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

Q1 Funder Report

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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

During Q1 2026, 104+ strengthened both its capital deployment and operational governance frameworks, positioning the platform for improved execution and scalability. Governance structures were refined to enhance decision-making efficiency, including streamlined Exco participation and clearer accountability across finance, implementation partners, and reporting functions.

Investment activity gained further momentum, supported by an expanding pipeline of high-impact opportunities across sectors such as energy, financial services, and agri-trading. Notably, the fund achieved its first successful exit from Wetility, returning R25 million plus interest, demonstrating early proof of concept for value creation and capital recycling within the portfolio.

At the same time, operational challenges within key programmes—particularly around payment flows in the SANParks SMME Fund—highlighted the importance of strengthening financial controls and partner alignment, which will be a priority heading into Q2.

Other updates

- Over the period of January 2026 – March 2026 fund raising from Santam concluded, adding R20 million to funds raised.
- In the 2025 financial year, investments increased by 47% (R48,3 million).
- In the 2025 financial year, EDDEVPOOL 1 received R14,5 million in funding.
- In the 2025 financial year, SDDEVPOOL 2 received R9,3 million in interest from investments.
- In the 2025 financial year, SDDEVPOOL 2 invested R69,95 million.
- In the 2025 financial year, SMEDEVPOOL 3 received R9,8 million in interest from investments.
- In the 2025 financial year, SMEDEVPOOL 3 invested R94,2 million.

Message from the Head of 104⁺

Q1 2026 reinforced both the urgency and opportunity within South Africa's SMME ecosystem. While constraints such as limited access to appropriate capital and operational inefficiencies persist, 104⁺ continues to demonstrate that partnership-driven, blended finance models can unlock meaningful impact.

During the quarter, the platform strengthened its governance, advanced a robust investment pipeline, and achieved its first successful exit, signalling growing maturity. Programmes such as the SANParks SMME Fund and the UWC CEI Fellowship further highlight the value of combining funding with targeted non-financial support to drive enterprise growth and job creation.

Our focus remains on disciplined capital deployment, strong partnerships, and measurable impact as we scale 104⁺ as a credible platform for catalytic capital.

Investment Updates

104⁺ continues to build a forward-looking investment pipeline focused on high-impact, sustainable sectors. During the quarter, the investment pipeline continued to expand with several high-potential opportunities under active consideration:

MUSTARD FINANCE GROUP

A black youth-owned agri-trading business with a projected deal size of R27 million.

HOME ASSIST

A 100% black-owned Santam supplier, currently under assessment with a focus on revenue concentration risk, although future volumes are expected to increase under revised procurement guidelines.

HUSTLE CAP

A black youth- and women-owned enterprise focused on purchase order funding and invoice discounting, with a R10 million deal under due diligence and targeted for Investment Committee consideration in April 2026.

In addition, existing portfolio companies continue to show positive momentum. iG3N has demonstrated improving liquidity, with cash balances stabilising between R500,000 and R600,000, and is progressing toward closing a significant project expected to materially enhance its growth trajectory.

Key Market Trends and Risk Assessment

The broader South African environment at the start of 2026, and into Q1, is slowly improving, suggesting a cautiously improved outlook[1].

- **Macroeconomic indicators:** National unemployment rates remain above 30%, with the latest estimates indicating 31.34% in early 2026. The youth unemployment rate is estimated to be approximately 45%. Compared to Q3 2025, inflation has eased from 5.4% to 3.6% currently, with inflation expected to slow from there[2]. Furthermore, loadshedding has eased, while fuel prices are highly volatile given global geopolitical conflicts and uncertainty.
- **SMME sector dynamics:** SMMEs continue to operate in a constrained environment characterised by persistently high input costs, weak consumer demand, and tight credit conditions. While inflation has begun to ease, interest rates remain elevated, limiting access to affordable financing. For early-stage and informal enterprises in particular, access to appropriately structured capital remains the primary constraint to growth. Operational inefficiencies across value chains, such as delayed payments and inconsistent procurement processes, are further placing pressure on cash flow and business sustainability.
- **Resilience and opportunity:** Despite these challenges, blended finance models and partnership-driven approaches are proving effective in mitigating risk and unlocking opportunity. Programmes such as the SANParks SMME Fund and the UWC CEI Fellowship demonstrate that when funding is combined with structured non-financial support, including mentorship, market access, and capacity building, SMMEs are better positioned to sustain operations, create jobs, and scale. Continued growth in participation and funding uptake across these programmes highlights sustained demand for integrated support solutions.

Looking ahead, easing inflation and a potential moderation in interest rates over the course of 2026 may support a gradual recovery in consumer confidence and business activity. However, structural constraints within the SMME ecosystem are expected to persist. Against this backdrop, 104+ will continue to prioritise partnership-led deployment, disciplined capital allocation, and measurable impact to strengthen resilience and unlock sustainable growth.

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.

Mandate	Amount	Number of SMMEs reached	SMME benefitting	SDGs
Empowerment mandate	R 78.4 M	4	wetility, CapitalLink, Mortgage Market, i-G3N	7, 11, 13
Growth mandate	R 78.6 M	5	LINEA, University Technology Fund, Brave Group, Shamrock Pies, PCB Power Transformers	7, 8, 9, 10, 11
Development mandate	R 45.7 M	233	University of the Western Cape, CEI, I Am An Entrepreneur, South African National Parks	1, 8, 10

Wetility Exit

During Q1 2026, 104⁺ achieved a significant milestone with the successful exit from Wetility, marking the fund's first realised investment. The transaction delivered a return of R25 million plus interest, demonstrating early validation of the fund's ability to generate both financial returns and developmental impact.

Wetility, operating in the distributed energy solutions space, has been a key example of how 104⁺ capital can support high-growth, impact-oriented businesses addressing critical infrastructure challenges in South Africa. Beyond financial performance, the investment contributed to expanding access to reliable energy solutions, while creating opportunities for partnerships within the broader Sanlam ecosystem.

This exit represents an important proof point for the 104⁺ model - showing that catalytic capital, when deployed effectively, can support enterprise growth, crowd in additional investment, and achieve successful realisations. It also strengthens the platform's position as a credible investment vehicle for institutional capital seeking both returns and measurable impact.

Development mandate

The developmental mandate remains focused on empowering SMMEs within the 104⁺ universe by providing essential skills and capabilities necessary for long-term business sustainability. Key activities for the current reporting period are outlined below:

1. UWC Fellows Programme

In partnership with the University of the Western Cape's Centre for Entrepreneurship and Innovation (CEI), 104⁺ continued to provide specialized entrepreneurial training to SMMEs. The programme actively supports 20 MSMEs and achieved several milestones in Q1:

- Market access: A participant was successfully appointed to the Department of Economic Development and Tourism service provider panel.
- High-level engagement: A participant exhibited at the State of the Nation Address (SONA), directly engaging with the Deputy President.

Participant training is on track for completion by 8 April 2026, with moderation following in May and graduation tentatively scheduled for June 2026. Next steps include recruitment for the 2026/2027 cohort which will take place during April and May, with the new cycle commencing in late May. This initiative continues to demonstrate how targeted mentorship and leadership development can bridge academic insight and enterprise growth, positioning SMMEs for long-term competitiveness.

2. SANParks SMME Development Programme

The SANParks SMME Fund, managed by I Am An Entrepreneur (IAAE) and consisting of Sanlam and 104⁺, is a flagship Development Mandate initiative which continues to provide financial and non-financial support to SMMEs operating in and around South Africa's national parks. The fund is currently seeing a significant increase in adoption and reach, with growing confidence among beneficiaries in the fund as a premier financing solution operating within the national parks' ecosystem. Furthermore, the programme continues to demonstrate strong reach and financial viability, as evidence by the following cumulative data:

Q1 2026

Total Disbursements	Total Profits Earned by SMMEs	Jobs Created Sustained	Women-Owned Businesses Supported	Youth-Owned Businesses Supported
R45,345,640.44	R22,543,096.53	419	73	80

Other data points:

- Highest individual loan: **R813,500.00**
- Smallest loan amount: **R3,116.96**
- Total number of applications approved and funded: **212**
- Fund size: **R10 million**
- Total outstanding amount: **R7,268,978.54** (36% of outstanding balance disbursed in March and 21% disbursed in February)
- Total interest saved by SMMEs: **R5,441,476.85**
- Onboarded parks: **21**

The programme currently includes 12 parks active on the fund, namely Addo, Camdeboo, Garden Route, Golden Gate, Knysna, Kruger, Mokala, Mount Zebra, Tsitsikamma, Table Mountain, West Coast, and Wilderness.

In Q1 2024, the fund deployed R1.8 million. This increased to R4.5 million in Q1 2025, and further to R9.6 million in Q1 2026. It is notable that a year-on-year comparison of Quarter 1 performance across 2024, 2025, and 2026 reflects a clear and consistent upward trajectory in both funding activity and SMME participation. Furthermore, since inception, the fund has more than doubled its activity year-on-year, with 2026 reflecting over five times the funding deployed in the initial year.

Next steps for the fund include prioritising structured non-financial support for funded SMMEs to ensure they build strong, sustainable businesses with sound reinvestment, governance, and operational capabilities to grow with or without the fund support.

The SANParks programme continues to stand 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.

Growth and Empowerment Mandates: Growth Support within the SMME Growth and Empowerment Solution

Growth Support has been introduced to strengthen the long-term sustainability, performance, and resilience of portfolio companies within the 104+ SMME Growth and Empowerment Solution. The initiative provides targeted assistance to portfolio companies where strategic, operational; governance, talent, or ecosystem support may unlock additional value. This includes facilitating opportunities for market access, strengthening governance practices, supporting organisational development, improving ESG and impact reporting, and connecting businesses with relevant expertise, partnerships, and opportunities across the broader Sanlam ecosystem.

Wetility

- **Market Access Support:** A connection has been established between Wetility and Santam to explore potential collaboration opportunities thereby strengthening Wetility's commercial positioning by leveraging Santam's distribution reach and strategic alignment within the Sanlam Ecosystem.
- **Talent and Capacity Development:** Engagement has been initiated between Wetility and CPUT with a focus on developing a pipeline of black female engineering talent through structured recruitment and mentorship initiatives.
- **ESG and Impact Reporting Support:** Sanlam Investments is supporting Wetility in its reporting journey and is now focusing on providing practical reporting toolkits and the introduction of a light management information cadence to support sustainable internal reporting.

Market access support

- **Brave Group:** A session was facilitated in which Brave Group demonstrated their Forge platform to selected stakeholders within the Sanlam ecosystem, enabling direct engagement to explore potential collaboration, pilot opportunities, and access-to-market pathways.
- **iG3N:** Efforts are underway to facilitate introductions between i3GN and other investee companies within the portfolio to explore potential commercial and market access opportunities.

Next quarter's priorities

- Finalise recruitment and onboarding of the 2026–2027 UWC cohort
- Strengthen investor readiness through updated fund collateral and institutional prospectus refinement
- Improve application quality via enhanced website filtering criteria

Thank You

Thank you for your continued support and commitment to advancing inclusive economic development in South Africa. The success of 104+'s mandates is only possible due to its partnerships with funders and investors who share their vision and passion for driving job creation, youth participation, and women's economic empowerment. Through your investment, high-potential SMMEs are empowered to access opportunities otherwise out of their reach. The impact reaches far more than provision of funds or assistance, with real impact made in the lives of South Africans, bringing us closer to an equitable and sustainable future.

Superscript references:

1. https://personal.nedbank.co.za/learn/blog/south-africas-economic-outlook-for-2026.html
2. https://www.resbank.co.za/en/home/publications/publication-detail-pages/statements/monetary-policy-statements/2026/january.

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