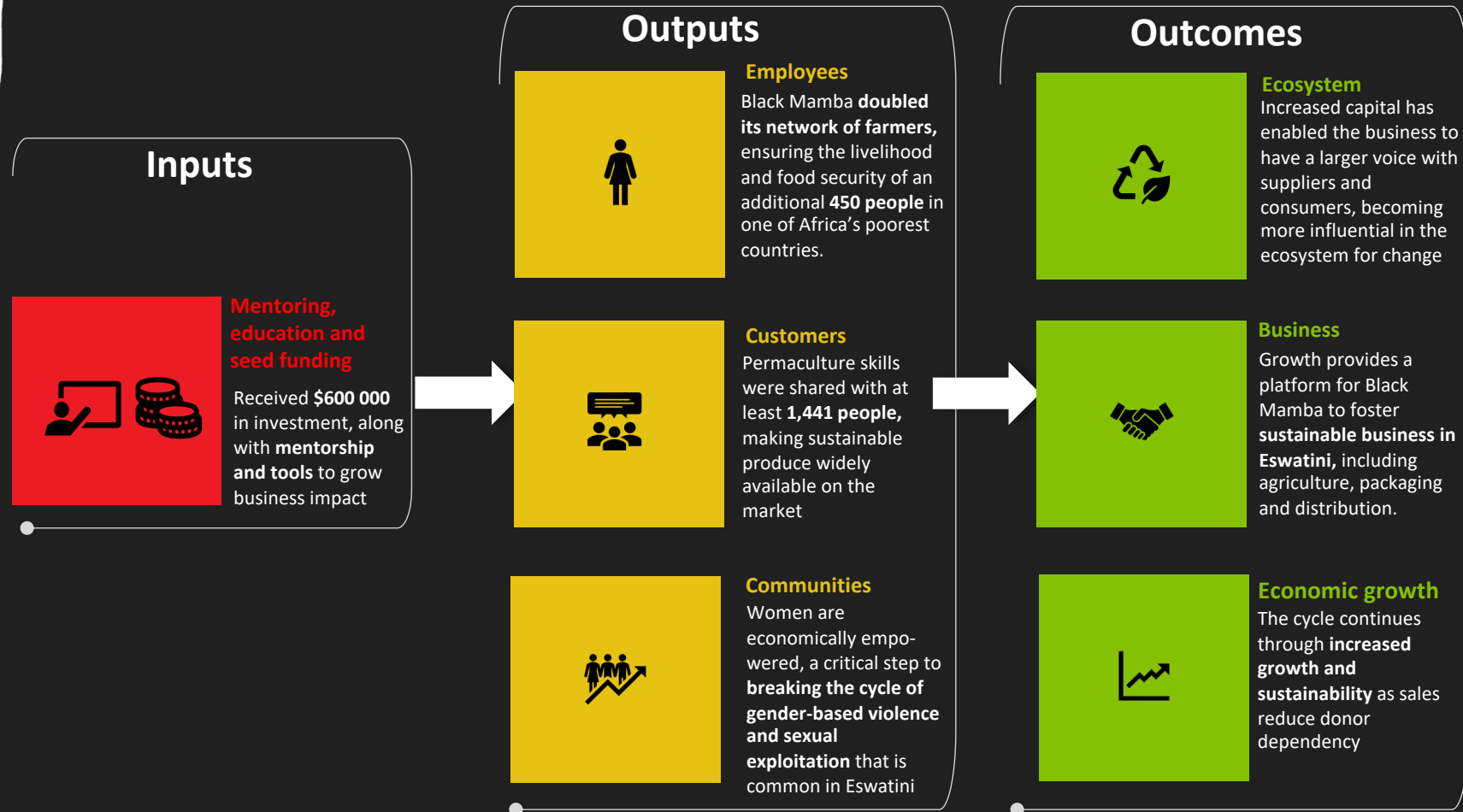
Enygma Ventures' investment has enabled Black Mamba to double its network of farmers, ensuring the livelihood and food security of an additional 450 people in one of Africa's poorest countries. Its employees are more confident and economically empowered, a critical step to breaking the cycle of gender-based violence and sexual exploitation that is common in the region.



*"As we grow, we sell more and need to engage new farmers. Our impact has more than doubled thanks to the investment Enygma Ventures has made."*

*- Claudia Castellanos, Black Mamba CEO*

# Black Mamba (2 of 2)





# EXECUTIVE TEAM



## Jacob Dusek & Sarah Dusek Co-Founders & Managing Partners

- Co-founders of Under Canvas Inc; the leading US adventure hospitality company
- Under Canvas set a new standard in ecological development while also redefining experiential hospitality
- Achieved a 9 figure valuation for acquisition
- Named to the Inc 5000 list as one of America's fastest growing companies
- Sarah Dusek was named EY Entrepreneurial Winning Woman of the year in 2017

Fund 1 was funded by Paradigm22 Sarah & Jacob Dusek's family office.



# Palladium Report – Final Remarks

- *The main CONCLUSIONS of our work with Enygma Ventures are:
  - ✓ *Enygma Ventures' selected areas of focus (women entrepreneurship in Africa), interventions (mentoring and seed financing) and theory of change are highly opportune and fill a well-documented gap in women's access to finance.*
  - ✓ *Enygma Ventures has made a commendable effort to develop relevant impact indicators aligned with recognised women's empowerment metrics, and has collected impact data which have been used in this Report.*
  - ✓ *Based on the data provided by Enygma Ventures, and our own insights gathered from some interviews with their investees, Enygma Ventures is achieving commendable impact results that support their theory of change.**
  
- *We STRONGLY ENCOURAGE Enygma Ventures to raise additional funding in order to continue helping current and new investees thrive using Enygma Venture's successful approach, and hence scaling up the impact they make.*
  
- *Also, we encourage Enygma Ventures to consider and implement our recommendations for strengthening further their impact measurement framework as a key learning mechanism for Enygma Ventures to continually improve their investment approach and achievements.*

*The Palladium Team*





# About Palladium

We've been creating Positive Impact for nearly 60 years.



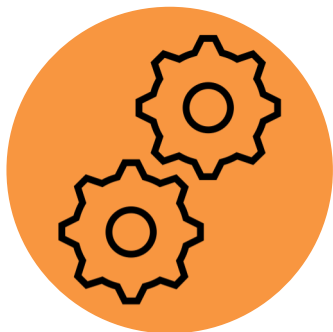
Palladium is a global impact firm, working to link social progress and commercial growth. For nearly 60 years, we've been helping our clients to see the world as interconnected - by formulating strategies, building partnerships, mobilising capital, and implementing programs that have a lasting social and financial impact. We simply call this “**Positive Impact**”.

We work with corporations, governments, investors, communities, and civil society. With a global network operating in over 90 countries, Palladium is in the business of making the world a better place.

THANK YOU

# Annexes

# How can Enygma Ventures better capture impact?



## 1) Systematisation

**Impact metrics** are essential for investors and entrepreneurs to track the impact of their work. There are a huge variety of tools to choose from, so the guiding factor will be to collect metrics that speak to the **specific needs that Enygma Ventures is trying to address**.<sup>1</sup>

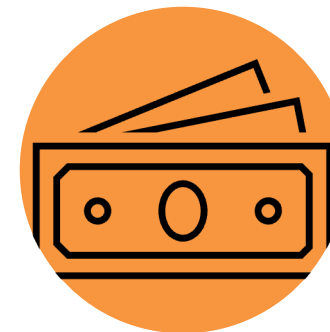
Enygma Ventures is well positioned to measure impact on **female leadership**, and on **products that disproportionately benefit women**, and should consider incorporating these measurements into their impact measurement approach. For relevant metrics that are already being collected (such as female leadership and employment numbers) the collection of data should be **systematized** across the portfolio.



## 2) Monitoring Progress

Once metrics have been chosen, efforts should focus on **orienting reporting at the portfolio-level**. It may make sense to link impact reporting to existing reporting processes, for example financial reporting. Once a system is in place to collect data across all investees at regular intervals, fresh insights may emerge, and evidence of success can then be used to leverage funds and support.

In a startup context where resources are typically finite, it is not always desirable to collect an exhaustive list of statistics. It may be important to be strategic - to take note of metrics that are *not* typically interesting to investors and DFIs, as much as those that are- so that efforts and resources can be allocated effectively and strategically.



## 3) Seeking diversified funds

With strong evidence at their fingertips, Enygma Ventures should be in a position to deliver at scale, which will require it to diversify and expand its fund base. Two significant sources to consider are **Development Finance Institutions** and **Foundations**. For the **DFIs**, efforts have focused on **standardising metrics**. The culmination of G7 efforts have produced the **2X Criteria**, which dominates the DFI landscape. Enygma Ventures should consider collecting metrics that would enable it to satisfy two or more of these criteria.

**Mastercard Foundation's Africa Growth Fund (MFAGF)**, and with the **Visa Foundation**<sup>3</sup> have yet to publicly announce their impact measurement strategy, but Enygma Ventures may wish to collect data that would enable it to meet the **criteria** for MFAGF, as it is well positioned for this partnership.

<sup>1</sup>CDC Group, *How to Measure the Gender Impact of Investments: Using the 2X Challenge Indicators in Alignment with IRIS+* (2020). <sup>2</sup><https://www.2xchallenge.org/criteria> <sup>3</sup> <https://usa.visa.com/about-visa/visa-foundation.html>. <sup>4</sup><https://africagrowthfund.org/apply-fund>

# Proposed metrics for Enygma Ventures- Women empowerment



Below are metrics that we believe may work well with Enygma Ventures' vision and are common requests among investors including IRIS+, 2X Challenge, GIIRS, and B-corp

Criterion	Metric	Corresponding Enygma Ventures Theory of Change	Does Enygma Ventures measure this yet?	Used by
Share of women ownership	% female ownership	Ecosystem, Business, Employees	Yes	2X Collaboration, IRIS+, GIIRS
Share of female founders	% female founders	Ecosystem, Business, Employees	Yes	2X Collaboration, IRIS+
Share of women in senior management	% senior management who are female	Ecosystem, Business, Employees	No	2X Collaboration, IRIS+, GIIRS
Share of women in the workforce	% employees (FTE) who are female	Employees, Communities	Partially	2X Collaboration, IRIS+
Investee has an initiative that specifically advances women in the workforce (ie flexible work arrangements, sexual harassment policy)	Y/N	Ecosystem, Employees, Communities	No	2X Collaboration, IRIS+, GIIRS
Product or service disproportionately benefits women	Y/N	Business, Communities,	No	2X Collaboration, IRIS+
Female customer base	% customers who are female	Customers, Communities	No	2X Collaboration, IRIS+
Job creation	% worker base growth % workers from chronically underemployed populations	Employees, Communities	Yes	IRIS+, GIIRS
Gender wage equity	Ratio of the average wage paid to woman compared to men for a specified position	Ecosystem, Business, Employees	No	IRIS+, B-corp

# Proposed metrics for Enygma Ventures- Economic development



Below are metrics that we believe may work well with Enygma Ventures' vision and are common requests among investors including IRIS+, 2X Challenge, GIIRS, and B-corp

Criterion	Metric	Corresponding Enygma Ventures Theory of Change	Does Enygma Ventures measure this yet?	Used by
Revenue growth of investees	Growth in the revenues of investees, before and after the investment	Ecosystem, Business, Economic Growth	Yes	Funds, International Development programs
Revenues diversification of investees	Share of revenues obtained from exports – may not applicable in all cases. Other types of revenues streams may fit too	Ecosystem, Business, Economic Growth	Not yet	Funds, International Development programs
Investment mobilised	Additional investment received by investees thanks to Enygma Venture support	Business	Yes	Funds, International Development programs
Customers served by the investee	Growth in the customer base of the investee, comparing the amounts before investment and after the investment	Customers, Ecosystem	Yes	Funds, International Development programs
Improved livelihoods for the customers of the investees	Total number of investees' customers reporting increased incomes – may not be applicable to all types of investees	Customers, Ecosystem, Economic Growth	Not yet	Funds, International Development programs
Improved livelihoods for the customers of the investees	Total value of investees' customers reporting increased incomes – may not be applicable to all types of investees	Customers, Ecosystem, Economic Growth	Not yet	Funds, International Development programs
Strengthened business clients thanks to the investees support	Total number of investees' business clients reporting increased turnover – may not be applicable to all types of investees	Customers, Ecosystem, Economic Growth	Not yet	Funds, International Development programs
Strengthened business clients thanks to the investees support	Total value of investees' business clients reporting increased incomes – may not be applicable to all types of investees	Customers, Ecosystem, Economic Growth	Not yet	Funds, International Development programs