10⁴+ SMME
Growth and Empowerment Solutions
seeded and supported by Sanlam group

Quarter 3: 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

By 30 September 2025 104⁺ has raised **R245 million** of which **R238 million** is debt and **R6.7M grants.** By 30 September, **Sanlam Alternative Investments** has invested **R156.2 million** of the funds raised into SMMEs under its **growth (R76 million) and empowerment mandates (R78 million).**

During the quarter, **R26.5 million** was newly deployed through three key transactions:

- **R20 million** invested into the **University Technology Fund II (UTF II)**, expanding support for youth-led innovation and university spinouts.
- **R3.5 million** follow-on loan to **Mortgage Market (Pty) Ltd,** strengthening the inclusive home financing ecosystem.
- **R3.0 million** follow-on loan to **Capital Link Partners (Pty) Ltd**, reinforcing empowerment-focused capital partnerships.

An additional **R450 000** in grant capital was disbursed to the **University of the Western Cape (UWC) Centre for Entrepreneurship and Innovation (CEI)** Fellows Leadership and Mentoring Programme, supporting enterprise development through education and mentorship.

104⁺ continues to advance towards its goal of mobilising **R1 billion by 2030**, demonstrating that catalytic, blended capital — when combined with deep partnerships — can unlock measurable economic and social value.

Message from the Head of 104⁺

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

The third quarter of 2025 marked a period of consolidation and strategic progress for 104⁺. The successful close of the **University Technology Fund II** investment illustrates the maturity of our platform and the strength of our partnerships — not only are we scaling new ventures, but we are also reinvesting in proven SMMEs such as **Mortgage Market** and **Capital Link Partners**, whose growth and resilience validate our model of partnership-led impact.

As we deepen our collaboration with specialist fund managers, academia, and other implementing partners, our mission remains clear: to build pathways that enable SMMEs to thrive — from township enterprises to tech-driven innovators.

Now, more than ever, South Africa's economic recovery depends on the vitality of its entrepreneurs. We call on **corporates, institutional funders, and policymakers** to join us in creating the next generation of catalytic partnerships. Together, we can ensure that inclusive growth is not a slogan but a shared reality — one enterprise at a time.

Investment Updates

104⁺ continues to build a forward-looking investment pipeline focused on high-impact, sustainable sectors. For the period under review, its investment manager, Sanlam Alternative Investments, identified the following potential investment opportunities:

- **Blue Frontier Fund:** 104⁺ is developing the **Blue Frontier Fund (BFF)** in partnership with Sanlam Investments to unlock South Africa's blue economy. The proposed **R8.9 million blended facility** (50% debt, 50% grant) will finance enterprises in **sustainable aquaculture, marine plastics recycling, and coastal tourism.** Following Abalobi-led due diligence, the initiative will be presented to the 104⁺ Board in Q4 2025, with the goal of launching Africa's first **Blue Economy Impact Fund** by 2026.
- **Project Rainbow:** The second opportunity, **Project Rainbow,** is expected to reach close before year-end. The **R90 million** deal (R20m equity, R70m debt) targets a niche asset management business, with **R20 million** participation from SDDevPool2. The transaction supports ownership transformation and growth.

Together, these pipeline deals demonstrate 104⁺'s commitment to mobilising catalytic capital into emerging sectors that combine **empowerment, sustainability, and long-term economic resilience.**

Key Market Trends and Risk Assessment

The broader South African economic environment during Q3 2025 remained challenging.

- **Macroeconomic indicators:** The national **unemployment rate hovered at around 33%**, with youth unemployment exceeding 45%. Inflation, although easing slightly, persisted near 5.4%, driven by food, energy, and transport costs. Load-shedding, fuel price volatility, and logistics bottlenecks continued to constrain productivity and investor confidence.
- **SMME sector dynamics:** SMMEs faced rising input costs, declining consumer demand, and tighter credit conditions amid elevated interest rates. Access to affordable capital remains the primary constraint, particularly for early-stage and informal enterprises.
- **Resilience and opportunity:** Despite these headwinds, blended finance mechanisms and partnership-based approaches — such as those pioneered by 104⁺ — continue to provide essential buffers. Programmes like the SANParks SMME Fund and the UWC CEI Fellowship show that well-designed capital combined with mentorship can sustain job creation and innovation, even under pressure.

Looking ahead, moderation in inflation and the expected easing of the repo rate in early 2026 could unlock a gradual recovery in consumer confidence and business lending. 104⁺ will continue to prioritise **resilience, partnership, and impact** as guiding principles for navigating this complex environment.

Skills Development & Mentorship Highlights

UWC CEI Fellows Leadership and Mentoring Programme

In partnership with the **University of the Western Cape's Centre for Entrepreneurship and Innovation,** 104⁺ continued to support the **Fellows Leadership and Mentoring Programme,** which reached **21 SMMEs** this quarter – all **Black-owned**, with **14 women-owned** and **7 youth-owned** businesses.

SMMEs represent sectors ranging from **agriculture and construction** to **digital services, wellness, and energy technology.** Participants are completing moderated assessments toward **university-accredited certificates,** reinforcing the link between academic learning and entrepreneurial practice.

The programme achieved several milestones in Q3:

- Launch of a dedicated **WhatsApp learning community** for ongoing peer engagement.
- Completion of foundational e**ntrepreneurial leadership training** and assessment moderation.
- Administrative and compliance progress – several participants now hold valid **B-BBEE affidavits or certificates** for the first time.
- **Mentorship phase** to begin in **November 2025,** pairing Fellows with experienced business leaders.

This initiative demonstrates how targeted mentorship and leadership development can bridge academic insight and enterprise growth – positioning SMMEs for long-term competitiveness.

SANParks SMME Development Programme

In partnership with Sanlam and I Am An Entrepreneur (IAAE)

The **SANParks SMME Fund,** managed by **I Am An Entrepreneur (IAAE)**, continues to be one of 104+'s flagship Development Mandate initiatives. As at **30 September 2025**, the fund has:

Disbursed R28.49 million in interest-free purchase order loans across

131 transactions to

109 SMMEs operating within or near South Africa's national parks.

251 jobs retained

127 permanent jobs
124 temporary jobs

R3.4 million

Enabled in total interest savings for participating SMMEs

R15.9 million

Generated in total profits reinvested into SMME operations.

Funding support provided to

34% women-owned SMMEs
35% youth-owned SMMEs

The programme currently spans **nine national parks**, including **Kruger, Garden Route, Tsitsikamma, Table Mountain, Addo Elephant Park, and Wilderness**, with recent onboarding of **Marakele and West Coast National Parks.**

Beyond finance, the initiative delivered extensive **non-financial training** during September 2025 — including pricing and costing workshops and tender-readiness training across **Marakele, Tsitsikamma, Garden Route, and West Coast National Parks**, reaching over **245 participants.**

Next steps include expanding the model to **concessionaires and privately owned reserves**, creating opportunities for ecosystem-wide enterprise participation.

The SANParks programme stands as a practical example of **inclusive conservation-driven enterprise development** — proving that when access to finance meets access to opportunity, communities and ecosystems thrive together.

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[1] I AM AN ENTREPRENEUR. Sanlam SANParks Fund Quarterly Report. September 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	**R78.4M**	**4**	wetility; BRAVE GROUP; CapitalLink partners; i-G3N; MORTGAGE MARKET Your Home, Your Way	7 Affordable and clean energy; 11 Sustainable cities and communities; 13 Climate action
Growth Mandate	**R77.6M**	**5**	PCB Power Transformers; LINEA; Shamrock pies Since 1973; University Technology Fund	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	**R16.8M**	**152**	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

During Q3 qualifying entities (iG3N & Mortgage markets) was moved to the empowerment mandate.
This ensures a more diversified portfolio.

2023

R70 million invested into:

- Wetility Finance
- PCB Power Transformers
- Mortage Market
- IG3N

2024

R41.1 million invested into:

- Linea Capital
- Clover Project to acquire Shamrock Pies
- PCB Power Transformers

2025

R28.7 million invested into:

- Brave Group
- Capital Link Partners
- Mortage Market
- 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.

Next quarter's priorities

Expanding Reach and Visibility

104⁺ will focus on **broadening its distribution** network to engage a wider base of investors and partners committed to SMME empowerment. This includes capacitating **Sanlam** and other aligned partners to support investor outreach and distribution — particularly among funders seeking inclusive growth and access-to-opportunity solutions.

Strengthening Operations and Governance

Internally, 104⁺ will continue to **enhance operations and governance** to ensure consistency in business development, portfolio management, and reporting standards

Enhancing Measurement and Insight

A key focus will be refining **monitoring and evaluation (M&E)** systems to transition from quarterly to **bi-annual impact reporting**, improving data quality and strategic insight while streamlining performance tracking across mandates.

Positioning for Growth

These priorities will enable 104⁺ to enter **2026** with stronger operational foundations, expanded investor engagement, and deeper alignment with strategic partners — accelerating progress toward the long-term goal of mobilising **R1 billion for SMME empowerment by 2030.**

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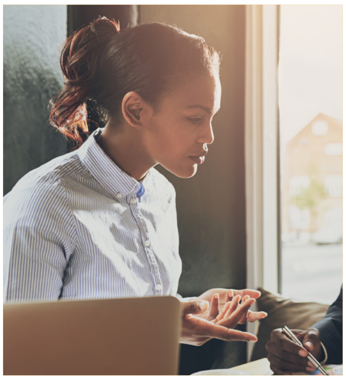
Thank you

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.



104+ SMME
Growth and Empowerment Solutions
seeded and supported by Sanlam group

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