10+4 SMME

Growth and Empowerment Solutions

seeded and supported by Sanlam group

Quarter 2: 2025

Scaling SMMEs for Growth

Background: Established and seeded by Sanlam, 104+ operates as a catalytic platform for SMME development at scale. The 104+ Solution aims to advance its mission of fostering inclusive economic growth by strategically supporting and investing in high-potential, impact-driven SMMEs. For this purpose, 104+ utilises specialist SMME investment managers and support providers. 104+ also partners with like-minded funders of SMME development.

Executive Summary

At the end of the second quarter of 2025, 104+ **had raised R247M for SMME development**, that includes a further investment of R4.2M from JSE listed partner HYPROP Investments. With a goal to mobilise R1 billion by 2030, 104+ remains committed to addressing structural barriers to entrepreneurship and unlocking sustainable, long-term impact across South Africa.

The last quarter also saw 104+ increase SMME investments under its existing mandates, bringing its total investments into SMMEs to R146M. Quarter 2 investments include:

- Capital Link Partners and Brave Group have successfully been on-boarded and a total of R15.2 million has been deployed across the two new investments.
- Furthermore, for the period under review, a further R3.5 million was deployed to Mortgage Market (Pty) Ltd.
- A further R5 million revolving loan facility was deployed to the SANParks SMME development initiative originated in partnership with Sanlam and executed by I AM AN ENTREPRENEUR (IAAE). A case study on this project has been included on page 3 of this report.

Message from the Head of 104+

Seapei Mafoyane
(Head of 104+)
Qualification: (BSc, MBA)

The second Quarter of the year has brought along some exciting new investments as well as a healthy pipeline of potential investments to review. 104+ believes in the rich potential of SMMEs across the landscape of South Africa and provides the conducive environment for impactful development at scale. Are you a **corporate leader**, an **SMME development funder**, or a **partner organisation** passionate about creating a more equitable and prosperous future for all South Africans? 104+ is building a powerful coalition to champion **inclusive economic growth**, ensuring that opportunities and benefits reach every corner of our society.

Investment Updates

104+ has been actively pursuing new pipeline opportunities that reflect its forward-looking agenda. For the period under review, its investment manager, Sanlam Alternative Investments, identified the following potential investment opportunities:

- The first new investment opportunity, which has been approved by the SAI Investment Committee is an investment under the growth mandate into the University Technology Fund (UTF) II. UTF II is a venture capital fund focused on university spinouts and alumni-founded businesses backed by institutions like Allan Gray, SA SME Fund, and top academic institutions. For the UTF II opportunity, 104+ has earmarked between R20 million and R30 million to invest in supply chain deals. UTF II represents a rare opportunity to support youth-led innovation while gaining early exposure to high-growth enterprises. This aligns with 104+'s objective to drive inclusive growth and empowerment.
- The second investment opportunity currently under consideration is a potential investment in a Black-owned business incubation programme. The potential investment is dynamic platform focused on increasing black representation in the technology sector through community building, mentorship, and venture support. The investment aligns with 104+'s ambition to correct systemic imbalances in access to digital innovation and entrepreneurship.
- Lastly, 104+ is also currently investigating future investments in the blue economy, in partnership with Sanlam and the Sustainable Finance Coalition. Should this investment be concluded, it will enable 104+ to contribute to driving marine-based livelihoods and restoring coastal ecosystems, and position 104+ at the forefront of environmental finance. The investment's focus on sustainable ocean-based economic growth and job creation aligns well with several 104+'s impact objectives.

These new investments demonstrate 104+'s ongoing commitment to supporting businesses that not only show strong financial potential but also contribute to economic growth, job creation, and social empowerment.

SMME Growth Stories

As part of the 104+ Solution's Development Mandate, the Sanlam SANParks Programme aims to support black-owned SMMEs operating within a 50km radius of the South African National Parks, that struggle with to fulfil purchase orders due to limited business opportunities and lack the financial resources. This restricts their ability to participate in procurement opportunities within SANParks.

The programme is managed by IAAE and aims to mitigate the risk of access to markets for SANParks by ensuring that local SMMEs can fulfil purchase orders. The programme is designed to address the funding gap by providing interest free purchase order loans, enabling SMMEs to deliver on secured contracts without financial strain.

The fund provides 100% interest-free purchase order loans, allowing SMMEs to fulfil their contracts without upfront capital constraints. With this financial support, SANParks can confidently award opportunities to local businesses, strengthening economic participation while growing the SMME asset value in these areas.

The programme activities currently include providing financial support through ongoing interest-free purchase order funding. This ensures sustainable business growth and increased participation in SANParks' procurement opportunities. 104+, Sanlam and SANParks are currently working on a programme for non-financial Support.

SANParks Impact Stats[1]

R11 million

Total profits paid into SMME Bank Accounts

R2.6 million

Total interest saved by SMMEs

204 jobs retained

80 permanent jobs
124 temporary jobs

Funding support provided to

33% women-owned SMMEs
36% youth-owned SMMEs

[1] I AM AN ENTREPRENEUR. *Sanlam SANParks Fund Quarterly Report*. 30 June 2025

Portfolio Overview

To illustrate 104⁺'s strategic allocation of resources, the following provides a detailed overview of investments made across its primary mandate areas. It outlines the total funds invested to date, the number of SMMEs that have benefited from this funding, and the specific SMMEs involved. Additionally, the overview indicates how these investments align with the United Nations Sustainable Development Goals (SDGs), demonstrating 104+'s commitment to broader developmental objectives. For more information, refer to our 2024 Annual Report.

Mandate	Funds invested to date	Number of SMMEs reached	SMME benefitting	Alignment to SDGs
Empowerment Mandate	R40.5M	4	wetility BRAVE GROUP Capital Link partners	7 Affordable and Clean Energy 11 Sustainable Cities and Communities 13 Climate Action
Growth Mandate	R89.1M	5	i-G3N MORTGAGE MARKET Your Home, Your Way PCB POWER TRANSFORMERS LINEA shamrock pies since 1973	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 10 Reduced Inequalities 11 Sustainable Cities and Communities
Development Mandate	R16.9M	79	University of the Western Cape CEI centre for entrepreneurship and innovation Sanlam Live with confidence South African National Parks I AM AN ENTREPRENEUR	1 No Poverty 8 Decent Work and Economic Growth 10 Reduced Inequalities

R5m Loan
18 July 2023
R5 million loan disbursed to Wetility Finance

R20m Loan
14 December 2023
R20 million loan disbursed to Wetility Finance

R18m Loan
18 Decemeber 2023
R18 million loan disbursed to Mortgage Market

R7.6m Loan
19 December 2023
R7.6 million loan disbursed to PCB Power Transformers

R20m Equity
22 December 2023
R20 million equity invested into IG3N

R20m Loan
1 August 2024
R20 million loan disbursed to Linea Capital

R20m Loan
15 November 2024
Clover Projects: R20 million Loan disbursed on Shamrock Pies acquisition

R1.1m Loan
24 December 2024
PCB Power Transformers: Additional R1.1 million Loan disbursed

R9.2m Loan
Q1 2025
R9.2 million loan disbursed to Brave Group

R11m Loan
Q1 2025
R11 million loan disbursed to Capital Link Partners

R3.5m loan
Q2 2025
Additional R3.5 million loan disbursed to Mortgage Market (Pty) Ltd

R5m Loan
Q2 2025
Additional R5 million loan disbursed to I am an Entrepreneur

The above timeline illustrates 104⁺'s strategic investments, showcasing the dates and amounts of capital deployed to various SMMEs. These investments, which range from R5 million to R20 million, are structured as loans or equity, demonstrating 104⁺'s flexible approach to meeting the diverse financial needs of growing businesses. The timeline highlights the consistent flow of capital into the SMME sector, with investments made throughout the period. This pattern of investment underscores 104⁺'s commitment to providing ongoing financial support to drive sustained SMME growth and contribute to meaningful social and economic development.

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Next quarter's priorities

Awareness and Strengthening Partnerships

Next quarter's core priorities include pursuing further partnership and fundraising based on the unique value proposition of 104⁺. We will also focus on strengthening existing relationships. Concurrently, we will implement a robust marketing strategy to build brand awareness and support fundraising. This includes enhancing our online presence and developing compelling content to communicate our fund's value. Targeted communication and exploring public relations opportunities will further amplify our reach.

Reaching more SMMEs

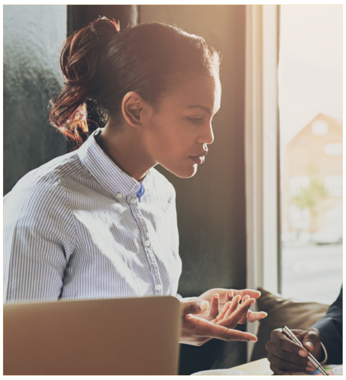
We are also working with our investment managers to refine and broaden our SMME investment mandates to reach more SMMEs allowing with growth potential.

Thank you

Thank you for your continued support and commitment to advancing inclusive economic development in South Africa.

Through your investment, 104⁺ has been able to channel funding to high-potential SMMEs that are driving job creation, youth participation, and women's economic empowerment. The outcomes achieved to date are a testament to the collective effort behind this work, with measurable progress in employment, enterprise growth, and access to capital for previously disadvantaged groups.

The success of 104⁺'s mandates is made possible by the strength of its partnerships with funders and investors who share a vision for an equitable and opportunity-rich future.



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