

# TaxTim raises funding from MMI's Exponential

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Cape Town's disruptive tax start-up TaxTim has secured investment from Exponential, the innovation unit of MMI Holdings.

Recently launched Exponential identifies and sometimes invests in early- and growth-stage companies, like TaxTim, that have the potential to be disruptive in the financial wellness market space.

In 2011, with the goal of making tax returns easy, co-founders Evan Robinson, an inventor and programmer, and Marc Sevitz, a Chartered Accountant specialising in tax, created a digital tax practitioner they called Tim. They pitched their idea for TaxTim to the Google Umbono incubator and were awarded mentorship, office space and limited funding by the programme. Upon graduating from the incubator they raised a small round of angel funding from Justin Stanford of 4Di Capital, Permjot Valia and a private investor, and then a second round from other private investors. The two then entered the most challenging period of growing their business - the first 1,000 days.

*"It quickly became apparent how tough building this business was going to be. We are essentially building an offering around helping people with a task they don't want to perform, don't fully*

*understand, which causes stress, anxiety and worry, and one that people generally only want to think about once a year. These are un-ideal conditions. I completely comprehend why it is that death and taxes go together." says Sevitz.*

*"The early days are incredibly tough, trying to build traction when you're facing unexpected setbacks, repeated rejection and minimal results, day after day. Psychologically it can be a drain, especially when you are bootstrapping to keep cash in the business and living off minimum wage salaries (sometimes no salary at all) while everyone around you has real jobs earning real salaries. I think I wore the same smart shirt and shoes to every meeting until now. Thankfully, I can now replace them!" says Robinson.*

Despite the initial obstacles, TaxTim's growth has doubled consistently year on year, allowing the two to build a profitable business after year one, and ultimately help over 2 million people to date. In 2014 TaxTim integrated directly with SARS eFiling to offer South Africans the first consumer alternative to using eFiling online. In 2015 they launched TaxTim into Namibia as a joint venture with PwC Namibia. Now with the new funding injection from Exponential, Robinson and Sevitz have settled into permanent premises and expanded their team to bring in expertise across the business areas.

*"Until now, being a start-up, Evan and I have had to manage the strategic growth of the business, while simultaneously working in the business too – we did everything. This meant some key areas of focus didn't receive the level of attention they needed and we both longed for a day where we would have additional hands on*

*deck. It feels great to be able to discuss ideas with our new team, in a formal office setting, with their fresh perspectives. We are proud to have generated a substantial return for our early stage investors, demonstrating the value of being part of entrepreneurial development programmes such as Knife Capital's Grindstone."* says Sevitz

*"We are incredibly excited about the growth opportunity enabled by Exponential. Their strategic thinking is two steps ahead of most and will prove invaluable as our business heads into a high growth phase this year. In addition to capital, we are also most fortunate to have access to the additional distribution opportunities offered by their existing client base, allowing us to scale faster."* says Robinson.

Moving forward TaxTim aims to further enhance and refine their existing product, launch new products for SMEs and employers, and expand into more countries where tax remains a headache to consumers. TaxTim's founders hope that their story inspires other local entrepreneurs to be bold and make a move toward fulfilling their dreams.