sa sme FUND

Integrated Report 2026





The SA SME Fund Limited Integrated Report 2026

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Chairman's report

for the year ended 28 February 2026



I am pleased to present the 2026 Annual Integrated Report and Financial Statements of The SA SME Fund Limited. This was the year in which conviction was matched by evidence: South African venture capital demonstrated a credible track record, our own capital began to return, and the Fund sharpened its focus on where it can make the greatest difference.

With Endeavor and SAVCA, we assembled the first systematic record of venture capital exits in South Africa: 226 exits dating back to 2009. The research shows an asset class behaving as it should. Most exits were profitable; losses occurred at the rate venture investors expect and, as is always the case, arrived earlier than the gains; and a small number of exceptional companies produced most of the value. Among managers who disclosed both invested and realised amounts, every rand returned R2.45 before fees. Although that figure is based on the disclosed subset, it sits within the ranges reported in the United States, the United Kingdom and Europe over the past decade.

I would not overstate what this proves. The data is self-reported, covers only investments that have reached an exit, and is measured before the costs investors bear. It is not a forecast. But it is the first real evidence we have had, and it changes the basis of the discussion: South African venture capital can now be assessed against an observed track record rather than assumption alone.

I have made this argument for most of my working life and I make it again here. We systematically underrate our own country and our potential. We hold a view of ourselves formed by our difficulties rather than our results, and because capital allocation is finally an expression of belief, that view becomes self-confirming. Institutional investors were not wrong to be cautious about an asset class with no visible track record. They were uninformed, as was everyone else. Two years ago the Consolidated Retirement Fund made the first pension fund commitment to South African venture capital, and the PIC and others followed. Those decisions were made on conviction, ahead of the evidence. The ones that follow can be made on the evidence itself. Closing a gap in information can release more capital than any single cheque.

What matters is that a fund capable of recycling capital ceases to be an act of corporate goodwill and becomes a permanent part of the country's financial architecture. That was always the ambition.

This year, the Fund completed the capital cycle for the first time: capital went out, businesses were built, capital returned and can now go out again. Around R175 million was returned from our debt investments, including the full repayment of senior capital in the SMME Crisis Partnership Fund, and the Fund returned to profit. These remain early amounts relative to what is still invested. What matters is that a fund capable of recycling capital ceases to be an act of corporate goodwill and becomes a permanent part of the country's financial architecture. That was always the ambition.

Last year I wrote that some of these investments would not succeed, and some did not. The structures we built with the Gauteng Provincial Government absorbed those losses as they were meant to, and senior capital came back. I do not regard that as a qualification to this year's results. It is the same result seen from the other end. A model that can carry failure is the only kind worth building at scale.

We have also decided to focus on what we've done exceptionally well. Breadth was right while we were learning where capital was scarcest and most productive. We have learned that and our future investments will concentrate on venture capital, from seed through the early growth rounds, where our presence has made the clearest difference and where the gap remains widest. We have committed R2.5 billion across 22 funds and are the largest institutional investor in this asset class in the country. We are now looking to scale this up.

An industry is not built from capital alone. It needs people who know how to do the work and standards everyone can rely on. We have placed twenty-two black associates with 17 venture capital fund managers, learning the business where it is actually practised, and the open-source legal documents we published with SAVCA, Endeavor and Dommisse Attorneys take cost and delay out of every fundraise that uses them. Institutions are built out of precisely this kind of work.

What comes next follows naturally. We intend to establish a new venture capital fund of funds targeting R1.5 billion to R2 billion, with the SA SME Fund as anchor investor. Our thesis at the outset was that high-growth entrepreneurs have a disproportionate effect on jobs and growth in a country that urgently needs both. A decade on, with the data finally in hand, I hold it more firmly than when we began.

I thank our shareholders and Board for their continued commitment, and congratulate Ketso Gordhan and his team. They have built something that will outlast all of us.

Sincerely,



Adrian Gore
Chairman

CEO's report

for the year ended 28 February 2026



1. OVERVIEW

I am pleased to present the Chief Executive Officer's report of the SA SME Fund Limited Group ("SA SME Fund", "the Group" or "the Fund") for the year ended 28 February 2026.

The year under review was characterised by a continued need to support the development of a sustainable and inclusive South African SME ecosystem, while operating against a challenging investment environment. For the SA SME Fund Group, this environment reinforced the importance of disciplined capital allocation, strong investment partnerships and a continued focus on building businesses and investment platforms capable of creating long-term economic value.

Since its establishment through the CEO Initiative, the SA SME Fund has sought to address one of the structural constraints facing South Africa's economy: the limited availability of appropriate growth and venture capital for high-potential small and medium-sized businesses. Our approach remains centred on partnering with experienced fund managers and investment intermediaries that can identify, finance and support entrepreneurs at different stages of their business development.

During the year, we continued to build on this mandate, with particular emphasis on investment deployment, portfolio support, mobilisation of additional capital and strengthening South Africa's venture and growth-capital ecosystem.

2. FINANCIAL PERFORMANCE

2.1 Income statement

The Group recorded a net profit for the year of R52.7 million, and operating profit before tax of R86.9 million (2025: net loss before tax of R29.0 million).

The improvement was driven primarily by higher unrealised fair value gains on the equity portfolio (R92.5 million, up from R20.9 million) and a substantially lower impairment charge on amortised-cost investments (R8.4 million versus R102.7 million in the prior year, when ProfitShare Partners and related debt exposures were heavily provided for). This was partly offset by lower interest income on amortised-cost investments as balances were repaid, and higher fund management fees as the SA SME Fund of VC Funds (FoVCF) and the High Impact Seed Fund of Funds (HISFoF) continued to deploy capital through their commitment periods.

Operating expenses rose from R51.4 million to R57.1 million, mainly reflecting higher investment-related costs and legal fees; management expects legal fees to remain ad hoc while fund management fees continue as a recurring cost. Management fees are paid to fund managers at rates between 2% per annum and 3.36% per annum. These fees form part of the capital commitments to the funds. Cumulatively, R210.7 million (2025: R163.9 million) of fund management and advisory fees have been expensed that are recoverable under the returns waterfall on the winding up of investee partnerships, subject to underlying fund performance.

2.2 Statement of financial position

Total assets grew 12.5% to R2.50 billion, driven by growth in unlisted investments at fair value (R1.335 billion, up from R1.027 billion) as more capital was deployed and portfolio valuations appreciated. Total equity increased to R1.73 billion (2025: R1.61 billion), with total assets exceeding total liabilities by R1.728 billion.

A further R115 million was received in the current year from the Department of Science, Technology and Innovation (DSTI) for deployment in the Black Investment Professionals Programme and the High Impact Seed Fund of Funds, as described above. This resulted in an increase in total Cash and cash equivalents which stood at R922.9 million at year end (2025: R828.0 million), as well as an increase in the corresponding grant income and interest expense on long term liabilities. The Group does not earn management fees or returns on the funds it manages and utilises the interest earned on excess cash to cover its operating costs. The Group continues to invest surplus cash conservatively in short-term money market instruments and notice deposits with primary banking institutions. Interest earned on funds received from the DSTI are not available to the Group to cover operating costs and are utilised in furtherance of the objectives of the grant funding.

3. INVESTMENT PORTFOLIO AND ACTIVITY

The Fund's investment strategy continues to encompass both growth capital and venture capital. Through these investment platforms, the SA SME Fund seeks to increase the flow of capital to South African businesses while supporting the development of a stronger local investment-management and SME ecosystem.

During the 2026 financial year, the Fund:

- made investment drawdowns of approximately R269 million;
- supported 28 investment funds/intermediaries;
- invested indirectly in approximately 350 SME and entrepreneurial businesses;
- facilitated or attracted approximately R10 billion of additional third-party capital; and
- received returns of R175 million from its debt investments

3.1 Growth pillar

The Group initially committed R510 million across seven Growth investments, including PAPE Fund 3 (R100m), SummerPlace Equity Fund I (R125m), ProfitShare Partners (R100m), Spartan SME Fund (R100m), Masisizane Franchise Fund I (R50m), A2Pay (R25m) and uMastandi Fund I (R10m). The uMastandi investment was repaid in full during the year.

In addition to the above, the Group committed R100 million to the SMME Crisis Partnership Fund, a debt fund created in partnership with the Gauteng Government and the IDC. The partnership reached its maturity date in June 2025 with all but 3 investments being repaid in full. The partnership is in the process of collecting the remaining outstanding balances and will be wound down and dissolved once this is complete. To date, R110 million has been returned to the Comany by the partnership.



3.2 Venture Capital pillar

The development of a sustainable venture capital industry remains an important part of our mandate.

During the year, the Fund continued to support investment managers investing in high-growth businesses, including businesses operating in technology and other innovation-led sectors.

In addition to the initial investment of R660m into 9 venture capital funds, the Group raised a further R1.3 billion for the SA SME Fund of VC Funds. At year end, the fund is 50% deployed with investments in an additional 7 venture capital fund managers and additional commitments to 2 managers that were previously invested in with the Company's initial capital.

The HISFoF was established in the prior year with a first loss commitment of R100 million from the DSTI. The DSTI has committed a further R150 million which is specifically earmarked for investment in climate-tech related funds. This was leveraged with a further R300 million of commitments from TIA, E-squared and Allan and Gill Gray Philanthropy Africa— taking total HISFoF commitments to R550 million. As at year end, HISFoF had committed R300 million across four fund managers and had disbursed R44.2 million.

During the year, portfolio funds invested R269 million into underlying portfolio companies (2025: R215 million), and a further R70 million was invested into the Group's own controlled funds (FoVCF and HISFoF) (2025: R50 million).

3.3 Debt recoveries and impairments

The Group commenced active collection of its debt-financing investments during the year. The R10 million investment in uMastandi was repaid in full, while the SMME Crisis Partnership Fund collected R133.7 million from intermediaries and repaid R200 million of capital to senior partners plus a partial R20 million return. ProfitShare Partners made partial payments of R40.8 million in interest and R34.8 million in capital against its total facilities of R140 million.

The Group recovered R28.4 million of previously provided Expected Credit Losses with investments held at amortised cost carrying a cumulative expected-credit-loss provision of R200.6 million at year end (2025: R220.6 million).

4. ECOSYSTEM IMPACT AND CAPACITY-BUILDING

Beyond direct investment returns, the Group continued to invest in building South Africa's venture capital ecosystem and talent base:

Black Investment Professionals Associate (BIP) Programme: funded by interest earned on investment received from the DSTI, together with an additional R40 million contributed by the DSTI in the current year, this programme places young Black professionals into VC funds and covers 75% of the salary cost for a period of three-years. At the date of this report, there are 22 professionals placed across 17 venture capital fund managers.

Standard-setting: partnered with SAVCA, Endeavour and Dommisse Attorneys to publish two sets of open-source, industry-standard VC legal documents — offshore IP-holding structures for SA tech companies raising international capital, and standardised Series A fundraising agreements.

Accelerator programmes: in November 2025, DSTI approved the Group's proposal to establish and manage two-year accelerator programmes in Biotechnology and Space Technology, funded from interest earned on DSTI's R255 million commitment to the SA SME Fund of VC Funds I Partnership.

5. OUTLOOK

The South African SME sector continues to face significant financing and structural constraints. At the same time, the opportunity to build globally competitive South African businesses remains substantial.

The Fund's priorities for the coming year will include:

- continuing to deploy capital into high-potential South African SMEs;
- supporting high-quality venture and growth-capital fund managers;
- mobilising additional capital;
- supporting innovation and technology-driven businesses; and
- maintaining a disciplined approach to portfolio construction, risk management and investment returns.

6. CONCLUSION

The year ended 28 February 2026 was another important year in the development of the SA SME Fund.

Our purpose remains clear: to contribute to a stronger South African economy by increasing the availability of appropriate capital to entrepreneurs and SMEs, while building a sustainable investment ecosystem capable of supporting businesses through their growth journey.

We recognise that the impact of our investments cannot be measured solely by the amount of capital deployed. It is reflected in the businesses that grow, the entrepreneurs who gain access to opportunity, the capital that is mobilised alongside our own, the jobs that are supported and the investment ecosystem that we help to build.

I would like to thank the Board for its continued guidance and oversight, our shareholders for their commitment to the Fund's mandate, our investment partners for their expertise and dedication, and the entrepreneurs and management teams within our portfolio for their resilience and ambition.

As we enter the next phase of the Fund's development, we remain committed to deploying capital with discipline, building enduring partnerships and contributing to an investment ecosystem that enables South African entrepreneurs to create sustainable businesses and long-term economic value.



Ketan Gordhan
CEO

Report of the **Nominations, Ethics, HR and Remuneration Committee**

for the year ended 28 February 2026





The SA SME Fund Nominations, Ethics, HR and Remuneration Committee (the Committee) is pleased to present its report for the year ended 28 February 2026. There have been no material changes to the SA SME Fund's remuneration policies and the implementation of these policies since the Committee presented its report for the 2025 financial year.

This report covers the composition and responsibilities of the Committee, stakeholder engagement, the Remuneration Policy, and the Remuneration Implementation Report. The Remuneration Policy and Remuneration Implementation Report will be voted on by shareholders by way of an ordinary resolution at the Annual General Meeting.

1. COMPOSITION AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is constituted as a committee of the Board and has been delegated responsibility for ensuring the fair and responsible remuneration of the Company's directors and senior executives, and for making recommendations on the Company's remuneration policies. The Committee is also responsible for Human Resources as well as governance of the Company's Ethics Policy and good corporate citizenship. The Committee is governed by terms of reference that set out its mandate and responsibilities. The Committee reports to the Board on a bi-annual basis.

At year end, the Committee comprised three independent non-executive directors, namely Dr YG Muthien (Chair), Mr A Gore and Dr L Klein. The Committee met three times during the year and approved the key performance indicators and remuneration and short term incentives for the investment team, the CFO and the CEO. The meetings were attended by all members of the Committee.

Ethical governance: The Committee assists the Board in implementing and monitoring the Company's Ethics Policy and compliance with relevant legislation and codes of good practice. In addition, the Committee advises the Board on good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination and the reduction of corruption.

Human Resources: The Committee provides guidance on the implementation of human resource policies and strategies aimed at creating and sustaining the technical, leadership and operational excellence required to support the Company's strategic objectives, and ensures the Company addresses employee retention and promotes a culture affording all employees development opportunities.

Remuneration: The Committee oversees the setting and implementation of remuneration policies for directors and senior management, ensuring these policies promote the achievement of strategic objectives within the Company's risk appetite. The Committee reviews and benchmarks the remuneration of executive directors and senior management and approves adjustments to annual remuneration packages, including base salaries and incentives. Non-executive directors do not receive any fees or remuneration for their services to the Company.

Nominations: The Committee reviews the composition of the Board of Directors annually to ensure the Board has a majority of non-executive directors and is balanced in terms of requisite expertise as well as diversity in terms of race, gender and age. A board evaluation is performed every two years and was completed during the financial year ended 28 February 2026. The Committee recommends nominees for election to the Board when a vacancy arises and reviews and reports to the Board on the adequacy of succession planning.

2. REMUNERATION POLICY

Introduction: The Company's remuneration philosophy is to attract and retain high-quality employees who believe in the Company's culture and values and are passionate about the Company's overriding ethos to make a difference to people's lives in South Africa. The Company strives to set employees' total remuneration packages at competitive levels by benchmarking salaries to the market and providing incentives for meeting agreed performance targets, while ensuring the sustainability of the Company. The Company adheres to the principle of fair remuneration for all staff, with equal pay for work of equal value across all roles.

Background: The SA SME Fund operates as a typical fund of funds in the private equity, private debt and venture capital industries. With R1.4 billion of initial capital subscriptions the Company is considered to be a large independent fund manager. A key metric in fund management is the management fee utilised by the fund manager to oversee the work of the fund over a typical 10-year period: 2 years for allocating capital, a further 4 years for the capital to be invested, and lastly 4 to 6 years to exit the investments and return the capital. The typical management fee in the private equity sector is 2% per annum of total assets under management, while in venture capital this can increase to 3% per annum.

The industry standard in the private equity and venture capital industries is for professionals to be compensated with a base salary and a bonus as short-term incentives, and a long-term incentive based on a share of the investment returns earned by the fund manager — usually 20% of returns once capital and a hurdle have been returned to shareholders. The SA SME Fund does not operate a long-term incentive scheme.

Components of remuneration: The Company has two components of remuneration: fixed remuneration and short-term incentives. The Company does not operate a long-term incentive plan. Fixed remuneration consists of monthly salaries on a cost-to-company (CTC) basis, giving employees flexibility to structure their benefits to meet individual needs. Short-term incentives are based on meeting agreed Key Performance Indicators.

Benchmarking: SA SME Fund salaries are benchmarked using industry data produced by the South African Venture Capital and Private Equity Association (SAVCA). The benchmark used to determine salaries is the 75th percentile of industry averages, which the Committee believes is appropriate to compensate individuals for the absence of a long-term incentive or share of carry.

Salaries and short-term incentives are approved by the Committee based on actual performance against performance targets. Short-term incentives are capped at a maximum of 75% of CTC.

The Committee reviewed the remuneration policy described above in light of standard industry practice and is satisfied that the policy is appropriate and fair.

There are no proposed changes to the Remuneration Policy for the coming year.

3. IMPLEMENTATION OF THE REMUNERATION POLICY

Details of the remuneration of executive directors for the financial year ended 28 February 2026 are set out in note 15 of the Annual Financial Statements on page 83 of this report. The non-executive directors do not receive any remuneration or fees for their services to the Company.

Total compensation costs (base salary plus short-term incentives) increased from R34.8m in FY2025 to R37.8m in FY2026 (8.6%). Inflationary increases of 3.8% were recommended by the Committee for the 2026 financial year. Short term incentives of 51% were awarded (2025: 51%)

The employee remuneration metrics presented below are prepared in accordance with Section 30B(3)(c) of the Companies Act 71 of 2008 (as amended).

	2026 R'000
Total remuneration of employees*	37,861
Highest paid employee remuneration	8,634
Lowest paid employee remuneration	139
Average total remuneration	4,207
Median total remuneration	5,491
Ratio of highest 5% to lowest 5%	6195%

*Data includes all permanent employees at 28 February 2026. Part-time and partial-year remuneration has been annualised to a full time basis. The Company had 9 permanent employees at 28 February 2026.

4. SHAREHOLDER ENGAGEMENT

The result of the 2024 AGM advisory votes are as follows:

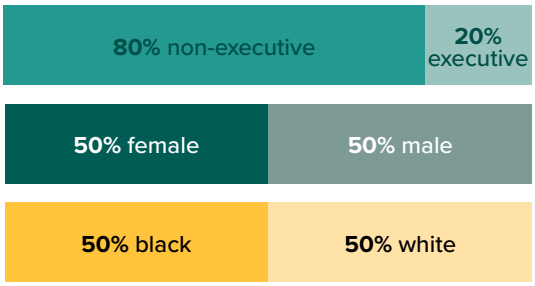
Resolution	For	Against	Abstain
Remuneration policy	100%	0%	0%
Implementation Report	100%	0%	0%

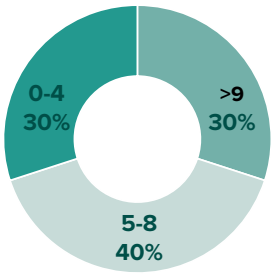
As the 2025 AGM is being held immediately before the meeting at which this report will be presented, the results of the Ordinary resolutions to approve the Remuneration Policy and Remuneration Implementation Report will be announced at the meeting.

5. DIRECTORS RETIRING BY ROTATION

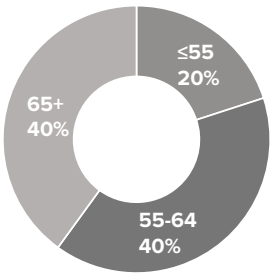
The Committee reviews the composition of the Board annually to ensure the Board has a majority of non-executive directors and is balanced in terms of requisite expertise and experience, as well as diversity in terms of race, gender and age. The Board has approved a board tenure limit of nine years, with a maximum extension of a further three years, subject to an independence evaluation being conducted.

The composition of the Board at the date of this report is as follows:





Board tenure (years)



Age of directors

In terms of the MOI of the Company, one-third of the non-executive directors are required to retire at each Annual General Meeting. The Committee has considered the knowledge, skills and performance of the directors retiring by rotation, together with the composition of the Board in terms of age, culture, race and gender, and — taking into account the directors' contributions and expertise — recommends that the eligible directors be proposed for re-election.

The Board conducted an independence assessment of the directors with tenure over nine years, Adrian Gore, Nigel Payne and Judy Dlamini and concluded that they continue to exercise objective judgement and that there are no interests, positions, associations or relationships likely to unduly influence or cause bias in decision-making. The Chairperson and long-tenure directors remain independent in terms of the King IV™ definition.

Mr Nigel Payne will be retiring as a director at the end of the meeting at which this report is presented. I would like to thank him for his unwavering commitment to the Company and especially his contribution and guidance as Chair of the Valuations, Audit and Risk Committee. His contributions have been invaluable.



YG Muthien
Chairperson

IMPACT REPORT

for the year ended 28 February 2026

The SA SME Fund was established by 50 of South Africa's largest corporates and the PIC to address some of the most pressing challenges facing South Africa's economic growth.

The fund nurtures South Africa's vast entrepreneurial spirit by providing much-needed capital to venture capital and growth-orientated funds that invest directly in small and medium enterprises with the best potential for growth and sustainable employment creation in the South African economy.

By supporting initiatives that improve and enhance the SME investment ecosystem, the SA SME Fund smoothes access to capital and business support.

The Fund's investment strategy continues to encompass both growth capital and venture capital. Through these investment platforms, the SA SME Fund seeks to increase the flow of capital to South African businesses while supporting the development of a stronger local investment-management and SME ecosystem.

IMPACT REPORT

for the year ended 28 February 2026

Our Impact Goals

IMPACT GOAL 1:
Leverage additional capital for early stage businesses

IMPACT GOAL 2:
Catalyse investment into the Venture Capital asset class

IMPACT GOAL 3:
Commercialise and showcase South Africa's intellectual property

IMPACT GOAL 4:
Build the narrative of business as a national asset

IMPACT GOAL 5:
Create and incubate new fund managers

IMPACT GOAL 6:
Create and fund hundreds of new businesses

IMPACT GOAL 7:
Transformation

The SA SME Fund *Journey*

2026

- R220m returned to senior investors in the SMME Crisis Partnership Fund
- Over R1bn committed by the FoVCF to 9 VC fund managers
- Total drawdowns from investors in the FoVCF of R468.5m (36%) with R461m being invested in portfolio funds
- An additional R250m raised for the High Impact Seed Fund of Funds
- First commitments made by the HISFoF with R300m committed to four fund managers
- 22 investment professionals funded through the Black Investment Professionals Programme
- Group partners with Domisse Attornyes, SAVCA and Endeavor, to sponsor two sets of industry documents to ease barriers for SMEs: industry standard legal agreements for fundraising for start ups and IP strategy documents for SA startups seeking to raise offshore investment.
- Two accelerator programmes established with the support of the DSTI, to identify and accelerate innovative start-ups in the Space and Bio-tech sectors

R2,810m
committed

- **R510m** 7 debt and equity funds
- **R660m** 9 venture capital funds
- **R300m** 4 intermediaries through the High Impact Seed Fund of Funds
- **R295m** 7 intermediaries through the SMME Crisis Partnership Fund — R220m returned to senior investors
- **R1.045bn** 9 venture capital funds through Fund of VC Funds

2025

- Fund of VC Funds: reached final close in December 2024 with a commitment of R500m received from the PIC, taking total commitments to R1,295m.
- R800m committed by the FoVCF at year end
- R300m raised for a High Impact Seed Fund of Funds, with first loss facility of R100m provided by DSTI
- R60m committed by the High Impact Seed Fund of Funds at year end
- First exits recorded by funds invested in by the Company
- Black Investment Professional Programme commences with R60m of DSTI funding

R2,265m
committed

- **R510m** 7 debt and equity funds
- **R660m** 9 venture capital funds
- **R800m** 8 venture capital funds through Fund of VC Funds
- **R295m** 7 intermediaries through the SMME Crisis Partnership Fund

2024

- Fund of VC Funds: An additional commitment of R100m added after first close of R695m
- The Department of Science,Technology and Innovation (DSI) commits additional to R150m to Fund of VC Funds
- First pension fund investment into venture capital in SA (R250m committed to Fund of VC Funds by Consolidated Retirement Fund)

R1,840m
committed

- **R510m** 7 debt and equity funds
- **R660m** 9 venture capital funds
- **R375m** 4 venture capital funds through Fund of VC Funds
- **R295m** 7 intermediaries through the SMME Crisis Partnership Fund

2023

- Launched SMME Crisis Partnership Fund in partnership with provincial government and the IDC. R100m of first loss capital provided by the Gauteng Provincial Government
- USD2m of first loss funding provided by USAID for investment in the SA SME Fund of VC Funds
- R105m raised from the DSI for investment in the Fund of VC Funds
- Additional investment in the township economy with capital committed to uMastandi for back-room housing development

R1,400m
committed

- **R660m** 9 venture capital funds
- **R510m** 7 debt and equity funds
- **R230m** 5 intermediaries through the SMME Crisis Partnership Fund

2022

- Anchor investor in Grindstone Ventures Fund I
- Extends its support of the Endeavor Local Scale Up Programme
- Partnership with SAVCA extended with second First Time Fund Managers Development Programme launched, focusing on VC fund managers

R1,170m
committed

- **R510m** 7 debt and equity funds
- **R615m** 5 venture capital funds
- **R45m** incubation facilities and seed/pre-seed funding

2021

- Invests in a further two, first-time black fund managers
- R25m raised from the DSI for investment in portfolio companies
- The Company partners with Endeavor to support their Local Scale-Up Programme for a period of three years

R1,130m
committed

- **R500m** 5 debt and equity funds
- **R590m** 5 venture capital funds
- **R40m** incubation facilities and seed/pre-seed funding

2020

- Invests in a further two first-time fund managers
- Anchor investor in Africa's first University Technology Fund to commercialise university intellectual property
- Pilot funding to spaza shop owners
- Grindstone partnership extended for 3 years
- Partners with SAVCA to develop and support the First Time Fund Managers Development Programme

R870m
committed

- **R380m** 5 SME debt and equity funds
- **R455m** 5 venture capital funds
- **R35m** incubation facilities and seed/pre-seed funding

2019

Invests in two first-time fund managers, CEO Circle launches and partnership with Grindstone Accelerator

R355m
committed

- **R225m** 2 growth equity funds
- **R120m** 2 venture capital funds
- **R10m** incubation facility

2017 – 2018

R1.4bn
committed by Corporate South Africa, the UIF, Compensation Fund and the PIC

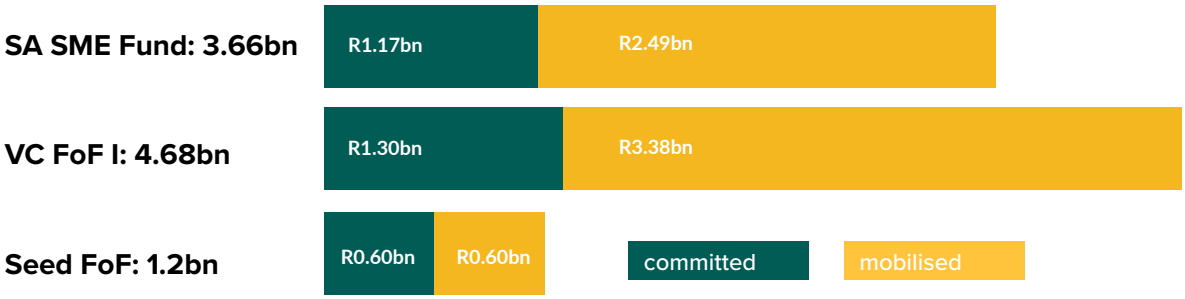
2016

Corporate South Africa unites behind a resolution to stimulate entrepreneurship and economic growth

IMPACT GOAL 1

Leverage additional capital for early stage businesses

Our network of investors means we can raise additional funds for investment in the SME sector. Almost R10 billion has been leveraged to support early-stage ventures.



As an anchor investor in funds with game-changing mandates, the Company de-risks investments for third-party investors. An additional R2.49bn of capital was raised by the original SA SME Fund portfolio.

The Group uses a blended finance model that raises capital from government-related parties, much of which is first-loss capital, to de-risk private-sector funds.

science, technology & innovation
Department: Science, Technology and Innovation
REPUBLIC OF SOUTH AFRICA

100 million for High Impact Seed Fund of Funds

100 million for SMME Crisis Partnership Fund

R30 million for the FoVCF

USAID FROM THE AMERICAN PEOPLE

R230m of first-loss capital raised: R30m from USAID for the FoVCF, R100m from the Gauteng Provincial Government for the SMME Crisis Partnership Fund and R100m from the DSTI for investment in the High Impact Seed Fund of Funds.

IMPACT GOAL 2

Catalyse investment into the Venture Capital asset class

Venture Capital drives innovation and the digital economy. It also stimulates economic gains and supports the growth of SMEs in the real economy.

Venture Capital investing creates new jobs by providing risk capital to high-potential organisations and plays a vital role in solving local problems and enhancing global competitiveness. The SA SME Fund is the anchor investor for four innovative VC funds. As these fund managers raise second and third funds, they will contribute to the maturity of the VC ecosystem. The Fund is the initial primary sponsor of the annual VC conference and is the primary sponsor of VC industry reports and updates.

R1,245 million raised from institutions for investment into VC via the FoVCF

First pension fund investment into VC via the FoVCF

R550 million raised for High Impact Seed Fund of Funds

17 venture capital fund managers

22 venture capital funds

supported via the SA SME Fund, FoVCF and HISFoF

Venture Capital's Advantage

No revenue required: Banks lend against assets and cash flow; VC backs a team, a vision, a growing market.

Patient capital: 10-year fund cycles – the time horizon innovation actually needs to compound.

Beyond capital: Networks, expertise, credibility that open doors no loan ever could.

Tomorrow's employers: VC-backed companies scale offshore, earn hard currency, and seed the next generation.

Venture Capital investment in South Africa increased 12-fold between 2014 and 2024





IMPACT GOAL 3

Commercialise and showcase South Africa's intellectual property

Investment and exposure for local innovations and inventors.

Anchor investor in:

University Technology Fund: First in Africa to focus on commercialising intellectual property from universities. Based on the model developed by Oxford and Cambridge universities

OneBio Seed Investment Fund: Only biotech seed investor in Africa

Savant Venture Fund I: Hardware and engineering-focused early-stage VC fund focusing on investing and partnering with highly skilled science and technology inventors

OneBio Seed Investment Fund and Savant Venture Fund I are raising second funds while the University Technology Fund (UTF) is raising a second VC fund and a seed fund.

IMPACT GOAL 4

Build the narrative of business as a national asset

A public–private mandate to build an industry.

Our success is testament to the contribution of business – our significant shareholder base in particular – to economic growth and inclusion, new investment and transformation. Through the SA SME Fund, corporate South Africa has funded hundreds of start-ups and SMEs and continues to do so through SA SME Fund contributions to the SMME Crisis Partnership Fund and the SA SME Fund of VC Funds.

Shareholder capital has contributed to two significant initiatives:



BUILDING THE ECOSYSTEM

Entrepreneurs & Capital

Scale new businesses across South Africa

Commercialise the country's intellectual property

Deploy capital where traditional finance won't reach



BUILDING THE INDUSTRY

Talent & Markets

Catalyse VC as a viable asset class

Develop first-time Black fund managers

Build business as a national asset

IMPACT GOAL 5

Create and incubate new fund managers

The SA SME Fund has provided support to a number of first-time fund managers.

The SA SME Fund partnered with FNB, TIA and SAVCA to launch South Africa's first Fund Manager Development Programme.Two programmes were run, the second one focussing specifically on Venture Capital Fund Managers with the aim of growing and transforming the VC fund manager landscape and attracting more capital into the VC industry.



19 **Black-owned and -managed fund managers completed the programme**



R1.5 bn

capital commitments raised by fund managers in the 15 months subsequent to completion of the programme

The SA SME Fund has supported a number of black-owned SME debt intermediaries to enable them to grow their businesses, providing innovative finance to other SMEs.

R20m of interest earned on DSTI cash, and an additional R40m from the DSTI was used to fund the Black Investment Professionals Programme which places young Black professionals into venture capital funds and covers 75% of the cost to company.

As at year end, 22 investment professionals have been placed at 14 fund managers.



22

investment professionals placed at



14

fund managers

IMPACT GOAL 6

Create and fund hundreds of new businesses

High impact entrepreneurs deliver economic growth and job creation.

The SA SME Fund has partnered with Grindstone Ventures and Endeavor to support scaling of high-growth SMEs. Between them they have supported more than 130 SMEs; 96% of these companies are operational and many have raised third-party capital.

GRINDSTONE ACCELERATOR

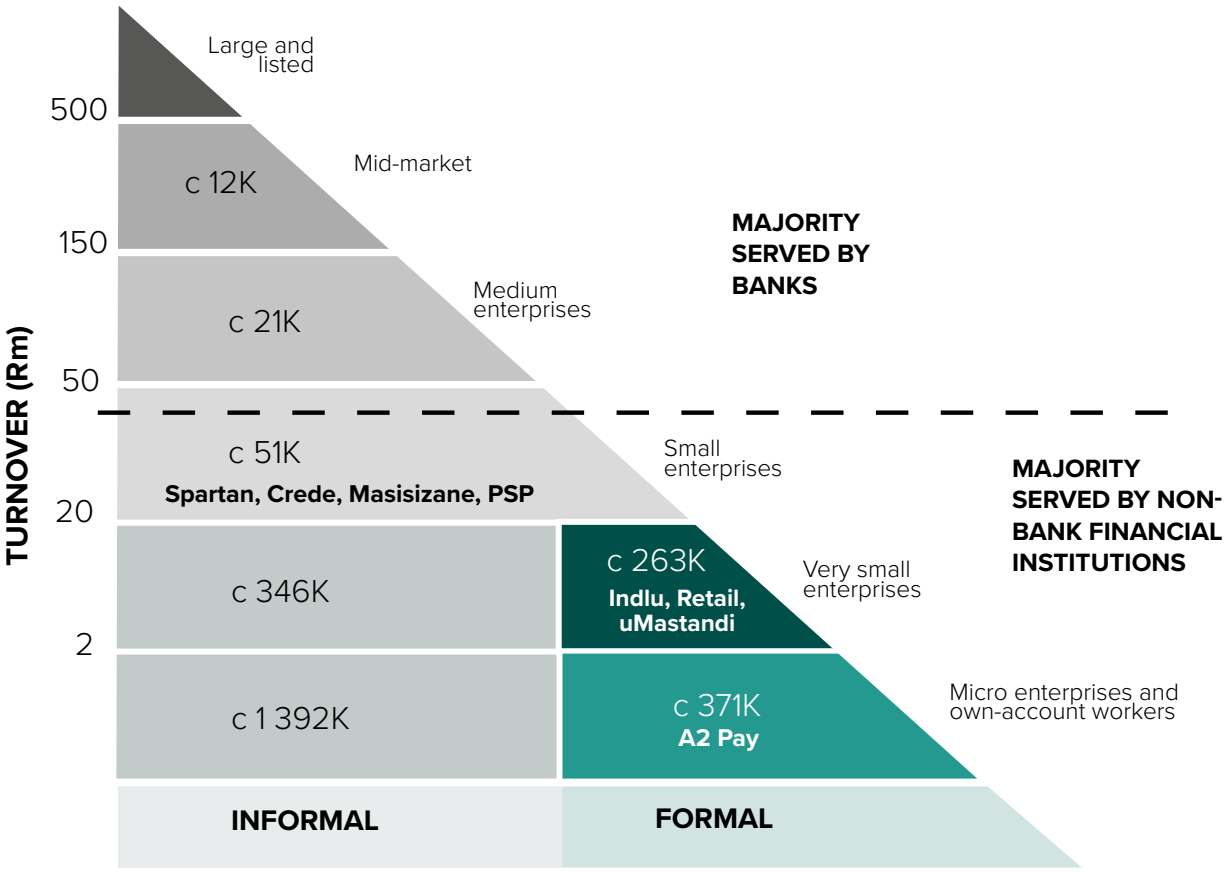
Funding raised **R2.2 bn**	**177** Still trading (96.8%)	**405** jobs created	**8** successful exits

ENDEAVOR SCALE-UP

~180 businesses supported	**R2.4bn** annual revenue	**92%** still operating	**2 045** FTE jobs

PROMOTING GROWTH OF SMEs

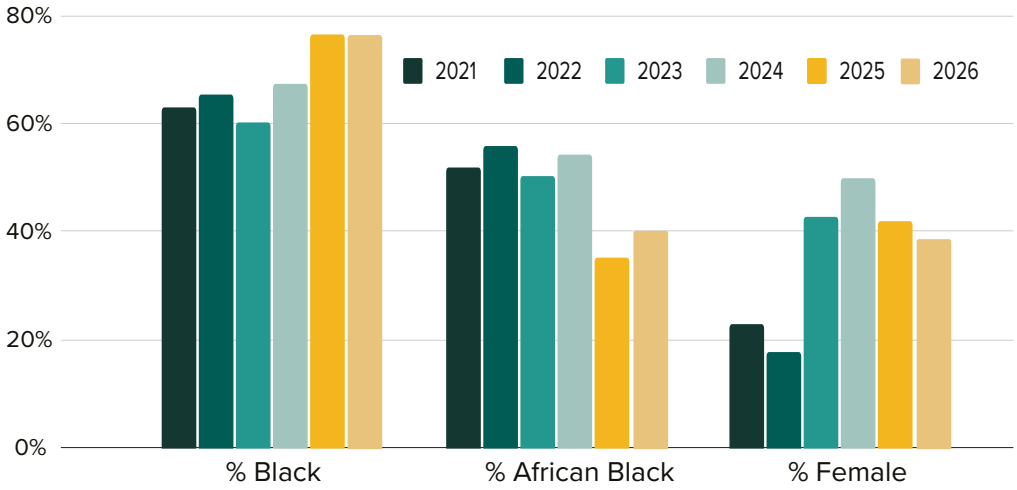
The SA SME Fund has partnered with a number of non-bank lenders to provide funding to SMEs for working capital, short term loans, specialised asset finance, project financing and expansion.



IMPACT GOAL 7

Transformation

One of the key mandates of the Company is transformation, with a target of at least 50% of investable capital being invested in Black African owned businesses and a further 25% of investable capital being allocated to businesses with majority broad black ownership.



SA SME Fund Portfolio Ownership Analysis March 2021 - March 2026

The graph shows what percentage of the Fund is invested into companies that are majority owned by each group. Minority holdings are not recognised. For example, a company that is 40% black owned is not accounted for in the statistics represented in the graph.

Eight years of nation-building

OUR AGGREGATED IMPACT

JOBS AND ENTREPRENEURSHIP

350
companies supported

2,045
jobs sustained
(FTE 2025)

INTERNATIONALISATION

25+
countries SA IP deployed

4
continents
reached

CAPITAL MOBILISED

R10bn
total ecosystem capital

14
first-time managers

Our Impact

Our portfolio companies align strongly with the Sustainable Development Goals



Happy Pay
onafriq
entersekt

Financial inclusion through access to affordable finance



Goedetrou

Production and storage of **clean renewable energy** to mitigate climate change



Khula Nathi Financial Services
TymeBank

Affordable loans to informal sector businesses to enable them to compete



LifeQ
HYRAX BIOSCIENCES

Technologies to **improve human diagnostics** and drive down costs



42

Grow businesses and enhance employment by supporting SMEs across markets



dataprophet
machine learning specialists
spatialedge

Use **artificial intelligence** to reduce waste and enhance production efficiencies



d6 education
Snapplify.com EDUCATION

Enable access to **quality education**



CUBESPACE
SIMERA SENSE

Improve access to goods and services in remote areas with **innovative infrastructure solutions**



ASPIRE FOOD GROUP
immobazyme

Produce food sustainably by developing bio-based ingredients

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

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GENERAL INFORMATION

Country of incorporation and domicile:	Republic of South Africa
Company registration number:	2016/238385/06
Nature of business and principal activities:	Investment company
Registered office:	1 Discovery Place, Sandton, 2196
Postal address:	P.O. Box 786722, Sandton, 2146
Non-executive directors:	A Gore J Bosini - Appointed 01 February 2026 F Chothia NJ Dlamini LM Klein C Kula - Resigned 27 February 2026 P Mahanyele-Dabengwa YG Muthien NG Payne
Executive directors:	KM Gordhan CT Winter CA(SA)
Secretary:	LP Mashaba CA(SA)
Auditors:	Deloitte & Touche
Preparer:	LP Mashaba CA(SA)
Reviewer:	CT Winter CA(SA)
Issue date:	10 July 2026

DIRECTORS' RESPONSIBILITY STATEMENT

for the year ended 28 February 2026

The Directors' responsibility to the shareholders of The SA SME Fund Limited and its subsidiaries (The SA SME Fund or the Group)

The directors of The SA SME Fund are responsible for the preparation and fair presentation of the financial statements. These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 71 of 2008. In discharging this responsibility, the directors rely on management to prepare the financial statements in accordance with IFRS® Accounting Standards and for keeping adequate accounting records in accordance with the Group's system of internal control. The financial statements for the year ended 28 February 2026 were prepared by LP Mashaba and reviewed by CT Winter.

In preparing the financial statements, suitable accounting policies in accordance with IFRS® Accounting Standards have been applied, and reasonable judgements and estimates have been made by management. The financial statements incorporate full and responsible disclosure in accordance with the Group's philosophy on corporate governance.

The directors are responsible for the Group's system of internal control. To enable the directors to meet these responsibilities, the directors set the standards for internal control to reduce the risk of error or loss in a cost-effective manner. The standards include the appropriate delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group.

Based on the information and explanations given by management, nothing has come to the attention of the directors to indicate that the internal controls are inadequate and that the financial records may not be relied on in preparing the financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and maintaining accountability for the Group's assets and liabilities. Nothing has come to the attention of the directors to indicate any breakdown in the functioning of internal controls and resulting in a material loss to the Group, during the year ended 28 February 2026 and up to the date of this report. Based on the effective internal controls implemented by management, the directors are satisfied that the financial statements fairly present the state of affairs of the Group at the end of the year ended 28 February 2026, and the net profit and cash flows for the year ended 28 February 2026.

The financial statements have been prepared on a going concern basis. The directors have no reason to believe that The SA SME Fund Group will not be a going concern in the year ahead.

It is the responsibility of the Group's independent external auditor, Deloitte & Touche, to report on the fair presentation of the financial statements. These financial statements have been audited in terms of Section 29(1) of the Companies Act 71 of 2008. Their report appears on pages 41 to 43.

The financial statements of the Group, which appear on pages 44 to 89, were approved by the Board of Directors on 10 July 2026 and are signed on its behalf by:



A Gore
Chairperson



KM Gordhan
CEO

COMPANY SECRETARY'S CERTIFICATE

for the year ended 28 February 2026

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act 71 of 2008

I declare that to the best of my knowledge, the Company has lodged with the Commissioner of the Companies and Intellectual Property Commission, all such returns and notices as required of a public company in terms of the Companies Act and that all returns and notices are true, correct and up to date.



LP Mashaba
Company Secretary
10 July 2026

REPORT OF THE VALUATIONS, AUDIT AND RISK COMMITTEE

for the year ended 28 February 2026

We are pleased to present our report for the year ended 28 February 2026. This report is made pursuant to the requirements of Section 94(7)(f) of the Companies Act (71 of 2008, as amended) of South Africa.

Composition of the Committee

The Valuations, Audit and Risk Committee (the Committee) is an independent statutory committee and consists of three independent non-executive directors with sufficient expertise to enable the Committee to discharge its statutory and appointed duties.

Its members during the year under review comprised the Chairperson, Mr NG Payne, Mr F Chothia, Mr C Kula and Dr YG Muthien. The Chairperson of the Committee attends the Annual General Meeting. Mr C Kula resigned in February 2026 from the Committee.

The Committee meets at least twice a year and, with the approval of the Chairperson, at the request of the Chief Executive Officer (CEO), or the Chief Financial Officer (CFO), or other members of senior management or the external auditors, may hold additional meetings. Comprehensive minutes of the meetings are kept. The CEO, CFO and Finance Manager attend the meetings by invitation. The Committee may invite, at its discretion, representatives from the external auditor, other assurance providers, professional advisors and Board members.

The Group's independent external auditors have unrestricted access to the Committee and its Chairperson. During the year under review, four meetings were held.

Roles and responsibilities

The Committee's roles and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board and as documented in the Committee's terms of reference, which is updated periodically and approved by the Board.

The Committee is satisfied that it has fulfilled all its duties during the financial year under review as further detailed below.

Compliance with statutory duties

In the execution of its statutory duties, during the period under review, the Committee:

- Satisfied itself that Deloitte & Touche is independent of the Group.
- Agreed the terms of engagement of the external auditor.
- Ensured that the appointment of the auditor complies with the Companies Act.
- Noted that it had not received any complaints, either from within or outside the Group, relating to the accounting practices, the content or audit of the Group's financial statements or any other related matter.

Risk management and oversight

The Committee assists the Board to ensure a coordinated approach is applied to provide assurance on the recognition and management of significant risks facing the Group. The Committee is responsible for the development and review of a risk management framework to ensure that the significant risks facing the Group have been identified and can be properly managed and monitored, and that the disclosure and reporting of risk is complete, timely and relevant. The Committee reviewed the risk management framework and is satisfied that the significant risks facing the Group have been identified and are being managed effectively.

Review of valuations

The Committee is responsible for reviewing the Group's valuation policy and methodology as well as considering the valuations of the Group's investments in the financial statements.

The Group's investments mainly comprise of drawn commitments into Funds and Section 12J Venture Capital Companies (VCCs), which in turn invest in portfolio companies in which the Group has an indirect interest. The General Partners of these Funds provide quarterly net asset value (NAV) statements based on the Fund Managers' valuations which the directors of the Group use to determine the fair value of a Fund. The Fund Managers' valuations are audited annually by the Funds' auditors. The Fund Manager of each Fund determines the individual fair value of each portfolio company and the Fund's NAV at the end of each quarter. These annual valuations are approved by the Funds' Advisory Boards, Investment Committees or Board of Directors. The Group's portfolio manager represents the Group on each Advisory Board that reviews the valuations prepared by the Fund Managers. The policy of the Fund Managers is to determine the fair value of the portfolio companies in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines.

The Committee reviewed the valuation methodology applied by management in determining the fair value of investments. The Committee noted that the Company operates as a fund-of-funds investor and therefore derives the majority of its valuations from underlying portfolio funds that invest across a range of sectors, stages of development and geographies. As a result, multiple valuation methodologies are applied across the underlying portfolio depending on the nature and maturity of the investments concerned.

The Committee further noted that the valuation process incorporates multiple layers of oversight, including fund manager valuations, external audits of portfolio funds, Advisory Board reviews, management challenge processes and Committee oversight. The Committee was satisfied that the valuation governance framework remains robust and appropriate and provides reasonable assurance regarding the fair value of the Company's investments.

The Committee acknowledged the limitations of applying standard sensitivity analysis disclosures to a highly diversified fund-of-funds structure and believes that the accompanying narrative disclosures provide important context for understanding the valuation process and the judgements applied by management.

The Committee is satisfied that the valuation policy and methodology are based on the IPEV guidelines, which set out recommended practice for fair valuing unquoted investments within the IFRS® Accounting Standards framework. The Committee reviewed the valuations of the Group's investments in the financial statements and is satisfied that they meet the requirements of IFRS® and IPEV. The Committee recommended the valuations to the Board of Directors for approval.

Review of the finance function

The Committee has considered and has satisfied itself of the appropriateness and experience of the CFO, Caryn Winter. The Committee has furthermore considered and satisfied itself of the appropriateness of the expertise and adequacy of the resources of the Company's finance function. Discovery Limited has continued to assist with certain aspects of financial administration in order to maintain effective financial control as a result of the constraints due to the size of the Company's finance function.

Compliance

The Committee is responsible for reviewing the system for monitoring compliance with applicable laws and regulations and obtaining updates from management regarding any instances of non-compliance.

The Committee is satisfied that there has been no material non-compliance with laws or regulations.

External audit

The Group's external auditor attend all the Valuations, Audit and Risk Committee meetings and the Annual General Meeting of shareholders and have direct access to the Chairperson of the Committee. The Committee agreed the nature and scope of the audit with the external auditor prior to commencement of the audit to ensure that it addressed the critical risk areas of the Company. The Valuations, Audit and Risk Committee considered the external auditors' report to the Committee and the matters reported and is satisfied with the resolution of these matters.

Integrated reporting and the financial statements

The Committee has reviewed the financial statements of the Group and is satisfied that they comply with IFRS® Accounting Standards and the requirements of the Companies Act, and that the accounting policies used are appropriate.

The Committee has also reviewed a documented assessment by management of the going concern premise of the Group as well as the Directors' report and additional information to be included in the Integrated Report of the Group. The Committee note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms as described more fully in the Directors' report and Note 19 to the financial statements.

The Committee recommended the approval of the financial statements to the Board.

On behalf of the Valuations, Audit and Risk Committee:



NG Payne

Chairperson

DIRECTORS' REPORT
for the year ended 28 February 2026

The directors submit their report on the consolidated financial statements of The SA SME Fund and its subsidiaries for the year ended 28 February 2026.

Incorporation
The Company was incorporated on 7 June 2016 and obtained its certificate to commence business on the same day.

Nature of business
The SA SME Fund was established as part of the CEO Initiative in conjunction with National Treasury and Corporate South Africa. The Group's objective is to invest in high-potential entrepreneurial enterprises in the Small Medium Enterprises (SME) sector and to provide business and other forms of support to the SME sector and entrepreneurs funded by the Company.

Review of results
The Group's portfolio funds continued to pursue attractive investment opportunities during the year, with most of the Company's initial investments having reached the end of their commitment periods by year end. Investments totalling R269 million were made during the year by portfolio funds (2025: R215 million). A further R70 million was invested in funds controlled by the Group (2025: R50 million), namely the SA SME Fund of VC Funds (FoVCF) and the High Impact Seed Fund of Funds (HISFoF). The majority of the portfolio companies continue to achieve their pre-investment targets.

The Group commenced collection of its debt financing investments, with the investment of R10 million in uMastandi being repaid in full and the SMME Crisis Partnership Fund repaying the capital invested by senior partners of R200 million as well as a partial return to the senior partners of R20 million. ProfitShare Partners, while not in a position to repay the facilities of R115 million in full or redeem the preference shares of R25 million, did make partial payments of R40.8 million in interest and R34.8 million in capital in respect of the loan facility provided.

The Group has maintained significant cash balances (30 June 2026: R973 million) and has continued to benefit from reasonably favourable interest rates.

Investment overview
The Group's initial investable capital of R1.24 billion was fully committed to 16 equity and debt partners over a four-year period between 2019 and 2023. The Venture Capital and Private Equity investee funds typically have a ten-year life, with a five year commitment period, a three to four year holding period during which the portfolio companies are managed for growth and exit readiness and a final period during which the fund managers will exit the investments and start to return capital to investors. The debt facilities provided had terms of between five and eight years. The return of the invested capital by portfolio funds is expected to commence over the next 3 years, as the debt facilities mature and the funds start to exit their investments, thereby creating an opportunity for the Company to redeploy the cash generated into new growth ventures.

The Group focused its investments into two core pillars, namely Growth and Venture Capital.

Growth

As at the balance sheet date, the Group has committed R610 million to eight investments falling within the Growthpillar of the mandate. These investments include R100 million committed to PAPE Fund 3 (PAPE), R125 million committed to SummerPlace Equity Fund 1 (SummerPlace), R100 million to PSP, R100 million to Spartan SME Fund, R50 million to Masisizane Franchise Fund I (Masisizane), R25 million to A2Pay, R10 million to uMastandi Fund I, and R100 million to the SMME Crisis Partnership Fund. To date R110 million of the invested committed capital has been received as a return of capital and R500 million of the remaining committed capital remains invested.

Venture Capital

The Group has committed R1.02 billion to investments in the Venture Capital pillar of the mandate as at 28 February 2026.

In addition, The Group has secured the most significant institutional funding into Venture Capital within South Africa through the FoVCF Partnership which achieved final close with commitments of R1.295 billion. To date R468.5 million of the committed capital has been invested.

In the prior year, the Group established the High Impact Seed Fund of Funds I (HISFoF) Partnership, an en commandite Partnership aimed at providing critical early-stage capital to startup venture capital companies. The HISFoF Partnership was established to fund approximately 50 technology-driven startup companies through experienced fund managers with a focus on innovation and transformation in South Africa. The HISFoF addresses a critical gap in South Africa's venture capital ecosystem, where later-stage investments, such as Series A and Series B, have historically attracted more funding.

In the current year, the Department of Science, Technology and Innovation (DSTI) committed R150 million to the HISFoF, specifically for investment in Climate-tech related investments. The commitment is payable in two tranches, an initial tranche of R75 million which was received during the current year, with the remaining R75 million expected to be received in the subsequent financial year. The Group has leveraged the DSTI commitment with a R100 million commitment from Allan and Gill Gray Philanthropy Africa, increasing the total commitments to the High Impact Seed Fund of Funds to R550 million.

As at 28 February 2026, the HISFoF has committed a total of R300 million to four fund managers, namely OneBio Seed Investment Fund I, University Technology Seed (A) Partnership, Mamor Capital Ventures Fund I and AIONS Seed Fund I, and has disbursed a total of R44.2 million (2025: R0) to the respective Funds.

The Group has reviewed its impact ability to leverage additional capital across the growth and venture capital pillars and has decided to concentrate on building the venture capital ecosystem in South Africa, with future investments being focussed on the venture capital sector, from Seed to Series A and Series B investments.

Other initiatives

In the prior year, the Group launched the Black Investment Professionals Associate (BIP) Program for the purpose of providing venture capital experience to black professionals in South Africa, at an associate level for a period of two years, with the aim of increasing the number of black Fund managers within the venture capital sector. The program was initially funded from R20 million interest earned from the R255 million grant received from the DSTI, for investment in the SA SME Fund of VC Funds I Partnership. In the current year a further R40 million was received from the DSTI for the BIP Programme. Furthermore, during the current financial year, the duration of the program was extended by one year for all associates appointed through the program. The program funds 75% of each associate’s salary cost for the duration of the program with the remaining 25% salary cost being borne by the Fund manager at which the associate has been employed.

In the current year, the Group partnered with SAVCA, Endeavour, and Dommisse Attorneys Inc. to produce two sets of open-source standard venture capital documents that are available to the industry at no cost. The first set of documents are a series of documents developed for South African technology companies seeking to secure funding from international investors. The documents outline strategies for these South African companies to establish offshore entities to create and own their intellectual property in order to facilitate such investments. The second set of documents are industry standard legal agreements for Series A fundraising by start-ups. The legal agreements provide a standardised foundation for venture financing, thereby reducing friction, legal costs, and negotiation time across the fundraising ecosystem. The documents have been developed following more than a decade of research, collaboration, and experience in Venture Capital, as well as consultation with leading South African contributors, including top Venture Funds, investors, founders, entrepreneurs, and law firms. By aligning with international best practices and adapting them for local use, these documents establish a trusted, market standard foundation for all participants in the fundraising ecosystem.

In November 2025 the Department of Science, Technology and Innovation (DSTI) approved the Group's proposal to establish and manage two accelerator programs focused on the Biotechnology and Space Technology sectors. The program will be funded from R40 million interest earned on the DSTI's R255 million commitment to the SA SME Fund of VC Funds I Partnership.

The accelerator programs will run over a period of approximately two years and are aimed at strengthening the innovation ecosystem by supporting the development and growth of innovative start-up companies through accelerator and venture building activities, including the provision of funding and business support services to qualifying companies. The Group has commenced the implementation planning for the programs following receipt of the funding approval from the DSTI.

Financial review

The Group recorded a profit before tax of R86.9 million (2025: loss before tax of R29.0 million) including unrealised gains on investments held at fair value of R 92.5 million (2025: R20.9 million). There were no realised gains on investments in the current financial year (2025: R1.1 million). A provision for tax of R34.2 million (2025:R9.8 million) was recognised.

During the current financial year, the Group earned R17.9 million interest on cash and cash equivalents (2025: R19.3 million). The Group takes a conservative approach to cash management and invests its excess cash in short term money market type facilities or notice deposits with the primary banking institutions. The Group also earned interest on its investments held at amortised cost as well as interest and dividends from its indirect investments in portfolio companies.

Total expenses for the year comprised primarily fund management and advisory fees, staff costs interest incurred on long term liabilities and the provision for expected credit loss on investments measured at amortised cost. Operating costs of the Group increased from R51.4 million to R57.1 million, driven by higher investment related costs and legal fees. Management do expect management fees to continue as a recurring operating expense, whereas legal fees are expected to arise on an ad hoc basis should any legal matters arise.

This is the result of the deployment of additional funds into investments by the FoVCF and HISFoF as both funds continue to make investments through their commitment periods. Fund management and advisory fees range between 2% and 3.36% of committed capital and form part of the capital committed to each fund. It is important to note that, cumulatively, an amount of R210.7 million (2025: R163.9 million) has been expensed in fund management and advisory fees that is recoverable in terms of the returns waterfall on the winding up of the partnerships in which the Company has invested, subject to the performance of the underlying funds.

A further R1 million of share subscriptions was received from Distell Limited during the year, relating to the subscription notice issued to shareholders in November 2019.

Discovery Limited continued to assist with financial administration on a pro-bono basis due to the small size of the Company's finance team and to ensure that good corporate governance structures are in place.

Looking forward

The SA SME Fund was established with a clear mandate: to act as a catalyst for growth and transformation within the SME sector. Over the past eight years, we have fulfilled this mission by championing innovative non-bank lenders who bring essential financial solutions to township economies, spaza shops, backroom housing, and small enterprises requiring purchase order and cash flow support. In doing so, we have facilitated the creation of 3,500 jobs and mobilized significant public and philanthropic capital into this vital segment of the economy. At the same time, we have played a pioneering role in shaping Venture Capital as a recognized asset class in South Africa, committing R2.5 billion across 22 funds and becoming the largest institutional investor in this emerging sector.

As we reach the milestone where our capital is fully committed and substantially deployed, our vision now turns to the future: the establishment of a new Venture Capital Fund of Funds, with a target raise of R1.5 billion to R2 billion. This next phase will ensure the continued growth and resilience of the ecosystem, and we are confident that the SA SME Fund will serve as an anchor investor, reinforcing our commitment to building a sustainable foundation for innovation, entrepreneurship, and inclusive economic development.

Going concern

The directors have considered the financial position of the Group and are of the view that the Group remains a going concern. While the Group currently makes operating cashflow losses and is expected to do so for the foreseeable future, the Group has significant cash balances and its total assets exceed its total liabilities by R1.728 billion (2025: R1.611 billion). As noted above the directors note that, included in accumulated losses, are management fees and fund establishment costs and operating costs paid to investee fund managers totalling R210.7 million (2025:R163.9 million) that are fully recoverable in the returns waterfall on the winding up of the partnerships in which the Group has invested, subject to the performance of the underlying Funds.

The directors have reviewed the outstanding commitments relative to the Group's cash balances and note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms. The Fund of Funds business model of the Group has also been considered by the directors in their assessment of going concern. This model assumes that the Group will have an investment period of approximately five years during which available funds will be invested in portfolio Funds / companies in the SME sector. It is only after this investment period and a period of portfolio company growth and management that the Group is expected to generate realised returns from its investment programme. The majority of the Group's portfolio funds are currently in the portfolio management and growth phase.

Contingent asset

The Group has incurred fund management fees and advisory fees totalling R210.7 million as at 28 February 2026 (2025: R163.9 million) that are fully recoverable from the returns generated by the investee funds on the winding up of the partnership agreements, subject to the performance of the underlying funds. This contingent asset is not recorded in the Group's statement of financial position.

Share capital and share premium

The Company was incorporated with authorised share capital of 3,000,000,000 ordinary no par value shares. The Company has issued 1,390,400,000 (2025: 1,389,400,000) shares of R1 each as at 28 February 2026.

Shareholding

An analysis of the register of members as at 28 February 2026 identified the following shareholdings equal to or exceeding 5% of the total issued shares in the Company:

Shareholder	Number of ordinary shares held	Percentage of ordinary shares held
Unemployment Insurance Fund	300,000,000	21.58%
Compensation Fund	100,000,000	7.19%
Public Investment Corporation SOC Limited	100,000,000	7.19%
FirstRand Bank Limited	75,000,000	5.39%
MTN	75,000,000	5.39%
MIH Holdings (Pty) Ltd	75,000,000	5.39%
Sasol Limited	75,000,000	5.39%

Dividends

The directors did not declare a dividend nor is any proposed for the year ended 28 February 2026. No dividend was declared during the year ended 28 February 2025 either.

Holding company

The Company is a public company and is not owned or controlled by any significant shareholder.

Directorate

The following were directors of the Company during the current financial year and to the date of this report:

Name of director	Executive / Non-executive director	Date of appointment	Date of resignation
A Gore	Non-executive Chairperson	7 June 2016	
J Bosini	Non-executive director	1 February 2026	
F Chothia	Non-executive director	7 June 2021	
NJ Dlamini	Non-executive director	7 June 2016	
KM Gordhan	Chief Executive Officer	13 November 2020	
LM Klein	Non-executive director	23 October 2017	
C Kula	Non-executive director	01 May 2025	27 February 2026
P Mahanyele-Dabengwa	Non-executive director	18 August 2022	
YG Muthien	Non-executive director	1 November 2019	
NG Payne	Non-executive director	27 June 2016	
CT Winter	Chief Financial Officer	13 November 2020	

Registered office: 1 Discovery Place, Sandton, 2196

Postal address: PO Box 786722, Sandton, 2146

Directors' remuneration

The Group does not pay any remuneration or fees to the non-executive directors for their services to the Group. Remuneration paid to executive directors is disclosed in Note 15 to the financial statements.

Directors' interests in contracts

No contracts involving directors' interests were entered into in the current or prior years.

Corporate governance

The Board is ultimately responsible for The SA SME Fund's business, strategy and key policies and for the approval of the financial objectives and targets. The Board currently consists of seven non-executive directors and two executive directors. In terms of the Company's Memorandum of Incorporation, at each Annual General Meeting at least one third of the non-executive directors is required to retire, as are any directors appointed subsequent to the previous AGM. The retiring directors may be re-elected provided they are eligible. Indefinite and life directorships are not permitted.

During the period under review, the Board met four times.

The Board is supported and assisted by two committees with clear mandates and oversight responsibilities for various aspects of the business namely, the Valuations, Audit and Risk Committee and the Nominations, Ethics, HR and Remuneration Committee. The responsibilities delegated to each committee are formally documented in the terms of reference for that committee, which have been approved by the Board. In addition to the two Board committees, a group of industry specialists has been constituted to advise the Board and oversee the investment process by way of the Investment Committee.

Valuations, Audit and Risk Committee

The Valuations, Audit and Risk Committee is an independent statutory Committee with responsibility for external audit oversight, financial controls, and risk management and reporting. The Committee is responsible for all entities within the SA SME Fund Limited Group. The members of the Valuations, Audit and Risk Committee during the year under review comprised Mr NG Payne (Chairperson), Mr F Chothia, Mr C Kula and Dr YG Muthien. The Valuations, Audit and Risk Committee report is included on pages 32 to 34 of this report. Mr Kula resigned in February 2026 from the Committee.

Nominations, Ethics, HR and Remuneration Committee

The role of the Nominations, Ethics, HR and Remuneration Committee is to ensure the fair and responsible remuneration of the Company's directors and senior executives, as well as to make recommendations on the appointment of directors and senior executives and on the Company's remuneration policies. In addition, the NEHR Committee is responsible for the governance of the Company's Ethics Policy and good corporate citizenship as well as focussing on HR matters within the Company. The members of the NEHR Committee are Dr YG Muthien (Chairperson), Mr A Gore and Dr LM Klein. The NEHR Committee met three times during the year and approved the key performance indicators and remuneration and short-term incentives (STI) for the investment team, the finance team, the CFO and the CEO.

Investment Committee

The Investment Committee is an independent committee. In terms of the Delegation of Authority, the Board has delegated authority for the approval of acquisitions and disposals of investments to the Investment Committee. All investments are unanimously approved by the Investment Committee. During the year under audit the members of the Investment Committee are Mr M Jordaan (Chairperson), Mr N Martin, Ms M Matsipa and Mr E Mbuthia. The Board has unlimited access to the Investment Committee members.

Events after the reporting date

No matter that is material to the financial affairs of the Group has occurred between the reporting date and the date of approval of these financial statements, which requires adjustment to or disclosure in the financial statements.

Auditors

Deloitte & Touche was re-appointed in office in accordance with the Companies Act. The responsible audit engagement partner is Tshidi Malongete.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The SA SME Fund Limited Group

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The SA SME Fund and its subsidiaries ("the group") set out on pages 44 to 89 which comprise the consolidated statement of financial position as at 28 February 2026; and the consolidated statement of comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The SA SME Fund and its subsidiaries as at 28 February 2026, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of consolidated financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Partner: Tshidi Malongete

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The SA SME Fund Limited Audited Consolidated Annual Financial Statements for the year ended 28 February 2026", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche

Registered Auditors
Per: Matshidiso Malongete
Partner

14 July 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2026

R'000	Notes	2026	2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	**2,026**	**510**
Unlisted investments related to government grant	10	**11,000**	**25,500**
Unlisted investments at fair value	3	**1,333,252**	**1,025,398**
Unlisted investments at amortised cost	3	**190,553**	**184,895**
Total non-current assets		**1,536,831**	**1,236,303**
Current assets			
Unlisted investments at fair value	3	**1,646**	**1,286**
Unlisted investments at amortised cost	3	**27,990**	**147,745**
Trade and other receivables	4	**129**	**129**
Prepayments	5	**5,848**	**4,605**
Cash and cash equivalents	6	**922,918**	**828,001**
Current tax receivable		**-**	**689**
Total current assets		**958,531**	**982,455**
Total assets		**2,495,362**	**2,218,758**
EQUITY			
Capital and reserves			
Share capital	7	**1,390,400**	**1,389,400**
Accumulated losses		**(75,792)**	**(103,371)**
Equity attributable to owners of the Company		**1,314,608**	**1,286,029**
Non-controlling interests	23	**413,046**	**325,154**
Total equity		**1,727,654**	**1,611,183**
LIABILITIES			
Non-current liabilities			
Deferred tax liability	**8**	**55,058**	31,526
Grant liabilities	**10**	**169,530**	339,998
Deferred income (government grant)	**10**	**193,898**	206,938
Black professionals program	**11**	**24,970**	3,471
High Impact Seed Fund of Funds - LP commitments		**26,233**	-
Total non-current liabilities		**469,689**	**581,933**
Current liabilities			
Grant liabilities	**10**	242,532	-
Deferred income (government grant)	**10**	19,692	-
Black professionals program	**11**	17,217	12,825
Trade and other payables	**9**	3,303	1,763
Right-of-use lease liability	**12**	2,032	451
Provisions	**13**	13,203	10,603
Current tax payable		40	-
Total current liabilities		298,019	25,642
Total liabilities		767,708	607,575
Total equity and liabilities		2,495,362	2,218,758

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2026

R'000	Notes	2026	2025
REVENUE			
Interest earned on cash and cash equivalents		17,908	19,283
Interest earned on investments held at amortised cost		40,754	66,854
Realised gains on investments held at fair value		-	1,134
Unrealised gains on investments held at fair value	3	92,461	20,908
Reversal of impairment losses on investments held at amortised cost	3	28,447	9,751
Other investment income		27,568	35,425
Government grant income		45,432	35,843
Other income		3,220	205
Total revenue		255,790	189,403
EXPENSES			
Ecosystem development and incubator costs		(343)	820
Impairment losses on investments held at amortised cost	3	(8,447)	(102,731)
Interest expense on lease liability		(94)	(85)
Interest expense on long term liability		(39,124)	(28,500)
Fund management fees		(63,705)	(36,518)
Operating expenses	14	(57,150)	(51,432)
Total expenses		**(168,863)**	**(218,446)**
Operating profit / (loss) before tax		**86,927**	**(29,043)**
Tax	8	(34,228)	(9,845)
Net profit / (loss) for the year		**52,699**	**(38,888)**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**52,699**	**(38,888)**
Attributable to:			
- Ordinary shareholders		**27,593**	**22,148**
- Non-controlling interest	23	**25,106**	**(44,600)**
Total comprehensive income / (loss) for the year		**52,699**	**(22,452)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2026

	Attributable to equity holders of the Company				
R'000	**Share capital**	**Accumulated losses**	**Total**	**Non controlling interest**	**Total**
Balance at 1 March 2024	**1,388,400**	**(82,516)**	**1,305,884**	**234,333**	**1,540,217**
Share capital issue	1,000	-	1,000	-	1,000
Partnership commitments received	-	-	-	108,854	108,854
Total comprehensive loss for the year	-	(20,855)	(20,855)	(18,033)	(38,888)
Balance at 28 February 2025	**1,389,400**	**(103,371)**	**1,286,029**	**325,154**	**1,611,183**
Balance at 1 March 2025	**1,389,400**	**(103,371)**	**1,286,029**	**325,154**	**1,611,183**
Share capital issue	1,000	-	1,000	-	1,000
Partnership commitments received	-	-	-	62,786	62,786
Total comprehensive income for the year	-	27,593	27,593	25,106	52,699
Balance at 28 February 2026	**1,390,400**	**(75,792)**	**1,314,608**	**413,046**	**1,727,654**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2026

R'000	Notes	2026	2025
CASH FLOW FROM OPERATING ACTIVITIES			
Cash utilised in operations	16	(112,538)	(69,622)
Interest received from cash and cash equivalents		17,908	19,283
Interest paid on lease liability	12	(94)	(85)
Tax paid		(9,981)	(10,316)
Net cash outflow from operating activities		**(104,705)**	**(60,740)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(6)	(94)
Payments to acquire unlisted investments at fair value		(269,470)	(206,352)
Payments to acquire unlisted investments at amortised cost		-	(5,000)
Proceeds from realisation of unlisted investments at fair value		50,943	62,593
Proceeds from realisation of unlisted investments at amortised cost		174,852	89,743
Interest received from unlisted investments		16,583	16,965
Dividends received from unlisted investments		11,997	12,361
Net cash outflow from investing activities		**(15,101)**	**(29,784)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	7	1,000	1,000
Partnership capital raised		185,666	108,854
Return of capital		(110,000)	-
Distributions to partners		(12,880)	-
Proceeds from long term liability issued		151,650	229,982
Repayments of lease liability	12	(713)	(692)
Net cash inflow from financing activities		**214,723**	**339,144**
Net increase in cash and cash equivalents		**94,917**	**248,620**
Cash and cash equivalents at the beginning of the year		828,001	579,381
Total cash and cash equivalents at the end of the year		**922,918**	**828,001**

ACCOUNTING POLICIES

for the year ended 28 February 2026

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The SA SME Fund and its subsidiaries is an investment group. The principal accounting policies applied in the preparation of these financial statements are set out below.

1. Basis of presentation

The financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, as well as the South African Companies Act 71 of 2008 as amended. They have been prepared in accordance with the going concern principle using the historical cost basis except where otherwise stated in the accounting policies below.

The accounting policies applied in the preparation of these financial statements are consistent with those used in the prior financial year, except where new accounting standards have been adopted.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities it controls as at the reporting date.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect those returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained and continue to be consolidated until the date when control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities within the Group are eliminated in full on consolidation.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity and separately from the equity attributable to the owners of the parent.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets, liabilities and non-controlling interests of the former subsidiary and recognises any resulting gain or loss in profit or loss.

2. Material judgements and sources of estimation uncertainty

The preparation of the financial statements requires management from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts presented in the financial statements and related disclosures. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from these estimates

that may be material to the financial statements. The key judgements and sources of estimation uncertainty are:

2.1 Accounting treatment of investments

The directors have assessed the nature of each investment to determine whether the SA SME Fund has control, joint control or significant influence over the investee. In assessing the nature of the investments, the directors have considered the key terms of the investment agreements to assess whether:

- The SA SME Fund has power over the relevant activities of the investee, earns returns from its investment and has the power to influence the returns;
- There is a contractual arrangement whereby the SA SME Fund has joint control over the operations of the investee; or
- The SA SME Fund has significant influence over the investee by virtue of having the power to participate in financial and operating policy making decisions of the investee.

Where the directors have assessed that the SA SME Fund has significant influence, the Company is applying the IAS 28: Investments in Associates (IAS 28) venture capital exemption. In terms of IAS 28, an entity that is a venture capital organisation may elect to measure investments held in associates or joint ventures at fair value through profit or loss. The directors have assessed the Company as having the characteristics of a venture capital organisation in light of the following criteria:

- Investments are held for the short to medium term rather than for the long term;
- The most appropriate point for exit is actively monitored; and
- Investments form part of a portfolio, which is monitored and managed without distinguishing between investments that qualify as associates or joint ventures and those that do not.

Where none of the above scenarios are applicable, the investments are accounted for in terms of IFRS 9. Financial assets that are accounted for in terms of IFRS 9 are classified as either financial assets at fair value through profit or loss or financial assets at amortised cost. The directors assess the accounting treatment of the financial assets accounted for under IFRS 9 based on both the Group's business model for managing the financial assets and the contractual cash flows of the financial assets.

The directors have assessed the accounting treatment of the investments to be as follows:

Investment	Control assessment	Measurement basis
4Di Capital Fund III	No control	Fair value through profit or loss
A2Pay Financial Services Proprietary Limited	No control	Amortised cost
Anatree Proprietary Limited	No control	Amortised cost
Bridge Taxi Finance No12 Proprietary Limited	No control	Amortised cost
Custos Media Technologies (RF) Proprietary Limited/CMT Research Proprietary Limited	No control	Amortised cost
Digital Africa Ventures Fund I	No control	Fair value through profit or loss
Endeavor Harvest Fund II	No control	Fair value through profit or loss
Grindstone Ventures Fund I	No control	Fair value through profit or loss
Hlayisani Venture Fund II	No control	Fair value through profit or loss
KNF Ventures (RF) Proprietary Limited	No control	Fair value through profit or loss
Knife Capital (SA) Fund III	No control	Fair value through profit or loss
Mafami (Pty) Limited t/a Vula	No control	Fair value through profit or loss
Masisizane Franchise Fund I	Significant influence	Fair value through profit or loss
Mobile Macs Proprietary Limited	No control	Amortised cost
OneBio Seed Investment Fund I	No control	Fair value through profit or loss

Investment	Control assessment	Measurement basis
PAPE Fund 3	No control	Fair value through profit or loss
ProfitShare Partners Proprietary Limited - loan	No control	Amortised cost
ProfitShare Partners Proprietary Limited – preference shares	No control	Fair value through profit or loss
Savant Venture Fund I (A)	No control	Fair value through profit or loss
Secha Capital Fund II	No control	Fair value through profit or loss
SME Contract Finance (RF) Proprietary Limited	No control	Amortised cost
Spartan Impact Finance Proprietary Limited	No control	Amortised cost
Spartan SME Fund Proprietary Limited	No control	Amortised cost
SummerPlace Equity Fund I	No control	Fair value through profit or loss
The SA SME Fund Management Company Proprietary Limited	Control	Consolidated
The SMME Crisis Partnership Fund	Control	Consolidated
The SA SME Fund GP (RF) Proprietary Limited	Control	Consolidated
The SA SME Fund VC GP Proprietary Limited	Control	Consolidated
The SA SME Fund of VC Funds I	Control	Consolidated
The SA SME Seed Fund GP (RF) Proprietary Limited	Control	Consolidated
High Impact Seed Fund of Funds Partnership	Control	Consolidated
University Technology Fund	No control	Fair value through profit or loss
Hlayisani Venture Fund	No control	Fair value through profit or loss
Secha Capital Fund II	No control	Fair value through profit or loss
Venture Capitalworks Fund I	No control	Fair value through profit or loss
Havaic African Innovation Fund III	No control	Fair value through profit or loss
Endeavor Harvest Fund III	No control	Fair value through profit or loss
27four Venture Capital Fund I Partnership	No control	Fair value through profit or loss
University Technology (A) Partnership II	No control	Fair value through profit or loss

There have been no changes to the accounting treatment of investments in the current year.

2.2 Consolidated financial statements

The Company holds all of the shares in The SA SME Fund GP (RF) Proprietary Limited, The SA SME Fund VC GP Proprietary Limited and The SA SME Seed Fund GP (RF) Proprietary Limited. The Company is a significant shareholder in The SA SME Fund Management Company Proprietary Limited (the Manco) and is considered to control this entity. Furthermore, the Company has control of the SMME Crisis Partnership Fund, The SA SME Fund of VC Funds I Partnership and the High Impact Seed Fund of Funds Partnership, which was established in 2025. These financial statements have been prepared in consideration of the entities that the Company controls.

2.3 Fair value measurement of investments

All investments are valued in accordance with IFRS Accounting Standards and the IPEV guidelines.

The Group's investments mainly comprise drawn commitments into Funds and Section 12J Venture Capital Companies (VCCs), which in turn invest in portfolio companies in which the Group has an indirect interest. The General Partners of these Funds provide quarterly net asset value (NAV) statements based on the Fund Managers' valuations which the directors use to determine the fair value of a Fund. The Fund Managers' valuations are audited annually by the Funds' auditors. The Fund Manager of each Fund determines the individual fair value of each portfolio company and the Fund's NAV at the end of each quarter. These valuations are approved by the Funds' Advisory Boards, Investment Committees or Board of Directors. The Group's portfolio manager represents the Group on each Advisory Board that reviews the valuations prepared by the Fund Managers.

The policy of the Fund Managers is to determine the fair value of the portfolio companies in accordance with the IPEV guidelines as noted below.

At each reporting date after the initial acquisition date, an assessment of the fair value of the investment is undertaken to determine any required changes in the fair value of the investment. Depending on the stage of the investment and the sector in which the investment operates, a variety of methodologies is used by the Fund Managers, including earnings multiple models, discounted cash flow models and revenue multiple models.

The Valuations, Audit and Risk Committee is responsible for reviewing the valuations of the Funds and underlying portfolio companies, and for recommending the valuations to the Board for approval.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations in any valuation technique involving the type of securities in which the Funds invest. Therefore, the fair values presented herein may not be indicative of the amount the Funds could realise in a current transaction.

2.4 Calculation of loss allowance

Certain of the Group's investments are measured at amortised cost. These comprise debt facilities to intermediaries that are utilised by the intermediaries for on-lending to SMEs.

When measuring expected credit losses (ECL) on these investments, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. An asset moves to stage 3 when there is objective evidence of impairment as defined under IAS 39 Financial Instruments: Recognition and Measurement (the predecessor to IFRS 9). Examples of objective evidence of impairment include evidence of significant financial difficulty of the debtor, or default. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of the asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information as described in paragraph 6.1.

2.5 Tax

Tax comprises South African income tax, chargeable on income-related items only and deferred capital gains tax on unrealised gains on investments.

Due to the nature of the operations of the Group, significant judgement is required in determining the accrual for income taxes. Operating expenses are analysed based on management's assessment of the nature of the expenses and whether it has been incurred in the production of income or whether it is of a capital nature.

Expenses incurred in the production of income are further apportioned based on the ratio of funds committed to equity and debt investments. The Group recognises liabilities for anticipated uncertain income tax liabilities based on best informed estimates of taxable income. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax liabilities in the period in which such determination is made. Potential penalties and interest on differing tax outcomes are not provided for in the financial statements and will be recognised as an expense of the Group when and if incurred.

3. Functional and presentation currency

These financial statements are presented in South African Rands, which is the Group's functional currency and presentation currency.

4. Property, plant and equipment

Fixtures, furniture and equipment are stated at cost less accumulated depreciation. Depreciation is recognised so as to write off the cost or valuation of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Leasehold improvements:	33.33% per annum
Furniture and fittings:	20.00% per annum
Office equipment:	20.00% per annum
Computer equipment:	33.33% per annum
Right-of-use assets:	Over the period of the lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

5. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful lives of the intangible assets using the straight-line method on the following bases:

Computer software:	33.33% per annum

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

6. Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

None of the Group's investments are regarded as giving rise to a day one profit or loss.

6.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortised cost of a financial asset.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'Interest earned on investments held at amortised cost' line item.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables, cash and cash equivalents and financial guarantee contracts. The amount of the expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in unemployment rates.
- an actual or expected significant change in the operating results of the borrower. Examples include actual or expected declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organisational structure that results in a significant change in the borrower's ability to meet its debt obligations.
- significant increases in credit risk on other financial instruments of the same borrower.
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations, such as a decline in the demand for the borrower's sales product because of a shift in technology.

- significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of default occurring.
- a significant change in the quality of the guarantee provided by a shareholder if the shareholder has an incentive and financial ability to prevent default by capital or cash infusion.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, adjusted by forward looking information. For financial assets, the exposure at default is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trends, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred

financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

6.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- A financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless such treatment would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

As at 28 February 2025, the Group does not have any financial liabilities that are measured at FVTPL

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. If the modification is not substantial, the difference between (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

7. Tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be an outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of management and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

In terms of the South African Income Tax Act, the revenue of the SA SME Fund is considered to be passive income and the Group therefore does not generate tax losses that may be utilised at a future date. As a result, the Group does not raise a deferred tax asset in respect of assessed losses.

8. Cash and cash equivalents

Cash and cash equivalents comprise:

- Cash on hand.
- Deposits held at call and short notice.
- Balances with banks.

Cash and cash equivalents have a maturity of less than twelve months from the date of acquisition. Cash and cash equivalents are initially recognised at fair value. Subsequently cash and cash equivalents are carried at cost, which due to their short-term nature approximates fair value.

Due to the highly liquid nature of the cash and cash equivalents, the credit quality of the counterparties and the fact that the Company has never experienced a credit loss, the ECL on cash and cash equivalents is negligible.

9. Share capital

Shares are classified as equity when there is no obligation to transfer cash or assets.

10. Employee benefits

The Group has established a defined contribution retirement fund for its employees.

10.1 Leave pay

The Group accrues in full the employees' rights to annual leave entitlement in respect of past service. This is expensed over the period the services are rendered.

11. Provisions

Provisions are recognised when, as a result of past events, the Group has a present legal or constructive obligation of uncertain timing or amount, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money.

Future events that may affect the amount required to settle an obligation are only taken into account in determining the amount of a provision where there is sufficient evidence that they will occur.

The Group recognises a provision for an onerous contract when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the obligations under the contract.

12. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less from the reporting date. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Due to the short-term nature of trade and other payables, this approximates fair value.

13. Revenue

13.1 Interest

Interest income comprises amounts that the Group earns from bank deposits placed with Tier 1 South African banks and investments held at amortised cost. The interest earned on investments held at amortised cost is earned from the SME sector in South Africa. Interest income is accounted for on an accrual basis in the accounting period in which it is earned.

13.2 Dividend income

Dividend income from investments is recognised when the right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Dividend income is earned on investments in a variety of sectors in South Africa and is included as other investment income in the statement of comprehensive income.

13.3 Investment gains and losses

Investment gains and losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as gains and losses on investments held at fair value in the statement of comprehensive income.

14. Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and office equipment, and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments in the current year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented as part of property, plant and equipment in the statement of financial position.

15. Related parties

Amounts due to related parties are classified as financial liabilities subsequently measured at amortised cost. They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any and are subsequently measured at amortised cost using the effective interest method. Interest expense on amounts due to related parties is disclosed in funding costs in the Statement of Comprehensive income.

16. Government grants

Government grants received are invested in the Group's investment intermediaries, in line with the purpose for which grant should be used. The grants are recognised as income over the period of the facility in order to match the related costs, for which they are intended to compensate, on a systematic basis. The grants are classified as a financial liability subsequently measured by increasing the carrying amount of the liability, to reflect interest accrued (using the effective interest method) and by reducing the carrying amount to reflect payments made in respect of the grant liability in accordance with IAS 20 requirements.

17. New IFRS standards and amendments to published standards

17.1 New and amended IFRS standards that are effective for the current year

The adoption of the following new and amended standards and interpretations, which are effective for the 28 February 2026 reporting period, did not have any material impact on the amounts or on the disclosures reported in these financial statements:

- Amendments IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments;
- Amendments IFRS 9 and IFRS 7: Contracts referencing Nature-dependent Electricity;
- Disclosures about Uncertainties in the Financial Statements; and
- IFRS Practice Statement 1: Management Commentary.

17.2 New and revised IFRS standards in issue but not yet effective

The following new standards and interpretations, which are effective for reporting periods beginning on or after 1 January 2026, are not expected to have a material impact on the financial statements in future periods:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures; and
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2026

1. Management of financial risk

The Group's activities expose it to a variety of financial risks. Financial risks include market risk, credit risk and liquidity risk.

1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and investment returns. Market risk that could impact on future cash flows and hence the value of a financial instrument arises from:

- **Interest rate risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Currency risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Equity price risk:** The impact of changes in equity prices and dividend income.

Interest rate risk

The Group's financial assets are interest bearing, while its financial liabilities are non-interest bearing, except for the right-of-use lease liability. However, the interest rates are fixed and the liabilities are not re-measured for changes in market interest rates. The Group is exposed to interest rate risks on funds invested in interest bearing bank deposits and investments measured at amortised cost. In addition, cash flow interest rate risk arises on the preference shares that are measured at fair value through profit or loss as the preference dividends earned are linked to the Prime interest rate. There is no fair value interest rate risk on the preference shares.

At 28 February 2026 the Group's total exposure to interest rate risk was as follows:

	2026 R'000	2025 R'000
Investments measured at fair value through profit or loss	75,150	66,289
Investments measured at amortised cost	218,543	332,640
Cash and cash equivalents	922,918	828,001
	1,216,611	**1,226,930**

The analysis below details the Group's sensitivity to a 1% increase and decrease in the interest rate earned on its cash and cash equivalents and investments measured at amortised cost, and the effect on income for the period.

		2026 R'000		2025 R'000
RATE VARIANCE:	+1%	12,166	+1%	12,269
	-1%	(12,166)	-1%	(12,269)

Currency risk

All financial assets and liabilities are denominated in South African Rand and the Group is not exposed to currency risk.

Equity price risk

As at 28 February 2026, the Group holds equity shares in KNF Ventures (RF) Proprietary Limited, a Section 12J Venture Capital Company and Mafami Proprietary Limited t/a Vula. In addition, the Group is indirectly exposed to equity price risk through the valuation of the underlying portfolio investments held through its investments in Funds. The analysis below details the Group's sensitivity to a 1% increase and decrease in the fair value of the unlisted investments held at 28 February 2026 based on fluctuations in the price of its unlisted investments.

		2026 R'000		2025 R'000
Change in equity prices assumed:	+1%	12,597	+1%	9,604
	-1%	(12,597)	-1%	(9,604)

1.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The main concentration of credit risk to which the Group is exposed arises from the Group's cash and cash equivalents, preference shares measured at fair value through profit or loss and investments measured at amortised cost. The Group's cash is deposited only with major banks of high-quality credit standing.

Investments go through a stringent due diligence process, including an assessment of the credit risk of the counterparty, and are approved by the Investment Committee.

The maximum exposure to credit risk at the reporting date was as follows:

	2026 R'000	2025 R'000
Investments measured at fair value through profit or loss	75,150	66,289
Investments measured at amortised cost	218,543	332,640
Trade and other receivables	129	129
Cash and cash equivalents	922,918	828,001
	1,216,740	**1,227,059**

Inputs, assumptions and estimation techniques used in measuring expected credit losses

The Group applies the expected credit loss (ECL) model prescribed by IFRS 9 to financial assets measured at amortised cost. At each reporting date, management performs an individual assessment of each debt investment to determine the appropriate expected credit loss allowance. Given the relatively small number of debt investments within the portfolio, management does not apply a statistical credit model, but instead performs an investment specific assessment using all reasonable and supportable information available at the reporting date. The assessment incorporates both quantitative and qualitative factors, together with forward looking information, to estimate the expected recoverability of each investment.

Expected credit losses are measured using the probability of default (PD), exposure at default (EAD) and loss given default (LGD) methodology, whereby:

Expected credit loss = Probability of default × Exposure at default × Loss given default

Measurement of 12-month and lifetime expected credit losses

The probability of default represents management's estimate of the likelihood that a borrower will default over the relevant assessment period. In determining the appropriate probability of default, management considers the specific facts and circumstances applicable to each investment, including the borrower's financial performance, repayment history, current trading performance, expected future cash flows, compliance with contractual repayment terms, refinancing discussions and other borrower-specific information obtained through ongoing monitoring. Based on this assessment, probabilities of default ranging from 12.5% for lower-risk investments to 15% for higher risk investments were applied during the current reporting period.

The exposure at default represents the estimated exposure outstanding at the date of default and is determined as the present value of the expected future contractual cash flows of each facility, discounted using the effective interest rate applicable at the most recent interest rate reset date.

The loss given default represents management's estimate of the proportion of the outstanding exposure that is expected to be unrecoverable after taking into account expected recoveries from collateral, guarantees, security arrangements and other available credit enhancements.

The Group recognises 12-month expected credit losses for financial assets where credit risk has not increased significantly since initial recognition. Lifetime expected credit losses are recognised where there has been a significant increase in credit risk since initial recognition or where the financial asset is considered to be credit-impaired.

Assessment of significant increase in credit risk

Management assesses whether there has been a significant increase in credit risk for each investment at every reporting date by considering all reasonable and supportable information available without undue cost or effort. This assessment is based on the specific circumstances of each borrower rather than the application of predetermined quantitative thresholds.

In performing this assessment, management considers factors including the borrower's ability to meet contractual repayment obligations, compliance with agreed repayment terms, financial performance relative to expectations, expected future cash flows, refinancing or restructuring discussions, changes in business performance, the status of ongoing negotiations with borrowers and any other information that may affect the expected recoverability of the investment.

During the current reporting period, management concluded that the credit risk associated with the ProfitShare Partners loan facilities remained elevated following the borrower's inability to settle amounts due on contractual maturity, the subsequent restructuring of repayment terms, ongoing repayment negotiations and the continued underperformance of the business relative to budget. Although repayments were received in accordance with the revised repayment arrangements before year end, management concluded that these factors continued to indicate a heightened level of credit risk and accordingly applied a probability of default of 15% to these facilities.

On the other hand, management concluded that there had not been a significant increase in credit risk for the Spartan and A2Pay loan facilities. These borrowers have continued to meet their contractual repayment obligations and no adverse information or events have been identified that would indicate that recovery of the outstanding balances is unlikely.

Assessment of credit impaired financial assets

A financial asset is considered credit impaired where one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset.

Management assesses whether an investment is credit impaired by considering evidence such as liquidation or insolvency proceedings, prolonged default, significant financial distress, the inability of the borrower to settle contractual obligations, the expected recoverability of outstanding balances and the likelihood of future recoveries.

At the reporting date, the remaining exposures relating to Bridge Taxi Finance and Mobile Macs continued to be regarded as credit impaired. Bridge Taxi Finance remains subject to liquidation proceedings, with only limited recoveries having been received and no significant further recoveries expected in the medium term. Mobile Macs remains in liquidation and, although the Group has successfully proved its claim against the intermediary, uncertainty remains regarding the extent of future recoveries. Accordingly, the remaining outstanding balances continue to be fully provided for.

Forward looking information

Management incorporates forward-looking information into the expected credit loss assessment by considering both borrower specific information and broader macroeconomic conditions expected to affect the recoverability of the Group's debt investments.

During the current year, management considered published market information, including Moody's Annual Default Study and S&P Global Ratings' Credit Conditions report for emerging markets, together with prevailing economic conditions, geopolitical developments, inflationary pressures, interest rate expectations and the potential impact of these factors on the Group's borrowers. Although Moody's base case indicated an improving global credit environment, management also considered downside scenarios relating to geopolitical uncertainty, energy market disruptions, inflationary pressures and tighter financing conditions. Based on this assessment, management concluded that probabilities of default ranging from 12.5% to 15% remained appropriate and continued to provide a prudent allowance for potential downside risks.

Changes in estimation techniques and significant assumptions

The methodology used to estimate expected credit losses remained consistent with that applied in the prior year. During the current year, management updated the forward looking macroeconomic information and borrower specific assessments used in determining the probability of default for each investment to reflect the most recent available information. Following this assessment, management concluded that no significant changes to the underlying estimation techniques were required. The principal assumptions applied in measuring expected credit losses remained consistent with those used in the prior year, although the assumptions were updated where necessary to reflect changes in the credit risk profile of individual borrowers and current economic conditions.

Credit risk management practices

The Group's exposure to credit risk arises primarily from debt investments measured at amortised cost. The objective of the Group's credit risk management process is to minimise expected credit losses by identifying changes in the credit quality of each investment at an early stage and taking appropriate actions to maximise recoverability.

Given the nature of the Group's investment portfolio and the relatively small number of debt investments, credit risk is managed on an individual investment basis rather than through the use of portfolio segmentation or statistical credit models. Management performs an individual credit assessment of each investment at every reporting date using information obtained through ongoing engagement with borrowers, periodic financial reporting, monitoring of contractual repayments and consideration of external and borrower-specific developments that may affect recoverability.

Credit risk management practices (continued)

The Group's credit risk management process includes regular monitoring of each borrower's financial performance, liquidity position, compliance with contractual repayment terms, expected future cash flows, refinancing or restructuring discussions, available security and collateral, and other events that may affect the borrower's ability to settle its obligations. Where appropriate, management engages directly with borrowers to renegotiate repayment terms or implement recovery strategies designed to maximise the recovery of the outstanding investment.

Assessment of significant increases in credit risk

The Group determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of default at the reporting date with the risk of default at the date the investment was initially recognised. This assessment is based on all reasonable and supportable information available without undue cost or effort and requires the application of significant management judgement.

Management does not rely solely on quantitative measures or prescribed delinquency thresholds when assessing significant increases in credit risk. Instead, each investment is assessed individually after considering factors including:

- the borrower's ability to meet contractual repayment obligations;
- compliance with agreed repayment terms;
- deterioration in financial performance or operating results;

- expected future cash flows and liquidity;
- restructuring or refinancing discussions;
- evidence of financial distress;
- changes in the expected recoverability of the investment; and
- other borrower-specific information identified through ongoing monitoring.

During the current reporting period, management concluded that the ProfitShare Partners facilities had experienced a significant increase in credit risk following the borrower's inability to settle amounts due on contractual maturity, the subsequent restructuring of repayment terms, ongoing repayment negotiations and the continued underperformance of the business relative to budget. These factors resulted in the application of a higher probability of default when measuring the expected credit loss allowance.

On the other hand, management concluded that there had not been a significant increase in credit risk for the Spartan and A2Pay facilities. Both borrowers continued to meet their contractual repayment obligations and no adverse events or information were identified that would indicate a deterioration in their credit risk since initial recognition.

Low credit risk assessment

The Group does not generally apply the practical expedient in IFRS 9 that permits financial instruments with low credit risk at the reporting date to be assumed not to have experienced a significant increase in credit risk. Instead, each investment is individually assessed using all available qualitative and quantitative information to determine whether credit risk has increased significantly since initial recognition. Accordingly, no class of financial assets is assessed solely on the basis that it is considered to have low credit risk.

Past due presumption

The Group does not use the rebuttable presumption in IFRS 9 that credit risk has increased significantly when contractual payments are more than 30 days past due as the primary indicator of a significant increase in credit risk. Given the nature of the Group's investments, repayment terms may be renegotiated or restructured as part of an agreed commercial strategy to maximise recoverability.

Consequently, management considers all relevant qualitative and quantitative information, including the reasons for delayed repayments, restructuring arrangements, expected future recoveries and ongoing negotiations with borrowers, before concluding whether there has been a significant increase in credit risk. For example, although the ProfitShare Partners facilities were unable to settle amounts due on contractual maturity, management's assessment of significant increases in credit risk was based on the totality of the available evidence, including the borrower's financial performance, revised repayment arrangements and ongoing negotiations, rather than on payment delinquency in isolation.

Management reviews all credit risk assessments at each reporting date and updates the expected credit loss allowance where new information becomes available.

The credit risk on investments that are used by intermediaries to provide finance to SMEs is mitigated by the cession of book debts of the investee. In addition, the Company has received guarantees totalling R20,000,000 from the following companies that are related parties of the investees:

	2026 R'000	2025 R'000
Umastandi Fund I Security SPV (RF) Proprietary Limited*	-	10,035
Spartan SME Finance Proprietary Limited	10,000	10,000
Spartan Finance Holdings Proprietary Limited	10,000	10,000
	20,000	**30,035**

*The investment in Umastandi Fund I Proprietary Limited was realised in full in the current year. Consequently, the guarantee provided in respect of the settled loan facility is no longer available.

1.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities due to insufficient cash being available to meet commitments as and when they become due.

The Group currently has sufficient cash resources available to meet its obligations.

The table below analyses the Group's financial liabilities and certain non-financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

R'000 **2026**	0 – 3	4 – 12 months	>1 year	Total
Trade and other payables	3,303	-	-	3,303
Current tax payable	-	40	-	40
Right-of-use lease liability	162	530	1,340	2,032
Provisions	13,201	2	-	13,203
Other liabilities	2,754	298,892	418,495	720,141
Total	19,420	299,464	419,835	738,719

R'000 **2025**				
Trade and other payables	1,763	-	-	1,763
Right-of-use lease liability	199	265	-	464
Provisions	10,601	2	-	10,603
Other liabilities	3,206	9,619	554,766	567,591
Total	15,769	9,886	554,766	580,421

1.4 Valuation risk

The Group's exposure to valuation risk arises from movements in the values of its unquoted investments into Funds, whose valuations in turn are derived from the valuations of portfolio companies in which they invest.

Financial assets and liabilities carried at fair value need to be classified within the appropriate level of hierarchy on which their fair values are based. The information below sets out the different levels as well as the classification of the Group's assets and liabilities where appropriate.

Investments trading in active markets and deriving their fair value from quoted market prices of identical assets are classified within Level 1. These prices provide the most reliable fair value classification and the Group does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Group is the current bid price.

Investments trading in markets not considered to be active and deriving their fair value from observable inputs other than quoted prices included within Level 1 are classified within Level 2. These inputs need to be directly or indirectly observable for the investment and can include: quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived or corroborated by observable market data. The unlisted investment in preference shares is classified within this level.

Level 3 classification applies to investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments in Fund Limited Partnerships and relevant Section 12J Venture Capital Companies are classified within this level.

R'000	Level 1	Level 2	Level 3	TOTAL
2026				
Unlisted investments	-	-	1,334,898	1,334,898
Balance at 28 February 2026	**-**	**-**	**1,334,898**	**1,334,898**
2025				
Unlisted investments	-	-	1,026,684	1,026,684
Balance at 28 February 2025	**-**	**-**	**1,026,684**	**1,026,684**

There were no transfers between levels of the fair value hierarchy during the current year or in the prior financial year.

The following table presents the movement in Level 3 assets during the year by class of financial instrument:

R'000	Unlisted investments	
	2026	2025
Non-current assets		
Opening balance	**1,026,684**	**818,153**
Acquisitions	269,470	210,498
Realisations	(59,052)	(56,013)
Net gains included in the statement of comprehensive income	97,796	54,046
Balance at the end of the period	**1,334,898**	**1,026,684**

The Group's Level 3 financial instruments comprise unlisted investments in Fund Limited Partnerships, Partnerships, section 12J Venture Capital companies and other unquoted instruments measured at fair value through profit or loss. The valuation of these investments is considered to be the Net Asset value (NAV) of the Group's share in the Partnerships. A significant determinant of the NAV of the Partnership is the fair value of its investments. The Fund managers of the Partnerships value their investments using appropriate valuation methodologies in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. Valuation techniques applied include earnings multiple methodologies, revenue multiple methodologies, discounted cash flow methodologies, recent transaction pricing methodologies, net asset value methodologies and market based valuation methodologies.

The significant unobservable inputs used in determining fair value include revenue multiples, EBITDA multiples, earnings multiples, debt service coverage ratios, marketability discounts, valuation caps and pre-money valuations. Other significant unobservable inputs include discount rates, liquidity and credit risk premiums, conversion features of convertible instruments, preference share return assumptions and recent transaction pricing assumptions.

Where investments were acquired recently or where insufficient objective evidence exists to support a change in value, cost or recent transaction pricing is considered representative of fair value.

The significant unobservable inputs used in the valuation of Level 3 financial instruments are inherently uncertain and changes in these inputs may result in different fair value measurements. In general, increases in earnings multiples, revenue multiples, projected cash flows and market valuation assumptions would result in an increase in fair value, while increases in discount rates, expected credit losses, liquidity discounts and credit risk premiums would result in a decrease in fair value.

Sensitivity of Level 3 fair value measurements to changes in unobservable inputs

The estimation of fair value is sensitive to changes in these unobservable inputs. A change in one or more of the significant unobservable inputs, while holding all other assumptions constant, could result in a higher or lower fair value measurement.

In general:

- An increase in earnings multiples, EBITDA multiples, revenue multiples, projected cash flows, post money valuation assumptions or recent transaction prices would result in an increase in the fair value of the investments;
- A decrease in these inputs would result in a decrease in the fair value of the investments;
- An increase in discount rates, liquidity discounts, expected credit losses or credit risk premiums would result in a decrease in fair value; and
- A decrease in these inputs would result in an increase in fair value.

For investments valued using discounted cash flow methodologies, the most significant sensitivities relate to projected future cash flows and discount rates applied.

For investments valued using market multiple methodologies, fair values are particularly sensitive to changes in EBITDA multiples, earnings multiples and revenue multiples applied to maintainable earnings or revenue. For investments valued using recent transaction pricing methodologies, fair values are sensitive to changes in market conditions, funding round pricing assumptions and valuation caps.

Certain investments are also sensitive to assumptions relating to recoverability, expected credit losses, liquidity risk and credit risk. Where applicable, management considers the impact of macroeconomic conditions, market volatility and portfolio company performance in determining appropriate valuation assumptions.

Management believes that the unobservable inputs applied in the valuation of Level 3 financial instruments are appropriate in the circumstances and are consistent with observable market information where available.

However, due to the inherent uncertainty associated with unobservable inputs, actual realised values may differ from the values reflected in the annual financial statements.

The following table summarises the valuation methodologies applied, the significant unobservable inputs used in determining fair value and the relationship of those inputs to the fair value measurements.

Financial assets	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Investments in unlisted Fund Limited Partnerships, Partnerships, Venture Capital companies and other unquoted instruments - Note 3	The fair value of the investments is determined primarily with reference to the Group's share of the underlying NAV. The underlying fund managers value investments in accordance with IFRS 13 and the IPEV Guidelines using earnings multiple, EBITDA multiple, revenue multiple, discounted cash flow, recent transaction pricing, market-based and NAV methodologies.	Revenue valuation multiples (0.6x–12.0x)	Higher revenue multiples increase fair value. A +/-1.0x multiple would increase/ decrease fair value, assuming all other variables
		EBITDA valuation multiples (2.9x–24.0x)	Higher EBITDA multiples increase fair value. A +/-1.0x multiple would increase/ decrease fair value.
		Earnings multiples (approx. 5.0x)	Higher earnings multiples increase fair value. A +/-1.0x multiple would increase/ decrease.
		Discount rates	Higher discount rates decrease fair value. +/- 1% discount rate would decrease/increase fair value.
		Projected future cash flows	Higher projected cash flows increase fair value.
		Recent transaction pricing	Higher transaction prices increase fair value.
		Valuation caps (USD6m–USD60m)	Higher valuation caps increase fair value. A +/-10% assumption would increase/decrease fair value.
		Pre-money valuations (USD6.4m–USD82m)	Higher pre-money valuations increase fair value.
		Debt service coverage ratios (0.87x–1.12x)	Higher DSCRs generally increase fair value.
		Discount for lack of marketability (approx. 2%)	Higher marketability discounts decrease fair value.
		Recoverability assumptions	Higher recoverability increases fair value.
		Liquidity discounts and credit risk premiums	Higher liquidity discounts and credit risk premiums decrease fair value.
		Expected credit loss assumptions	Higher expected credit losses decrease fair value.
		Conversion features and preference share return assumptions	More favourable conversion features increase fair value.

1.5 Capital risk management

The Group's objectives when managing capital are to maintain a strong capital base to sustain the Group's ability to continue as a going concern, to provide sustainable returns for shareholders and benefits for other stakeholders. The capital structure of the Group consists of equity attributable to ordinary shareholders, comprising share capital less accumulated losses. The Group's liquidity profile, current and forecast, is monitored on a continuous basis by management and is considered before investments are approved.

2. Property, plant and equipment

R'000	Leasehold improvements	Furniture and fittings	Office equipment	Computer equipment	Right-of-use assets	TOTAL
COST						
Balance at 1 March 2024	271	389	76	263	2,645	3,644
Additions	55	10	4	26	17	112
Disposals	-	-	-	-	-	-
Balance at 28 February 2025	**326**	**399**	**80**	**289**	**2,662**	**3,756**
Balance at 1 March 2025	326	399	80	289	2,662	3,756
Additions	-	-	6	-	2,294	2,300
Disposals	-	-	-	-	-	-
Balance at 28 February 2026	**326**	**399**	**86**	**289**	**4,956**	**6,056**
ACCUMULATED DEPRECIATION						
Balance at 1 March 2024	271	354	70	209	1,552	2,456
Depreciation	**33**	**16**	**2**	**35**	**704**	**790**
Disposals	-	-	-	-	-	-
Balance at 28 February 2025	**304**	**370**	**72**	**244**	**2,256**	**3,246**
Balance at 1 March 2025	304	370	72	244	2,256	3,246
Depreciation	22	12	4	21	725	784
Disposals	-	-	-	-	-	-
Balance at 28 February 2026	**326**	**382**	**76**	**265**	**2,981**	**4,030**
CARRYING AMOUNTS						
At 28 February 2026	-	**17**	**10**	**24**	**1,975**	**2,026**
At 28 February 2025	**22**	**29**	**8**	**45**	**406**	**510**

3. Investments

3.1 Unlisted investments at fair value

The Group obtains exposure to and has indirect investments in a diversified pool of unquoted investments (portfolio companies) by investing in Fund Limited Partnerships (Funds) that typically have a 10-year life cycle. The Group becomes a Limited Partner of the Fund and the investments are made through commitments into the Funds. Additionally, the Group has invested directly in KNF Ventures (RF) Proprietary Limited, a Section 12J Venture Capital Company and Mafami Proprietary Limited. The Group has also invested in convertible preference shares issued by ProfitShare Partners Proprietary Limited. As at 28 February 2026, the Group had the following investments:

Investments measured at fair value through profit or loss	**2026 R'000**	**2025 R'000**
Carrying amounts of:		
Unlisted investments	1,334,898	1,026,684
	1,334,898	**1,026,684**
Current		
The SA SME Fund Limited	1,646	1,286
	1,646	**1,286**
Non-current		
The SA SME Fund Limited	943,408	859,308
The SA SME Fund of VC Funds I Partnership	363,275	166,090
High Impact Seed Fund of Funds Partnership	26,569	-
	1,333,252	**1,025,398**
Consisting of:		
Cost	1,239,951	970,480
Realisations	(196,565)	(137,512)
Unrealised capital revaluation movement at the end of the year	267,495	172,034
Accrued income	24,017	21,682
	1,334,898	**1,026,684**

The investments consisted of the following:	% of fund / company	2026 R'000	2025 R'000
PAPE Fund 3	**9.5%**	**84,643**	**94,900**
KNF Ventures (RF) Proprietary Limited	**16.1%**	**61,577**	**63,471**
Savant Venture Fund I (A)	**68.3%**	**127,780**	**117,922**
OneBio Seed Investment Fund I	**75.6%**	**52,519**	**30,664**
OneBio Seed Investment Fund II	**75.0%**	**4,530**	**-**
4Di Capital Fund III	**95.6%**	**94,330**	**91,238**
Masisizane Franchise Fund I	**70.4%**	**75,150**	**66,289**
SummerPlace Equity Fund I	**49.9%**	**115,155**	**127,637**
Digital Africa Ventures	**98.4%**	**9,045**	**6,901**
University Technology Fund	**73.1%**	**252,517**	**206,936**
University Technology Seed Fund	**99.0%**	**22,038**	**-**
ProfitShare Partners preference shares	**N/A**	**-**	**-**
Endeavor Harvest Fund II	**10.4%**	**16,758**	**16,450**
Secha Capital Fund II	**38.1%**	**52,907**	**33,599**
Hlayisani Venture Fund II	**30.5%**	**71,749**	**32,808**
Mafami Proprietary Limited	**3.6%**	**1,646**	**1,286**
University Technology (A) Partnership II	**41%**	**21,459**	**1,006**
Endeavor Harvest Fund III	**50%**	**31,159**	**15,120**
Havaic African Innovation Fund III	**84.8%**	**57,822**	**39,416**
Venture Capitalworks Fund I	**32.6%**	**33,832**	**13,399**
Grindstone Ventures Fund I	**70.6%**	**6,022**	**5,905**
27four Venture Capital Fund I Partnership	**42.8%**	**17,693**	**-**
Knife Capital (SA) Fund III	**18.0%**	**96,794**	**40,815**
AlphaCode Venture Partners Fund II Partnership	**13.7%**	**27,773**	**-**
		1,334,898	**1,026,684**

Unrealised fair value gains and losses comprise of the following fair value movements:	2026 R'000	2025 R'000
PAPE Fund 3	(11,448)	(24,664)
KNF Ventures (RF) Proprietary Limited	(1,894)	(2,242)
Savant Venture Fund I (A)	9,830	22,854
OneBio Seed Investment Fund I	1,169	(705)
OneBio Seed Investment Fund II	634	-
4Di Capital Fund III	(2,116)	(2,998)
Masisizane Franchise Fund I	8,860	(1,395)
SummerPlace Equity Fund I	(16,919)	22,058
Digital Africa Ventures	2,384	(6,510)
University Technology Fund	45,908	59,906
University Technology Seed Fund	4,594	-
ProfitShare Partners preference shares	(583)	-
Endeavor Harvest Fund II	(2,335)	(47,228)
Secha Capital Fund II	370	(484)
Hlayisani Venture Fund II	674	1,108
Mafami Proprietary Limited	117	(1,476)
University Technology (A) Partnership II	16,810	1,453
Endeavor Harvest Fund III	360	(2,693)
Havaic African Innovation Fund III	2,926	1,669
Venture Capitalworks Fund I	1,451	943
Grindstone Ventures Fund I	3,631	-
27four Venture Capital Fund I Partnership	14,879	1,312
Knife Capital (SA) Fund III	9,917	-
AlphaCode Venture Partners Fund II Partnership	3,242	-
	92,461	20,908

The fair value of the unlisted investments measured at fair value through profit or loss was determined with reference to the net asset value of the Funds, which measure their assets and liabilities at fair value. The fair value of the preference shares has been calculated by discounting future cash flows at current market interest rates.

The principal place of business of the above investments is South Africa.

PAPE Fund 3 and SummerPlace Equity Fund I are both en commandite partnerships where the investments are of a long term nature and the funds are equity participants that ultimately derive dividends and capital appreciation from their investments.

KNF Ventures is a Section 12J Venture Capital Company focused on innovation-driven ventures with proven traction.

The remaining Funds are venture capital Funds established with the intention of making long term investments in early stage companies with the ultimate purpose of deriving investment income and achieving long term capital appreciation. The investment in Savant Venture Fund I includes the commitment to the Fund as well as an incubation facility to enable the Fund to invest in early-stage potential pipeline companies. All the Funds are en-commandite partnerships.

Masisizane Franchise Fund is a general partnership, the purpose of which are to invest in portfolio companies to derive investment income and long term capital gains.

Summarised financial information in respect of Masisizane Franchise Fund I is set out below. The summarised financial information below represents amounts in Masisizane's financial statements and not the Group's share of these amounts.

	2026 R'000	2025 R'000
Current assets	85,178	70,652
Non-current assets	21,613	23,549
Total assets	**106,792**	**94,201**
Current liabilities	-	-
Net assets	**106,792**	**94,201**
Partners' capital accounts	67,500	67,500
Retained earnings	39,292	26,701
Capital attributable to partners	**106,792**	**94,201**
Capital attributable to The SA SME Fund Limited	**75,150**	**66,289**
Revenue	9,105	9,988
Net provision for expected credit losses	55	(12,473)
Profit / (Loss) for the year	9,296	(1,679)
Total comprehensive profit / (loss)	9,296	(1,679)

3.2 Unlisted investments at amortised cost

The Group has provided financing facilities to a number of investment intermediaries. This funding is used by the intermediaries to provide finance for working capital, project finance, asset finance and medium-term loans to SMEs and spaza shops. These loans are held with the objective of diversifying the portfolio and collecting contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. In addition, the Group has purchased a convertible promissory note in a potential portfolio company of the University Technology Fund. The promissory note has been fully provided for.

At 28 February 2026, the Group had the following investments:

	2026 R'000	2025 R'000
Investments measured at amortised cost		
Carrying amounts of:		
Investments measured at amortised cost	218,543	332,640
	218,543	**332,640**
Current		
The SA SME Fund Limited	27,607	52,192
The SMME Crisis Partnership Fund	383	95,553
	27,990	147,745
Non-current		
The SA SME Fund Limited	190,553	184,895
The SMME Crisis Partnership Fund	-	-
	190,553	184,895
	218,543	**332,640**
Consisting of:		
Cost	522,500	522,500
Realisations	(315,446)	(140,595)
Accrued income	212,115	171,361
Provision for expected credit losses	(200,626)	(220,626)
	218,543	**332,640**

The Group's debt intermediaries have seen an increase in non-performing loans or bad debts as a result of the strained economy and a higher interest rate environment compared to the previous financial year.

The investments consisted of the following:

	2026 R'000 Amortised cost	2026 R'000 Fair value	2025 R'000 Amortised cost	2025 R'000 Fair value
Spartan SME Fund Proprietary Limited	**169,131**	**170,106**	**155,272**	**155,210**
The loan bears interest at Prime less 1% per annum, compounded annually and is repayable in full, together with accrued interest, on 24 April 2027. The loan is secured by a cession of book debts. In addition, the Group has received guarantees totalling R20 million from other companies within the Spartan group. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.				
Spartan Impact Finance Proprietary Limited	**383**	**445**	**35,939**	**36,919**
The loan bears interest at the Prime rate of interest, compounded monthly and is repayable in full, together with the accrued interest, on 5 September 2025. The loan is secured by a cession of book debts. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.				
Umastandi Fund I SPV (RF) Proprietary Limited	**-**	**-**	**9,723**	**10,084**
The loan bears interest at Jibar plus 3% per annum, compounded quarterly and was repaid in full, together with the accrued interest on 17 November 2025.				
A2Pay Financial Services Proprietary Limited	**21,422**	**21,997**	**19,900**	**20,278**
The loan bears interest at Prime less 2% per annum, compounded quarterly and is repayable in full, together with accrued interest, on 19 February 2028. The loan is secured by a cession of book debts and has been guaranteed by A2L Media Corp Proprietary Limited, a fellow subsidiary of A2Pay. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.				
ProfitShare Partners Proprietary Limited				
The loan is secured by a cession of book debts and bears interest at Prime plus 2.5%, compounded monthly and payable quarterly in arrears. The PSP debt facility matured in October 2025. PSP was unable to repay the facility upon maturity, and the Group has since entered into negotiations with PSP management to maximise potential returns. Payments totalling R5 million have been received after year end. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.	**27,607**	**27,607**	**52,192**	**52,192**
The loan bears interest at the Prime rate of interest, compounded monthly and is repayable in full, together with the accrued interest. Management has agreed with PSP that interest on the outstanding loan balance will no longer accrue after 23 June 2025. The company remains loss making and is performing below budget based on the most recent available financial information. In addition, PSP has previously been unable to settle the full outstanding balance on time, and repayment negotiations are ongoing, including discussions regarding settlement of the remaining loan balance. Given these factors the investment has been fully impaired at 28 February 2026.	**-**	**-**	**5,611**	**5,611**
Anatree Proprietary Limited	**-**	**-**	**36,894**	**46,058**
The loan bears interest at the Prime rate of interest, compounded monthly and was repaid in full, together with the accrued interest on 25 November 2025.				

	2026 R'000 Amortised cost	2026 R'000 Fair value	2025 R'000 Amortised cost	2025 R'000 Fair value
Bridge Taxi Finance No. 12 Proprietary Limited The loan bears interest at the Prime rate of interest, compounded monthly and is repayable in full, together with the accrued interest. The loan is secured by a cession of book debts. In addition, the Company has received guarantees from the holding company of Bridge Taxi Finance No.12. Due to the Company experiencing a liquidity crisis, and the holding company being placed in liquidation, the investment has been fully impaired at 28 February 2026.	-	-	-	-
SME Contract Finance (RF) Proprietary Limited The loan bears interest at the Prime rate of interest, compounded monthly and was repaid in full, together with the accrued interest, on 30 May 2025.	-	-	**17,109**	**17,240**
Retail Capital The loan bears interest at the Prime rate of interest, compounded monthly and was repaid in full, together with the accrued interest, on 5 December 2024.	-	-	-	-
Mobile Macs Proprietary Limited The loan bears interest at the Prime rate of interest, compounded monthly and is repayable in full, together with the accrued interest. Due to the Company being in liquidation, the investment has been fully impaired at 28 February 2026.	-	-	-	-
	218,543	**220,155**	**332,640**	**343,592**

Movement in Expected Credit Losses

	2026 R'000	2025 R'000
Balance at the beginning of the year	**220,626**	**127,646**
Stage 1 ECL allowance	13,090	16,753
Stage 2 ECL allowance	27,174	4,304
Stage 3 ECL allowance	187,536	106,589
Reversal of ECL allowance	(7,174)	-
Statement of comprehensive income charge	**(20,000)**	**92,980**
Stage 1 ECL allowance	1,293	-
Stage 2 ECL allowance	-	26,089
Stage 3 ECL allowance	7,154	76,642
Reversal of ECL allowance	(28,447)	(9,751)
Balance at the end of the year	**220,626**	**220,626**
Stage 1 ECL allowance	5,936	5,916
Stage 2 ECL allowance	-	27,174
Stage 3 ECL allowance	194,690	187,536

R'000 2026	Stage 1	Stage 2	Stage 3	Total
Gross loans	196,871	-	222,297	419,168
Total expected credit loss balance	21,239	(27,174)	(194,690)	(200,625)
Net advances	**218,110**	**(27,174)**	**27,607**	**218,543**

R'000 2025	Stage 1	Stage 2	Stage 3	Total
Gross loans	243,860	64,068	245,338	553,266
Total expected credit loss balance	(5,916)	(27,174)	(187,536)	(220,626)
Net advances	**237,944**	**36,984**	**57,802**	**332,640**

The decrease in the movement in expected credit losses is primarily attributable to the significant expected credit loss provision of R21.5 million recognised in the prior financial year in respect of the R75 million loan facility advanced to Profitshare Partners Proprietary Limited (PSP). In addition, during the current year, a number of loans within the SMME Crisis Partnership Fund were settled, resulting in a higher reversal of expected credit losses compared to the prior year.

4. Trade and other receivables

	2026 R'000	2025 R'000
Financial assets:		
Deposits	129	129
	129	**129**

The fair value approximates the carrying value of the trade and other receivables, due to the short-term nature thereof. All trade and other receivables are current. Due to the short-term nature of the trade and other receivables, the credit quality of the counterparties and the fact that the Group has never experienced a credit loss, the ECL on trade and other receivables is negligible.

5. Prepayments

	2026 R'000	2025 R'000
Prepaid management fees	4,975	3,517
Other prepayments	873	1,088
	5,848	**4,605**

6. Cash and cash equivalents

	2026		2025	
		R'000		R'000
Bank and cash balances		**922,918**		**828,001**
Cash at bank and short term deposits	**Ave. interest rate**		**Ave. interest rate**	
First National Bank	7.25%	165,387	7.85%	120,901
Investec	6.15%	224,476	7.60%	192,624
Nedbank	6.90%	258,822	8.65%	275,249
Standard Bank	6.55%	102,336	N/A	-
Rand Merchant Bank	6.95%	171,897	8.68%	239,227
		922,918		**828,001**

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of twelve months or less. The carrying amount of these assets is approximately equal to their fair value due to their short-term nature and because they bear interest at market-linked rates. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

7. Share capital

	2026 Number of shares	2025 Number of shares
Authorised		
Ordinary no par value shares	3,000,000	3,000,000

Issued	2026 R'000	2026 Number of shares	2025 R'000	2025 R'000
Ordinary no par value shares rounded to '000	1,390,400	1,390,400	1,389,400	1,389,400

Reconciliation of shares issued	Number of shares R'000	Number of shares R'000
Balance at 1 March 2024	**1,388,400**	**1,388,400**
Issue of shares	1,000	1,000
Balance at 28 February 2025	**1,389,400**	**1,389,400**
Issue of shares	1,000	1,000
Balance at 28 February 2026	**1,390,400**	**1,390,400**

During the year ended 28 February 2026 the Group increased its share capital and issued 1,000,000 (2025: 1,000,000) fully paid up new shares at a price of R1.00 per share.

8. Tax

	2026 R'000	2025 R'000
South African normal tax		
Current tax	**10,697**	**9,750**
Deferred tax	**23,531**	**95**
	34,228	**9,845**
Reconciliation of tax rate	%	%
Standard rate of tax	**27.0**	**27.0**
Non-taxable income	(15.27)	(21.66)
Unrealised gains on investments	(63.70)	(27.84)
Expenditure disallowed	32.59	46.13
Timing differences	0.03	0.60
Taxable capital gain inclusion	1.94	-
Deferred capital gains tax on unrealised gains on investments	42.60	25.48
Effective tax rate	**25.19**	**49.71**

In terms of the South African Income Tax Act, the non-capital revenue of the Group is considered to be passive income and the Group therefore does not generate tax losses that may be utilised at a date in the future. As a result, the Group does not raise a deferred tax asset in respect of estimated or assessed losses.

Under present South African laws, the Partnerships will not be subject to income tax and capital gains tax, as the respective partners will be subject to tax on their portion of the gains/losses from the Partnerships in their individual capacity.

Deferred Tax

The following deferred tax liability has been recognised by the Group including movements thereon during the current and prior reporting period.

R'000	Unrealised capital gains on investments measured at fair value through profit and loss
Balance at 1 March 2024	**31,431**
Deferred tax expense recognised in profit and loss	**95**
Balance at 28 February 2025	**31,526**
Deferred tax expense recognised in profit and loss	**23,531**
Balance at 28 February 2026	**55,058**

9. Trade and other payables

	2026 R'000	2025 R'000
Trade payables	**789**	**11**
Other payables	**798**	**764**
Total financial liabilities	**1,587**	**775**
Accruals	**1,716**	**988**
Total financial and non-financial liabilities	**3,303**	**1,763**

Trade and other payables are non-interest bearing and are settled on average 30 days from date of statement. The fair value approximates the carrying value of the trade and other payables, due to the short term nature thereof.

10. Government grant assets and other liabilities

	2026 R'000	2025 R'000
Unlisted investments related to government grant		
Unlisted investments related to government grant	**11,000**	**25,500**
Other liabilities		
Grant liability in respect of Department of Science, Technology and Innovation project funding agreement	**290,607**	**257,602**
Deferred income	**19,692**	**43,181**
	310,299	**300,783**
Grant liability in respect of Department of Science and Innovation First Loss Facility Contribution agreement	**49,668**	**37,972**
Deferred income	**59,814**	**66,776**
	109,482	**104,748**
Grant liability in respect of Department of Science, Technology and Innovation Venture Capital Climate Tech Fund of Funds facility contribution agreement	**28,370**	**-**
Deferred income	**45,803**	**-**
	74,173	**-**
Grant liability in respect of USAID First Loss Facility Contribution agreement	**20,608**	**16,557**
Deferred income	**20,332**	**22,618**
	40,940	**39,175**
Grant liability in respect of Technology Innovation Agency returnable capital agreement	**22,809**	**27,867**
Deferred income	**67,949**	**74,363**
	90,758	**102,230**
	-	
Total grant liabilities	**412,062**	**339,998**
Total deferred income	**213,590**	**206,938**
Current	**262,224**	**-**
Non-current	**363,428**	**546,936**
	625,652	**546,936**

During the year ended 28 February 2021, the Group entered into a project funding agreement with the Department of Science Technology and Innovation (DSTI) whereby the DSTI provided R25,5 million cash for investment in specified portfolio companies namely:

- OneBio (Sawubona Mycellium)
- Savant (Goedetrou)
- Savant (Hypernova Space Technologies)
- University Technology Fund (Hyrax Bioscience)

The funds do not bear interest and are returnable to the DSTI based on the returns generated by the investments in the portfolio companies. The termination date of the project funding agreement is 31 December 2026.

In the prior year, the Group entered into a First Loss Facility Contribution Agreement with the DSTI whereby the DSTI provided R100 million cash for investment in the High Impact Seed Fund of Funds Partnership. Additionally, the DSTI further allocated R100 million returnable capital to the Technology Innovation Agency (TIA), for investment in the High Impact Seed Fund of Funds Partnership. The capital invested is due to be returned to TIA on 30 September 2036.

In the current year the DSTI committed funding of R150 million for Climate Tech investments in the HISFoF Partnership. An initial tranche of R75 million was received during the current year, with the remaining R75 million expected to be received in the DSTI's subsequent financial year. The funding bears no interest and is repayable to the DSTI based on the returns generated from investments in the underlying portfolio companies. The project funding agreement terminates on 30 November 2028.

During the year ended 28 February 2023, the Group entered into a First Loss Facility Contribution Agreement with USAID whereby USAID has provided an amount of USD2 million as a first loss facility for investment in the SA SME Fund of VC Funds I Partnership. The funds do not bear interest and are to be returned to the USAID on 19 January 2035.

The above liabilities were initially measured at fair value by discounting the amount payable at a market related rate over the term of the agreement. The difference between the amount payable and the fair value is recognised as deferred income from a government grant and is released to the income statement over the term of the agreement on a straight-line basis. Interest expense is recognised over the term of the agreement using the effective interest method. The liability is subsequently measured at amortised cost.

To date the Group has invested R91,7 million (2025: R52.3 million) of the grant received from the DSTI, and R10,5 million (2025: R9.6 million) from the First loss facility received from the USAID in the SA SME Fund of VC Funds I Partnership. The investments with the Partnership are measured at fair value and the grant has not been used to reduce the cost of the investment.

To date the Group has invested R14,7 million (2025: R0) of the grant received from the TIA in the HISFoF Partnership.

11. Black professionals program

In the prior year, the Group launched the Black Investment Professionals Associate (BIP) Program. The purpose of the Programme is to provide funding to enable venture capital fund managers in South Africa to employ South African Black investment professionals at an associate level for a period of two years. After obtaining approval from the DSTI, the program is funded from R20 million interest income earned from the R255 million grant received from the DSTI, for investment in the SA SME Fund of VC Funds I Partnership (see note 10).

The program funds 75% of each associate's salary cost for the duration period of the program and the remaining 25% salary cost is borne by the Fund manager at which the associate is employed. In the current year, a further R40 million has been received from the DSTI for the BIP Programme. The duration of the program was extended by one year for all associates appointed through the program.

In the current year, the Group entered into a project funding agreement with the DSTI whereby the DSTI provided an additional R40 million for investment in the BIP Programme. The funds do not bear interest and the termination date of the project funding agreement is 31 December 2028.

To date the BIP program has incurred the following expenses that are paid from the R60 million cash received to be utilised for the funding of the program:

	2026 R'000	2025 R'000
Funding allocated for the program - Opening balance	20,000	-
Expenses incurred in previous years	(3,704)	-
	16,296	-
Movement	**40,000**	**20,000**
Funding received during the year for the program	(259)	-
Grant funding adjustment*	-	(282)
Legal fees	(13,560)	(3,347)
Associate Salaries	(38)	(75)
Administration cost	(252)	-
Other program expenses	**25,891**	**(3,704)**
Remaining funding available for the BIP program	**42,187**	**16,296**
Non-current	24,970	3,471
Current	17,217	12,825
	42,187	**16,296**

*The R40 million grant funding received is initially measured at fair value by discounting the amount payable at a market related rate over the term of the program. The difference between the amount payable and the fair value is recognised as deferred income from government grants and is released to the income statement over the term of the program on a straight-line basis. Interest expense is recognised over the term of the program using the effective interest method. The liability is subsequently measured at amortised cost.

12. Right-of-use lease liability

	2026 R'000	2025 R'000
Movement in right-of-use lease liability		
Balance at beginning of the year	**451**	**1,126**
Lease renewal	**2,294**	**17**
Finance charges	**94**	**85**
Cash outflow for leases	**(807)**	**(777)**
	2,032	**451**
Current portion payable within one year	**692**	**451**
Long term portion	**1,340**	**-**
Total	**2,032**	**451**
Total cash outflow for leases		
Finance charges	**94**	**85**
Capital portion	**713**	**692**
	807	**777**
Contractual undiscounted cash flows		
Due in one year	**846**	**464**
Due thereafter	**1,437**	**-**
Total	**2,283**	**464**

The Group has leased a building that is being used as office space. The lease was renewed on 01 October 2025 for a period of three years. On average, the lease period is three years. The incremental cost of borrowing used to discount the value of the remaining lease payments is 9.69% (2025: 11.46%).

13. Provisions

	2026 R'000	2025 R'000
Employee benefits	**12,503**	**10,603**
Administration fees	**700**	**-**
	13,203	**10,603**
Current	**13,203**	**10,603**
Non-current	**-**	**-**
	13,203	**10,603**
Movement in provisions:		
Balance at the beginning of the year	**10,603**	**9,582**
Additional provision in the year	**13,203**	**10,603**
Utilisation of the provision	**(10,603)**	**(9,582)**
Balance at the end of the year	**13,203**	**10,603**

The provision for employee benefits represents annual leave and accrued bonuses in terms of employees' contracts of employment. An amount of R12,9 million (2025: R11,1 million) in respect of employee benefits provisions has been paid subsequent to year end.

14. Operating expenses

	2026 R'000	2025 R'000
Operating expenses comprise:		
Auditors' remuneration		
Audit fees	**4,412**	**4,155**
Remuneration for other services	**-**	**-**
Consulting fees	**-**	**-**
Depreciation	**784**	**790**
Fund II costs*	**1,639**	**3,241**
Insurance	**630**	**500**
Investment Committee fees	**100**	**273**
Investment-related costs	**5,448**	**2,164**
Legal fees	**2,372**	**1,501**
Operating lease rentals – office equipment (Note 17)	**25**	**27**
Salaries and wages**	**24,844**	**23,690**
Short term incentives***	**12,988**	**11,146**
Other operating expenses	**3,908**	**3,945**
	57,150	**51,432**

*The decrease in Fund II costs is primarily attributable to a decrease in overhead costs incurred by the General Partner of The SMME Crisis Partnership Fund. The overhead costs were borne by The SA SME Fund Limited and not the respective partnership in line with the arrangement between the Company and the General Partner.

**Salaries and wages include gross salaries, statutory contributions and Director's salaries of R9,3 million (2025: R8,5 million) as disclosed in note 15.

***Short term incentives include incentives payable to directors as disclosed in note 15. The short-term incentives allocation percentage increased from 50.6% to 51.0% in the current year.

15. Directors' and prescribed officers' emoluments

	2026 (R'000)			2025 (R'000)		
	Salary	Short term incentive	Total	Salary	Short term incentive	Total
Ketan Gordhan	5,718	2,916	8,634	5,016	2,308	7,324
Caryn Winter	3,636	1,855	5,491	3,480	1,762	5,242
	9,354	4,771	14,125	8,496	4,070	12,566

The non-executive directors do not receive any remuneration or fees for their services to the Group.

16. Notes to the statement of cash flows

	2026 R'000	2025 R'000
Operating profit / (loss) before tax	86,927	(29,043)
Adjustments for:		
Depreciation of property, plant and equipment	784	790
Interest earned on cash and cash equivalents	(17,908)	(19,283)
Income from government grant	(45,432)	(35,843)
Other income	(3,000)	-
Investment income recognised in the statement of comprehensive income	(63,562)	(100,956)
Interest expense - non cash	39,124	28,500
Interest expense on lease liability	94	85
Subsequent close interest	-	597
Legal fees	45	-
Management fees	-	10,706
Operating expenses	-	1,374
Unrealised gains from fair value adjustments	(92,461)	(20,908)
Working capital changes:		
Decrease in prepayments and trade and other receivables	(1,242)	1,115
Increase / (decrease) in trade and other payables	2,173	(757)
Increase in provisions	(18,080)	94,001
	(112,538)	(69,622)

*Interest expense - non cash relates to interest accrued on the government grant facilities received from the DSTI, TIA and the USAID. The grants have been classified as a financial liability subsequently measured by increasing the carrying amount of the liability, to reflect interest accrued (using the effective interest method) and by reducing the carrying amount to reflect payments made in respect of the grant liability that have been discounted in accordance with IAS 20 requirements.

17. Operating lease rentals

Operating lease rentals relate to leases of low value office equipment with lease terms of three years.

	2026 R'000	2025 R'000
Operating lease rentals due within one year	22	18
Operating lease rentals due thereafter	17	-
	39	18

18. Contingencies

There were no contingent liabilities at 28 February 2026.

As at 28 February 2026, the Group had made the following commitment, subject to legal agreements being signed:

- Futuregrowth High Growth Development Equity Fund: R150 million
- AIONS Seed Fund I: R60 million
- Mamor Capital Ventures Fund I: R90 million

The Futuregrowth High Growth Development Equity Fund legals were signed after year end.

19. Capital commitments

The table below notes undrawn capital commitment movements during the year:

R'000 **Undrawn capital commitments:**	% of fund	Total capital commitment	Undrawn capital commitment at 1 March 2025	New capital committed during the year	Capital commitment drawn during the year	2026 R'000 Undrawn capital commitment at 28 February 2026
PAPE Fund 3	**9.5%**	**100,000**	**3,955**	**-**	**(2,422)**	**1,533**
SummerPlace Equity Fund I	**49.9%**	**125,000**	**18,469**	**-**	**(9,195)**	**9,274**
Savant Venture Fund I	**68.3%**	**100,000**	**3,702**	**-**	**(2,910)**	**792**
4Di Capital Fund III	**95.6%**	**125,000**	**25,824**	**-**	**(9,807)**	**16,017**
OneBio Seed Investment Fund I	**75.6%**	**75,000**	**29,698**	**-**	**(19,289)**	**10,409**
University Technology Fund	**73.0%**	**145,000**	**7,881**	**-**	**(2,966)**	**4,915**
Digital Africa Ventures Fund	**98.4%**	**25,000**	**2,427**	**-**	**(588)**	**1,839**
Endeavor Harvest Fund II	**10.5%**	**20,000**	**2,642**	**-**	**(1,604)**	**1,038**
Grindstone Ventures Fund I	**69.9%**	**10,000**	**1,345**	**-**	**(390)**	**955**
Knife Capital (SA) Fund III	**28.0%**	**75,000**	**106,496**	**-**	**(26,855)**	**79,641**
Secha Capital Fund II	**38.1%**	**100,000**	**63,585**	**-**	**(21,848)**	**41,737**
Hlayisani Venture Fund II	**30.5%**	**150,000**	**75,807**	**-**	**(54,410)**	**21,397**
Venture Capitalworks Fund I	**29.12%**	**150,000**	**133,704**	**-**	**(36,817)**	**96,887**
University Technology (A) Partnership II	**33.61%**	**100,000**	**98,994**	**25,000**	**(18,692)**	**105,302**
Endeavor Harvest Fund III	**50.0%**	**94,950**	**78,662**	**-**	**(17,646)**	**61,016**
Havaic African Innovation Fund III	**84.8%**	**100,000**	**70,446**	**-**	**25,477**	**95,923**
27four Venture Capital Fund I Partnership	**44.8%**	**100,000**	**100,000**	**-**	**(16,598)**	**83,402**
Alphacode Venture Partners Fund II	**13.7%**	**100,000**	**-**	**100,000**	**(25,309)**	**74,691**
University Technology Seed Fund	**99.0%**	**60,000**	**-**	**60,000**	**(24,377)**	**35,623**
OneBio Investment Seed Fund II	**83.9%**	**60,000**	**-**	**-**	**(4,923)**	**55,077**
		1,964,950	**823,637**	**185,000**	**(271,169)**	**797,468**

R'000 Undrawn capital commitments:	% of fund	Total capital commitment	Undrawn capital commitment at 1 March 2024	New capital committed during the year	Capital commitment drawn during the year	2025 R'000 Undrawn capital commitment at 28 February 2025
PAPE Fund 3	**9.6%**	**100,000**	6,612	-	(2,657)	3,955
SummerPlace Equity Fund I	**49.9%**	**125,000**	55,689	-	(37,220)	18,469
Savant Venture Fund I	**68.6%**	**100,000**	4,935	-	(1,233)	3,702
4Di Capital Fund III	**95.7%**	**125,000**	45,616	-	(19,792)	25,824
OneBio Seed Investment Fund I	**75.6%**	**75,000**	40,367	-	(10,669)	29,698
University Technology Fund	**73.0%**	**145,000**	32,787	-	(24,906)	7,881
Digital Africa Ventures Fund I	**98.3%**	**25,000**	3,217	-	(790)	2,427
Endeavor Harvest Fund II	**10.8%**	**20,000**	4,246	-	(1,604)	2,642
Grindstone Ventures Fund I	**69.9%**	**10,000**	2,315	-	(970)	1,345
Knife Capital (SA) Fund III	**28.0%**	**150,000**	143,967	-	(37,471)	106,496
Secha Capital Fund II	**38.1%**	**100,000**	95,294	-	(31,709)	63,585
Hlayisani Venture Fund II	**30.5%**	**150,000**	31,858	50,000	(6,051)	75,807
Venture Capitalworks Fund I	**32.6%**	**150,000**	138,722	-	(5,018)	133,704
University Technology (A) Partnership II	**41.0%**	**100,000**	-	100,000	(1,006)	98,994
Endeavor Harvest Fund III	**50.0%**	**94,950**	-	94,950	(16,288)	78,662
Havaic African Innovation Fund III	**84.8%**	**150,000**	-	150,000	(79,554)	70,446
27four Venture Capital Fund I Partnership	**44.8%**	**100,000**	-	100,000	-	100,000
		1,719,950	**605,625**	**494,950**	**(276,938)**	**823,637**

20. Going concern

The directors have considered the financial position of the Group and are of the view that the Group remains a going concern. While the Group currently makes operating cashflow losses and is expected to do so for the foreseeable future, the Group has significant cash balances and its total assets exceed its total liabilities by R1.728 billion (2025: R1.611 billion). The director's note that, included in accumulated losses, are management fees and fund establishment costs and operating costs paid to investee fund managers totalling R210.7 million (2025:R163.9 million) that are fully recoverable in the returns waterfall on the winding up of the partnerships in which the Group has invested, subject to the performance of the underlying Funds.

The directors have reviewed the outstanding commitments relative to the Group's cash balances and note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms. The Fund of Funds business model of the Group has also been considered by the directors in their assessment of going concern.

This model assumes that the Group will have an investment period of approximately five years during which available funds will be invested in portfolio Funds / companies in the SME sector. It is only after this investment period and a period of portfolio company growth and management that the Group is expected to generate realised returns from its investment programme. The majority of the Group's portfolio funds are currently in the portfolio management and growth phase.

21. Subsequent events

No matter that is material to the financial affairs of the Group has occurred between the reporting date and the date of approval of these financial statements, which requires adjustment to or disclosure in the financial statements.

22. Related parties

22.1 Transactions with related parties

During the period under review, the Company entered into the following transactions with portfolio funds:

R'000							2026
	Management fee %	Total income	Interest and dividends received	Total expenses	Management and advisory fees paid	Establishment costs and interest paid on equalisation	Fund operating expenses
Financial assets at fair value through profit or loss							
PAPE Fund 3	**2.00%**	**7,876**	7,876	**3,068**	1,729	3	1,305
Savant Venture Fund I (A)	**3.36%**	**-**	-	**1,571**	1,434	-	76
OneBio Seed Investment Fund I	**3.00%**	**-**	-	**2,544**	2,217	-	200
4Di Capital Fund III	**3.00%**	**258**	258	**4,599**	4,312	-	213
University Technology Fund	**3.00%**	**-**	-	**4,229**	3,621	-	1,120
SummerPlace Equity Fund I	**2.50%**	**12,338**	12,338	**2,647**	2,132	-	515
Masisizane Franchise Fund I	**N/a**	**-**	-	**312**	-	-	312
Digital Africa Ventures Fund I	**3.00%**	**-**	-	**588**	308	-	308
Endeavor Harvest Fund II	**2.00%**	**-**	-	**507**	462	-	63
Grindstone Ventures Fund I	**3.00%**	**-**	-	**409**	299	-	445
Knife Capital (SA) Fund III	**2.00%**	**-**	-	**1,729**	1,725	-	87
Secha Capital Fund II	**2.00%**	**3,285**	3,285	**5,207**	2,300	118	186
Hlayisani Venture Fund II	**2.3%**	**1,539**	1,539	**7,093**	6,418	-	(77)
Venture Capitalworks Fund I	**2.0%**	**428**	428	**6,015**	4,745	-	1,270
Knife Capital (SA) Fund	**2.0%**	**128**	128	**1,890**	1,725	164	1
University Technology (A) Partnership II	**2.0%**	**632**	632	**4,024**	3,016	364	644
Endeavor Harvest Fund III	**2.0%**	**129**	129	**1,736**	1,638	-	98
Havaic African Innovation Fund III	**2.0%**	**906**	906	**6,968**	4,025	-	2,943
27four Venture Capital Fund I Partnership	**2.0%**	**1,329**	1,329	**14,713**	6,487	-	8,226
Alphacode Venture Partners Fund II	**2.0%**	**58**	58	**6,635**	3,459	469	2,707
OneBio Investment Seed Fund II	**2.0%**	**6**	6	**263**	230	-	33
University Technology Seed Fund II	**2.0%**	**49**	49	**613**	277	133	203
		28,961	**28,961**	**77,360**	**52,559**	**1,251**	**23,550**
Financial assets measured at amortised cost							
Anatree Proprietary Limited		**2,510**	2,510	-	-	-	-

R'000							2026
	Management fee %	Total income	Interest and dividends received	Total expenses	Management and advisory fees paid	Establishment costs and interest paid on equalisation	Fund operating expenses
Umastandi Fund I Proprietary Limited		**1,119**	1,119	-	-	-	-
ProfitShare Partners Proprietary Limited		**11,235**	11,235	-	-	-	-
Spartan Impact Finance Proprietary Limited		**15,853**	15,853	--	--	--	--
A2Pay Financial Services Proprietary Limited		**1,794**	1,794	37	--	--	37
Spartan SME Fund Proprietary Limited		**14,819**	14,819	--	--	--	-
SME Contract Finance Proprietary Limited		**434**	434	--	--	--	--
Retail Capital		**-**	-	-	-	-	-
Mobile Macs Proprietary Limited		**2,438**	2,438	-	-	-	-
Bridge Taxi Finance Proprietary Limited		**9,663**	9,663	-	-	-	-
		59,865	**59,865**	**37**	**-**	**-**	**37**
		88,826	**88,826**	**77,397**	**52,559**	**1,251**	**23,587**

R'000							2025
	Management fee %	Total income	Interest and dividends received	Total expenses	Management and advisory fees paid	Establishment costs and interest paid on equalisation	Fund operating expenses
Financial assets at fair value through profit or loss							
PAPE Fund 3	**2.00%**	**2,382**	2,382	**2,969**	1,664	-	1,305
Savant Venture Fund I (A)	**3.36%**	**-**	-	**2,640**	2,564	-	76
OneBio Seed Investment Fund I	**3.00%**	**-**	-	**2,782**	2,582	-	200
4Di Capital Fund III	**3.00%**	**368**	368	**4,521**	4,308	-	213
University Technology Fund	**3.00%**	**-**	-	**5,949**	4,829	-	1,120
SummerPlace Equity Fund I	**2.50%**	**6,538**	6,538	**3,837**	3,322	-	515
Masisizane Franchise Fund I	**N/a**	**-**	-	**312**	-	-	312
Digital Africa Ventures Fund I	**3.00%**	**-**	-	**790**	482	-	308
Endeavor Harvest Fund II	**2.00%**	**-**	-	**223**	160	-	63
Grindstone Ventures Fund I	**3.00%**	**-**	-	**744**	299	-	445
Knife Capital (SA) Fund III	**2.00%**	**238**	238	**1,812**	1,725	-	87
ProfitShare Partners Proprietary Limited	**2.00%**	**6,683**	6,683	**-**	-	210	-
Secha Capital Fund II	**2.3%**	**1,146**	1,146	**2,696**	2,300	-	186
Hlayisani Venture Fund II	**2.3%**	**6,815**	6,815	**2,263**	2,340	-	(77)
Venture Capitalworks Fund I	**2.0%**	**660**	660	**3,135**	2,300	-	835
University Technology (A) Partnership II	**2.0%**	**-**	-	**-**	-	-	-
Endeavor Harvest Fund III	**2.0%**	**9**	9	**1,177**	887	-	290
Havaic African Innovation Fund III	**2.0%**	**-**	-	**1,528**	1,150	-	378
27four Venture Capital Fund I Partnership	**2.0%**	**-**	-	**-**	-	-	-
		24,839	**24,839**	**37,378**	**30,912**	**210**	**6,256**

R'000							2025
	Management fee %	Total income	Interest and dividends received	Total expenses	Management and advisory fees paid	Establishment costs and interest paid on equalisation	Fund operating expenses
Financial assets measured at amortised cost							
Anatree Proprietary Limited		**6,957**	6,957	-	-	-	-
Umastandi Fund I Proprietary Limited		**1,119**	1,119	-	-	-	-
ProfitShare Partners Proprietary Limited		**15,383**	15,383	-	-	-	-
Spartan Impact Finance Proprietary Limited		**14,819**	14,819	--	--	--	--
A2Pay Financial Services Proprietary Limited		**1,794**	1,794	37	--	--	37
Spartan SME Fund Proprietary Limited		**3,999**	3,999	--	--	--	-
SME Contract Finance Proprietary Limited		**3,442**	3,442	--	--	--	--
Retail Capital		**5,330**	5,330	-	-	-	-
Mobile Macs Proprietary Limited		**4,075**	4,075	-	-	-	-
Bridge Taxi Finance Proprietary Limited		**9,935**	9,935	-	-	-	-
		66,853	**66,853**	**37**	**-**	**-**	**37**
		91,692	**91,692**	**37,415**	**30,912**	**210**	**6,293**

There were no amounts owing by or to related parties as at 28 February 2026 (2025: R Nil).

22.2 Transactions with directors

There were no transactions with directors during the year ended 28 February 2026, nor during the year ended 28 February 2025.

23. Non-controlling interests

The Group has the following non-controlling interest (NCI) within its controlled subsidiaries:

	2026 R'000	2025 R'000
The SMME Crisis Partnership Fund		
Total operating profit / (loss) for the period	**42,068**	**(33,734)**
Operating profit / (loss) attributable to The SA SME Fund Limited	21,012	(16,867)
Operating profit / (loss) attributable to NCI	21,012	(16,867)
	42,024	**(33,734)**
Total net assets attributable to partners	**18,287**	**196,264**
Net assets attributable to The SA SME Fund Limited	9,144	48,133
Net assets attributable to NCI	9,143	148,131
	18,287	196,264
The SA SME Fund of VC Funds I Partnership		
Total operating loss for the period	**9,043**	**(1,589)**
Operating loss attributable to The SA SME Fund Limited	2,410	(423)
Operating loss attributable to NCI	6,633	(1,166)
	9,043	**(1,589)**
Total net assets attributable to partners	**442,932**	**237,547**
Net assets attributable to The SA SME Fund Limited	177,056	60,524
Net assets attributable to NCI	265,876	177,023
	442,932	**237,547**
High Impact Seed Funds I Partnership		
Total operating loss for the period	**(3,809)**	**-**
Operating loss attributable to The SA SME Fund Limited	(1,270)	-
Operating loss attributable to NCI	(2,539)	-
	(3,809)	**-**
Total net assets attributable to partners	**40,430**	**-**
Net assets attributable to The SA SME Fund Limited	13,476	-
Net assets attributable to NCI	26,954	-
	40,430	**-**

THE SA SME FUND LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

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GENERAL INFORMATION

Country of incorporation and domicile:	Republic of South Africa
Company registration number:	2016/238385/06
Nature of business and principal activities:	Investment company
Registered office:	1 Discovery Place. Sandton, 2196
Postal address:	P.O. Box 786722. Sandton. 2146
Non-executive directors:	A Gore J Bosini - Appointed 01 February 2026 F Chothia NJ Dlamini LM Klein C Kula - Resigned 27 February 2026 P Mahanyele-Dabengwa YG Muthien NG Payne
Executive directors:	KM Gordhan CT Winter CA(SA)
Secretary:	LP Mashaba CA(SA)
Auditors:	Deloitte & Touche
Preparer:	L Mashaba CA(SA)
Reviewer:	CT Winter CA(SA)
Issue date:	10 July 2026

DIRECTORS' RESPONSIBILITY STATEMENT

for the year ended 28 February 2026

Directors' responsibility to the shareholders of The SA SME Fund Limited

The The directors of The SA SME Fund Limited (The SA SME Fund or the Company) are responsible for the preparation and fair presentation of the financial statements. These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 71 of 2008. In discharging this responsibility, the directors rely on management to prepare the financial statements in accordance with IFRS Accounting Standards and for keeping adequate accounting records in accordance with the Company's system of internal control. The financial statements for the year ended 28 February 2026 were prepared by LP Mashaba and reviewed by CT Winter.

In preparing the financial statements, suitable accounting policies in accordance with IFRS Accounting Standards have been applied, and reasonable judgements and estimates have been made by management. The financial statements incorporate full and responsible disclosure in accordance with the Company's philosophy on corporate governance.

The directors are responsible for the Company's system of internal control. To enable the directors to meet these responsibilities, the directors set the standards for internal control to reduce the risk of error or loss in a cost-effective manner. The standards include the appropriate delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company.

Based on the information and explanations given by management, nothing has come to the attention of the directors to indicate that the internal controls are inadequate and that the financial records may not be relied on in preparing the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and maintaining accountability for the Company's assets and liabilities. Nothing has come to the attention of the directors to indicate any breakdown in the functioning of internal controls and resulting in a material loss to the Company, during the year ended 28 February 2026 and up to the date of this report. Based on the effective internal controls implemented by management, the directors are satisfied that the financial statements fairly present the state of affairs of the Company at the end of the year ended 28 February 2026, and the net profit and cash flows for the year ended 28 February 2026.

The financial statements have been prepared on a going concern basis. The directors have no reason to believe that the Company will not be a going concern in the year ahead.

It is the responsibility of the Company's independent external auditor, Deloitte & Touche, to report on the fair presentation of the financial statements. These financial statements have been audited in terms of Section 29(1) of the Companies Act 71 of 2008. Their report appears on pages 103 to 105.

The financial statements of the Company, which appear on pages 106 to 149, were approved by the Board of Directors on 10 July 2026 and are signed on its behalf by:



A Gore
Chairperson



KM Gordhan
CEO

COMPANY SECRETARY'S CERTIFICATE

for the year ended 28 February 2026

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act 71 of 2008

I declare that to the best of my knowledge, the Company has lodged with the Commissioner of the Companies and Intellectual Property Commission, all such returns and notices as required of a public company in terms of the Companies Act and that all returns and notices are true, correct and up to date.



LP Mashaba
Company Secretary
10 July 2026

REPORT OF THE VALUATIONS, AUDIT AND RISK COMMITTEE

for the year ended 28 February 2026

We are pleased to present our report for the year ended 28 February 2026. This report is made pursuant to the requirements of Section 94(7)(f) of the Companies Act (71 of 2008, as amended) of South Africa.

Composition of the Committee

The Valuations, Audit and Risk Committee (the Committee) is an independent statutory committee and consists of three independent non-executive directors with sufficient expertise to enable the Committee to discharge its statutory and appointed duties.

Its members during the year under review comprised of the Chairperson, Mr NG Payne, Mr F Chothia, Mr C Kula and Dr YG Muthien. The Chairperson of the Committee attends the Annual General Meeting. Mr C Kula resigned in February 2026 from the Committee.

The Committee meets at least twice a year and, with the approval of the Chairperson, at the request of the Chief Executive Officer (CEO), or the Chief Financial Officer (CFO), or other members of senior management or the external auditors, may hold additional meetings. Comprehensive minutes of the meetings are kept. The CEO, CFO and Finance Manager attend the meetings by invitation. The Committee may invite, at its discretion, representatives from the external auditors, other assurance providers, professional advisors and Board members.

The Company's independent external auditor has unrestricted access to the Committee and its Chairperson. During the year under review, three meetings were held.

Roles and responsibilities

The Committee's roles and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board and as documented in the Committee's terms of reference, which is updated periodically and approved by the Board.

The Committee is satisfied that it has fulfilled all its duties during the financial year under review as further detailed below.

Compliance with statutory duties

In the execution of its statutory duties, during the period under review, the Committee:

- Satisfied itself that Deloitte & Touche is independent of the Company.
- Agreed the terms of engagement of the external auditor.
- Ensured that the appointment of the auditor complies with the Companies Act.
- Noted that it had not received any complaints, either from within or outside the Company, relating to the accounting practices, the content or audit of the Company's financial statements or any other related matter.

Risk management and oversight

The Committee assists the Board to ensure a coordinated approach is applied to provide assurance on the recognition and management of significant risks facing the Company. The Committee is responsible for the development and review of a risk management framework to ensure that the significant risks facing the Company have been identified and can be properly managed and monitored, and that the disclosure and reporting of risk is complete, timely and relevant. The Committee reviewed the risk management framework and is satisfied that the significant risks facing the Company have been identified and are being managed effectively.

Review of valuations

The Committee is responsible for reviewing the Company's valuation policy and methodology as well as considering the valuations of the Company's investments in the financial statements.

The Company's investments mainly comprise drawn commitments into Funds and Section 12J Venture Capital Companies (VCCs), which in turn invest in portfolio companies in which the Company has an indirect interest. The General Partners of these Funds provide quarterly net asset value (NAV) statements based on the Fund Managers' valuations which the directors of the Company use to determine the fair value of a Fund. The Fund Managers' valuations are audited annually by the Funds' auditors. The Fund Manager of each Fund determines the individual fair value of each portfolio company and the Fund's NAV at the end of each quarter. These annual valuations are approved by the Funds' Advisory Boards, Investment Committees or Board of Directors. The Company's portfolio managers represent the Company on each Advisory Board that reviews the valuations prepared by the Fund Managers. The policy of the Fund Managers is to determine the fair value of the portfolio companies in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines.

The Committee reviewed the valuation methodology applied by management in determining the fair value of investments. The Committee noted that the Company operates as a fund-of-funds investor and therefore derives the majority of its valuations from underlying portfolio funds that invest across a range of sectors, stages of development and geographies. As a result, multiple valuation methodologies are applied across the underlying portfolio depending on the nature and maturity of the investments concerned.

The Committee further noted that the valuation process incorporates multiple layers of oversight, including fund manager valuations, external audits of portfolio funds, Advisory Board reviews, management challenge processes and Committee oversight. The Committee was satisfied that the valuation governance framework remains robust and appropriate and provides reasonable assurance regarding the fair value of the Company's investments.

The Committee acknowledged the limitations of applying standard sensitivity analysis disclosures to a highly diversified fund-of-funds structure and believes that the accompanying narrative disclosures provide important context for understanding the valuation process and the judgements applied by management.

The Committee is satisfied that the valuation policy and methodology are based on the IPEV guidelines, which set out recommended practice for fair valuing unquoted investments within the IFRS Accounting Standards framework. The Committee reviewed the valuations of the Company's investments in the financial statements and is satisfied that they meet the requirements of IFRS and IPEV. The Committee recommended the valuations to the Board of Directors for approval.

Review of the finance function

The Committee has considered and has satisfied itself of the appropriateness and experience of the CFO, Caryn Winter. The Committee has furthermore considered and satisfied itself of the appropriateness of the expertise and adequacy of the resources of the Company's finance function. Discovery Limited has continued to assist with certain aspects of financial administration in order to maintain effective financial control as a result of the constraints due to the size of the Company's finance function.

Compliance

The Committee is responsible for reviewing the system for monitoring compliance with applicable laws and regulations and obtaining updates from management regarding any instances of non-compliance.

The Committee is satisfied that there has been no material non-compliance with laws or regulations.

External audit

The Company's external auditors attend all the Valuations, Audit and Risk Committee meetings and the Annual General Meeting of shareholders and have direct access to the Chairperson of the Committee. The Committee agreed the nature and scope of the audit with the external auditors prior to commencement of the audit to ensure that it addressed the critical risk areas of the Company. The Valuations, Audit and Risk Committee considered the external auditor's report to the Committee and the matters reported and is satisfied with the resolution of these matters.

Integrated reporting and the financial statements

The Committee has reviewed the financial statements of the Company and is satisfied that they comply with IFRS Accounting Standards and the requirements of the Companies Act, and that the accounting policies used are appropriate.

The Committee has also reviewed a documented assessment by management of the going concern premise of the Company as well as the Directors' report and additional information to be included in the Integrated Report of the Company. The Committee note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms as described more fully in the Directors' report and Note 19 to the financial statements.

The Committee recommended the approval of the financial statements to the Board.

On behalf of the Valuations, Audit and Risk Committee:



NG Payne

Chairperson

DIRECTORS' REPORT
for the year ended 28 February 2026

The directors submit their report on the financial statements of The SA SME Fund for the year ended 28 February 2026.

Incorporation
The Company was incorporated on 7 June 2016 and obtained its certificate to commence business on the same day.

Nature of business
The SA SME Fund was established as part of the CEO Initiative in conjunction with National Treasury and Corporate South Africa. The Company's objective is to invest in high-potential entrepreneurial enterprises in the Small Medium Enterprises (SME) sector and to provide business and other forms of support to the SME sector and entrepreneurs funded by the Company.

Review of results
The Company's portfolio funds continued to pursue attractive investment opportunities during the year, with most of the Company's initial investments having reached the end of their commitment periods by year end, Investments totalling R44 million were made during the year by portfolio funds (2025: R95 million). A further R99 million was invested in funds controlled by the Company (2025: R50 million), namely the SA SME Fund of VC Funds (FoVCF) and the High Impact Seed Fund of Funds (HISFoF). The majority of the portfolio companies continue to achieve their pre-investment targets.

The Company commenced collection of its debt financing investments, with the investment of R10 million in uMastandi being repaid in full and the SMME Crisis Partnership Fund repaying the capital invested by senior partners of R200 million as well as a partial return to the senior partners of R20 million. ProfitShare Partners, while not in a position to repay the facility of R75 million in full or redeem the preference shares of R25 million, did make partial payments of R40.8 million in interest and R17.2 million in capital in respect of the loan facility provided.

The Company has maintained significant cash balances (30 June 2026: R773 million) and has continued to benefit from reasonably favourable interest rates.

Investment overview
The Company's initial investable capital of R1.24 billion was fully committed to 16 equity and debt partners over a four-year period between 2019 and 2023. The Venture Capital and Private Equity investee funds typically have a ten-year life, with a five year commitment period, a three to four year holding period during which the portfolio companies are managed for growth and exit readiness and a final period during which the fund managers will exit the investments and start to return capital to investors. The debt facilities provided had terms of between five and eight years. The return of the invested capital by portfolio funds is expected to commence over the next 3 years, as the debt facilities mature and the funds start to exit their investments, thereby creating an opportunity for the Company to redeploy the cash generated into new growth ventures.

The Company focused its investments into two core pillars, namely Growth and Venture Capital.

Growth
As at the balance sheet date, the Company has committed R610 million to eight investments falling within the Growth pillar of the mandate. These investments include R100 million committed to PAPE Fund 3 (PAPE), R125 million committed to SummerPlace Equity Fund 1 (SummerPlace), R100 million to PSP, R100 million to Spartan SME Fund, R50 million to Masisizane Franchise Fund I

(Masisizane), R25 million to A2Pay, R10 million to uMastandi Fund I, and R100 million to the SMME Crisis Partnership Fund. To date R110 million of the invested committed capital has been received as a return of capital and R500 million of the remaining committed capital remains invested.

Venture Capital

The Company has committed R710 million to investments in the Venture Capital pillar of the mandate as at 28 February 2026. In addition, The Company has secured the most significant institutional funding into Venture Capital within South Africa through the FoVCF Partnership which achieved final close with commitments of R1.295 billion. To date R602 million of the committed capital has been invested.

In the prior year, the Company established the High Impact Seed Fund of Funds I (HISFoF) Partnership, an en commandite Partnership aimed at providing critical early-stage capital to startup venture capital companies. The HISFoF Partnership was established to fund approximately 50 technology-driven startup companies through experienced fund managers with a focus on innovation and transformation in South Africa. The HISFoF addresses a critical gap in South Africa's venture capital ecosystem, where later-stage investments, such as Series A and Series B, have historically attracted more funding.

In the current year, the Department of Science, Technology and Innovation (DSTI) committed R150 million to the HISFoF, specifically for investment in Climate-tech related investments. The commitment is payable in two tranches, an initial tranche of R75 million which was received during the current year, with the remaining R75 million expected to be received in the subsequent financial year. The Company has leveraged the DSTI commitment with a R100 million commitment from Allan and Gill Gray Philanthropy Africa, increasing the total commitments to the High Impact Seed Fund of Funds to R550 million.

As at 28 February 2026, the HISFoF has committed a total of R300 million to four fund managers, namely OneBio Seed Investment Fund I, University Technology Seed (A) Partnership, Mamor Capital Ventures Fund I and AIONS Seed Fund I, and has disbursed a total of R44.2 million (2025: R0) to the respective Funds.

The Company has reviewed its ability to leverage additional capital across the growth and venture capital pillars and has decided to concentrate on building the venture capital ecosystem in South Africa, with future investments being focussed on the venture capital sector, from Seed to Series A and Series B investments.

Other initiatives

In the prior year, the Company launched the Black Investment Professionals Associate (BIP) Program for the purpose of providing venture capital experience to black professionals in South Africa, at an associate level for a period of two years, with the aim of increasing the number of black Fund managers within the venture capital sector. The program was initially funded from R20 million interest earned from the R255 million grant received from the DSTI, for investment in the SA SME Fund of VC Funds I Partnership. In the current year a further R40 million was received from the DSTI for the BIP Programme. Furthermore, during the current financial year, the duration of the program was extended by one year for all associates appointed through the program. The program funds 75% of each associate’s salary cost for the duration of the program with the remaining 25% salary cost being borne by the Fund manager at which the associate has been employed.

In the current year, the Company partnered with SAVCA, Endeavour, and Dommisse Attorneys Inc. to produce two sets of open source standard venture capital documents that are available to the industry at no cost. The first set of documents are a series of documents developed for South African technology companies seeking to secure funding from international investors. The documents outline strategies for these South African companies to establish offshore entities to create and own their intellectual property in order to facilitate such investments. The second set of documents are industry standard legal agreements for Series A fundraising by start-ups. The legal agreements provide a standardised foundation for venture financing, thereby reducing friction,

legal costs, and negotiation time across the fundraising ecosystem. The documents have been developed following more than a decade of research, collaboration, and experience in Venture Capital, as well as consultation with leading South African contributors, including top Venture Funds, investors, founders, entrepreneurs, and law firms. By aligning with international best practices and adapting them for local use, these documents establish a trusted, market standard foundation for all participants in the fundraising ecosystem.

In November 2025 the Department of Science, Technology and Innovation (DSTI) approved the Company's proposal to establish and manage two accelerator programs focused on the Biotechnology and Space Technology sectors. The program will be funded from R40 million interest earned on the DSTI's R255 million commitment to the SA SME Fund of VC Funds I Partnership.

The accelerator programs will run over a period of approximately two years and are aimed at strengthening the innovation ecosystem by supporting the development and growth of innovative start-up companies through accelerator and venture building activities, including the provision of funding and business support services to qualifying companies. The Company has commenced the implementation planning for the programs following receipt of the funding approval from the DSTI.

Financial review

The Company recorded a profit before tax of R111.6 million (2025: loss before tax of R9.6 million) including unrealised gains on investments held at fair value of R105.1 million in the current financial year (2025: R2.4 million). A provision for tax of R34.1 million (2025: R9.6 million) was recognised.

During the current financial year, the company earned R13.3 million interest on cash and cash equivalents (2025: R17.3 million). The Company takes a conservative approach to cash management and invests its excess cash in short term money market type facilities or notice deposits with the primary banking institutions. The Company also earned interest on its investments held at amortised cost as well as interest and dividends from its indirect investments in portfolio companies.

Total expenses for the year comprised primarily fund management and advisory fees, staff costs, interest incurred on long term liabilities and the provision for expected credit loss on investments measured at amortised cost. Fund management and advisory fees range between 2% and 3.36% of committed capital and form part of the capital committed to each fund.

It is important to note that, cumulatively, an amount of R175.0 million (2025: R153.1 million) has been expensed in fund management and advisory fees that is recoverable in terms of the returns waterfall on the winding up of the partnerships in which the Company has invested, subject to the performance of the underlying funds.

A further R1 million of share subscriptions was received from Distell Limited during the year, relating to the subscription notice issued to shareholders in November 2019.

Discovery Limited continued to assist with financial administration on a pro-bono basis due to the small size of theCompany's finance team and to ensure that good corporate governance structures are in place.

Looking forward

The SA SME Fund was established with a clear mandate: to act as a catalyst for growth and transformation within the SME sector. Over the past eight years, we have fulfilled this mission by championing innovative non-bank lenders who bring essential financial solutions to township economies, spaza shops, backroom housing, and small enterprises requiring purchase order and cash flow support. In doing so, we have facilitated the creation of 3,500 jobs and mobilized significant public and philanthropic capital into this vital segment of the economy. At the same time, we have played a pioneering role in shaping Venture Capital as a recognized asset class in South Africa, committing R2.5 billion across 22 funds and becoming the largest institutional investor in this emerging sector.

As we reach the milestone where our capital is fully committed and substantially deployed, our vision now turns to the future: the establishment of a new Venture Capital Fund of Funds, with a target raise of R1.5 billion to R2 billion. This next phase will ensure the continued growth and resilience of the ecosystem, and we are confident that the SA SME Fund will serve as an anchor investor, reinforcing our commitment to building a sustainable foundation for innovation, entrepreneurship, and inclusive economic development.

Going concern

The directors have considered the financial position of the Company and are of the view that the Company remains a going concern. While the Company currently makes operating cashflow losses and is expected to do so for the foreseeable future, the Company has significant cash balances and its total assets exceed its total liabilities by R1.367 billion (2025: R1.289 billion). As noted above, the directors note that, included in accumulated losses, are management fees and fund establishment costs and operating costs paid to investee fund managers totalling R175.0 million (2025:R153.1 million) that are fully recoverable in the returns waterfall on the winding up of the partnerships in which the Company has invested, subject to the performance of the underlying Funds.

The directors have reviewed the outstanding commitments relative to the Company's cash balances and note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms. The Fund of Funds business model of the Company has also been considered by the directors in their assessment of going concern. This model assumes that the Company will have an investment period of approximately five years during which available funds will be invested in portfolio funds or companies in the SME sector. It is only after this investment period and a period of portfolio company growth and management that the Company is expected to generate realised returns from its investment program. The majority of the Company's portfolio funds are currently in the portfolio management phase.

Contingent asset

The Company has incurred fund management fees and advisory fees totalling R175.0 million as at 28 February 2026 (2025: R153.1 million) that are fully recoverable from the returns generated by the investee funds on the winding up of the partnership agreements, subject to the performance of the underlying funds. This contingent asset is not recorded in the Company's statement of financial position.

Share capital and share premium

The Company was incorporated with authorised share capital of 3,000,000,000 ordinary no par value shares. The Company has issued 1,390,400,000 (2025: 1,389,400,000) shares of R1 each as at 28 February 2026.

Shareholding

An analysis of the register of members as at 28 February 2026 identified the following shareholdings equal to or exceeding 5% of the total issued shares in the Company:

SHAREHOLDER	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ORDINARY SHARES HELD
Unemployment Insurance Fund	300,000,000	21.58%
Compensation Fund	100,000,000	7.19%
Public Investment Corporation SOC Limited	100,000,000	7.19%
FirstRand Bank Limited	75,000,000	5.39%
MTN	75,000,000	5.39%
MIH Holdings (Pty) Ltd	75,000,000	5.39%
Sasol Limited	75,000,000	5.39%

Dividends

The directors did not declare a dividend nor is any proposed for the year ended 28 February 2026. No dividend was declared during the year ended 28 February 2025 either.

Holding company

The Company is a public company and is not owned or controlled by any significant shareholder.

Directorate

The following were directors of the Company during the current financial year and to the date of this report:

Name of director	Executive / Non-executive director	Date of appointment	Date of resignation
A Gore	Non-executive Chairperson	7 June 2016	
J Bosini	Non-executive director	1 February 2026	
F Chothia	Non-executive director	7 June 2021	
NJ Dlamini	Non-executive director	7 June 2016	
KM Gordhan	Chief Executive Officer	13 November 2020	
LM Klein	Non-executive director	23 October 2017	
C Kula	Non-executive director	01 May 2025	27 February 2026
P Mahanyele-Dabengwa	Non-executive director	18 August 2022	
YG Muthien	Non-executive director	1 November 2019	
NG Payne	Non-executive director	27 June 2016	
CT Winter	Chief Financial Officer	13 November 2020	

Registered office: 1 Discovery Place, Sandton, 2196

Postal address: PO Box 786722, Sandton, 2146

Directors' remuneration

The Company does not pay any remuneration or fees to the non-executive directors for their services to the Company.

Remuneration paid to executive directors is disclosed in Note 15 to the financial statements.

Directors' interests in contracts

No contracts involving directors' interests were entered into in the current or prior years.

Corporate governance

The Board is ultimately responsible for The SA SME Fund's business, strategy and key policies and for the approval of the financial objectives and targets. The Board currently consists of eight non-executive directors and two executive directors. In terms of the Company's Memorandum of Incorporation, at each Annual General Meeting at least one third of the non-executive directors is required to retire, as are any directors appointed subsequent to the previous AGM. The retiring directors may be re-elected provided they are eligible. The Company has a Board member tenure limit of twelve years and a tenure limit of nine years for members of the Valuations, Audit and Risk Committee.

During the period under review, the Board met four times.

The Board is supported and assisted by two committees with clear mandates and oversight responsibilities for various aspects of the business namely, the Valuations, Audit and Risk Committee and the Nominations, Ethics, HR and Remuneration Committee. The responsibilities delegated to each Committee are formally documented in the terms of reference for that Committee, which have been approved by the Board.

In addition to the two Board Committees, a group of industry specialists has been constituted to advise the Board and oversee the investment process by way of the Investment Committee. All three Committees are chaired by independent non-executive directors.

Valuations, Audit and Risk Committee

The Valuations, Audit and Risk Committee is an independent statutory Committee with responsibility for external audit oversight, financial controls, and risk management and reporting. The members of the Valuations, Audit and Risk Committee during the year under review comprised Mr NG Payne (Chairperson), Mr F Chothia, Mr C Kula and Dr YG Muthien. The Valuations, Audit and Risk Committee report is included on pages 94 to 96 of this report. Mr C Kula resigned in February 2026 from the Committee.

Nominations, Ethics, HR and Remuneration Committee (NEHR Committee)

The role of the Nominations, Ethics, HR and Remuneration Committee is to ensure the fair and responsible remuneration of the Company's directors and senior executives, as well as to make recommendations on the appointment of directors and senior executives and on the Company's remuneration policies. In addition, the NEHR Committee is responsible for the governance of the Company's Ethics Policy and good corporate citizenship as well as focussing on HR matters within the Company. The members of the NEHR Committee are Dr YG Muthien (Chairperson), Mr A Gore and Dr LM Klein. The NEHR Committee met three times during the year and approved the key performance indicators and remuneration and short-term incentives (STI) for the investment team, the finance team, the CFO and the CEO.

Investment Committee

The Investment Committee is an independent committee. In terms of the Delegation of Authority, the Board has delegated authority for the approval of acquisitions and disposals of investments to the Investment Committee. All investments are unanimously approved by the Investment Committee. During the year under audit the members of the Investment Committee are Mr M Jordaan (Chairperson), Mr N Martin, Ms M Matsipa and Mr E Mbuthia. The Board has unlimited access to the Investment Committee members.

Events after the reporting date

No matter that is material to the financial affairs of the Company has occurred between the reporting date and the date of approval of these financial statements, which requires adjustment to or disclosure in the financial statements.

Auditors

Deloitte & Touche was re-appointed in office in accordance with the Companies Act. The responsible audit engagement partner is Tshidi Malongete.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The SA SME Fund Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of The SA SME Fund Limited (the company) set out on pages 106 to 149 which comprise the separate statement of financial position as at 28 February 2026; and the separate statement of profit or loss and other comprehensive income; the separate statement of changes in equity; and the separate statement of cash flows for the year then ended; and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of The SA SME Fund as at 28 February 2026, and its separate financial performance and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Managing Partner: ML Tshabalala
A full list of partners and directors is available on request
B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The SA SME Fund Limited Separate Financial Statements for the year ended 28 February 2026", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte & Touche

Registered Auditors
Per: Tshidi Malongete
Partner

13 July 2026

STATEMENT OF FINANCIAL POSITION

as at 28 February 2026

R'000	Notes	2026	2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	**2,026**	**510**
Unlisted investments related to government grant	10	**11,000**	**25,500**
Unlisted investments at fair value	3	**1,075,515**	**933,636**
Unlisted investments at amortised cost	3	**190,553**	**184,895**
Total non-current assets		**1,279,094**	**1,144,541**
Current assets			
Unlisted investments at fair value	3	**10,811**	**49,417**
Unlisted investments at amortised cost	3	**27,607**	**52,192**
Trade and other receivables	4	**129**	**129**
Prepayments	5	**4,569**	**4,605**
Cash and cash equivalents	6	**811,233**	**655,810**
Current tax receivable		**-**	**696**
Total current assets		**854,349**	**762,849**
Total assets		**2,133,443**	**1,907,390**
EQUITY			
Capital and reserves			
Share capital	7	**1,390,400**	**1,389,400**
Accumulated losses		**(23,124)**	**(100,566)**
Total equity		**1,367,276**	**1,288,834**
LIABILITIES			
Non-current liabilities			
Deferred tax liability	8	**55,046**	**31,617**
Grant liabilities	10	**169,530**	**339,998**
Deferred income (government grant)	10	**193,898**	**206,938**
Black professionals program	11	**24,970**	**3,471**
High Impact Seed Fund of Funds - LP commitments		**26,233**	**-**
Total non-current liabilities		**469,677**	**582,024**
Current liabilities			
Grant liabilities	10	**242,532**	**-**
Deferred income (government grant)	10	**19,692**	**-**
Trade and other payables	9	**2,480**	**12,653**
Black professionals program	11	**17,217**	**12,825**
Right-of-use lease liability	**12**	**2,032**	**451**
Current tax payable		**34**	**-**
Provisions	**13**	**12,503**	**10,603**
Total current liabilities		**296,490**	**36,532**
Total liabilities		**766,167**	**618,556**
Total equity and liabilities		**2,133,443**	**1,907,390**

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2026

R'000	Notes	2026	2025
REVENUE			
Interest earned on cash and cash equivalents		**13,283**	**17,296**
Interest earned on investments held at amortised cost		**23,356**	**27,580**
Realised gains on investments held at fair value		**10,000**	**1,134**
Unrealised gains on investments held at fair value	3	**105,051**	**2,367**
Reversal of impairment losses on investments held at amortised cost	3	**312**	**-**
Other investment income		**22,807**	**24,790**
Government grant income		**45,432**	**35,843**
Other income		**3,220**	**205**
Total revenue		**223,461**	**109,215**
EXPENSES			
Ecosystem development and incubator costs		**(343)**	**820**
Impairment losses on investments held at amortised cost	3	**(1,486)**	**(19,213)**
Interest expense on lease liability		**(94)**	**(85)**
Interest expense on long term liability		**(39,123)**	**(28,500)**
Fund management fees		**(23,229)**	**(26,230)**
Operating expenses	14	**(47,618)**	**(45,580)**
Total expenses		**(111,893)**	**(118,788)**
Operating profit / (loss)		**111,568**	**(9,573)**
Tax	8	**(34,126)**	**(9,572)**
Net profit / (loss) for the year		**77,442**	**(19,145)**
Other comprehensive income		**-**	**-**
Total comprehensive income / (loss) for the year		**77,442**	**(19,145)**

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2026

R'000	Share capital	Accumulated losses	Total
Balance at 1 March 2024	**1,388,400**	**(81,421)**	**1,306,979**
Share capital issue	**1,000**	**-**	**1,000**
Total comprehensive loss for the year	**-**	**(19,145)**	**(19,145)**
Balance at 28 February 2025	**1,389,400**	**(100,566)**	**1,288,834**
Balance at 1 March 2025	**1,389,400**	**(100,566)**	**1,288,834**
Share capital issue	**1,000**	**-**	**1,000**
Total comprehensive income for the year	**-**	**77,442**	**77,442**
Balance at 28 February 2026	**1,390,400**	**(23,124)**	**1,367,276**

STATEMENT OF CASH FLOWS

for the year ended 28 February 2026

R'000	Notes	2026	2025
CASH FLOW FROM OPERATING ACTIVITIES			
Cash utilised in operations	16	**(78,422)**	**(56,540)**
Interest received from cash and cash equivalents		**13,283**	**17,296**
Interest paid on lease liability	12	**(94)**	**(85)**
Tax paid		**(9,967)**	**(9,959)**
Net cash outflow from operating activities		**(75,200)**	**(49,288)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		**(6)**	**(94)**
Payments to acquire unlisted investments at fair value		**(113,770)**	**(139,757)**
Payments to acquire unlisted investments at amortised cost		**-**	**(5,000)**
Proceeds from realisation of unlisted investments at fair value		**130,882**	**45,774**
Proceeds from realisation of unlisted investments at amortised cost		**33,000**	**-**
Interest received from unlisted investments		**16,583**	**16,965**
Dividends received from unlisted investments		**11,997**	**12,361**
Net cash inflow / (outflow) from investing activities		**78,686**	**(69,751)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	7	**1,000**	**1,000**
Proceeds from long term liability issued		**165,500**	**233,686**
Payment of Black Investment Professionals Program liability	12	**(13,850)**	**(3,704)**
Repayments of lease liability		**(713)**	**(692)**
Net cash inflow from financing activities		**151,937**	**230,290**
Net increase in cash and cash equivalents		**155,423**	**111,251**
Cash and cash equivalents at the beginning of the year		**655,810**	**544,559**
Total cash and cash equivalents at the end of the year		**811,233**	**655,810**

ACCOUNTING POLICIES

for the year ended 28 February 2026

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The SA SME Fund is an investment company. The principal accounting policies applied in the preparation of these financial statements are set out below.

1. Basis of presentation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as well as the South African Companies Act 71 of 2008 as amended. They have been prepared in accordance with the going concern principle using the historical cost basis except where otherwise stated in the accounting policies below. The accounting policies applied in the preparation of these financial statements are consistent with those used in the prior financial year, except where new accounting standards have been adopted.

2. Material judgements and sources of estimation uncertainty

The preparation of the financial statements requires management from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts presented in the financial statements and related disclosures. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from these estimates that may be material to the financial statements. The key judgements and sources of estimation uncertainty are:

2.1 Accounting treatment of investments

The directors of the Company have assessed the nature of each investment to determine whether the Company has control, joint control or significant influence over the investee. In assessing the nature of the investments, the directors have considered the key terms of the investment agreements to assess whether:

- the Company has power over the relevant activities of the investee, earns returns from its investment and has the power to influence the returns;
- there is a contractual arrangement whereby the Company has joint control over the operations of the investee; or
- the Company has significant influence over the investee by virtue of having the power to participate in financial and operating policy making decisions of the investee.

Where the directors have assessed that the Company has significant influence, the Company is applying the IAS 28: Investments in Associates (IAS 28) venture capital exemption. In terms of IAS 28, an entity that is a venture capital organisation may elect to measure investments held in associates or joint ventures at fair value through profit or loss. The directors have assessed the Company as having the characteristics of a venture capital organisation in light of the following criteria:

- Investments are held for the short to medium term rather than for the long term;
- The most appropriate point for exit is actively monitored; and
- Investments form part of a portfolio, which is monitored and managed without distinguishing between investments that qualify as associates or joint ventures and those that do not.

Where none of the above scenarios are applicable, the investments are accounted for in terms of IFRS 9. Financial assets that are accounted for in terms of IFRS 9 are classified as either financial

assets at fair value through profit or loss or financial assets at amortised cost. The directors assess the accounting treatment of the financial assets accounted for under IFRS 9 based on both the Company's business model for managing the financial assets and the contractual cash flows of the financial assets.

The directors have assessed the accounting treatment of the investments to be as follows:

Investment	Control assessment	Measurement basis
4Di Capital Fund III	No control	Fair value through profit or loss
A2Pay Financial Services Proprietary Limited	No control	Amortised cost
Digital Africa Ventures Fund I	No control	Fair value through profit or loss
Endeavor Harvest Fund II	No control	Fair value through profit or loss
Grindstone Ventures Fund I	No control	Fair value through profit or loss
KNF Ventures (RF) Proprietary Limited	No control	Fair value through profit or loss
Knife Capital (SA) Fund III	No control	Fair value through profit or loss
Mafami (Pty) Limited t/a Vula	No control	Fair value through profit or loss
Masisizane Franchise Fund I	Significant influence	Fair value through profit or loss
OneBio Seed Investment Fund I	No control	Fair value through profit or loss
PAPE Fund 3	No control	Fair value through profit or loss
ProfitShare Partners Proprietary Limited – loan	No control	Amortised cost
ProfitShare Partners Proprietary Limited – preference shares	No control	Fair value through profit or loss
Umastandi Fund I Proprietary Limited	No control	Amortised cost
Savant Venture Fund I (A)	No control	Fair value through profit or loss
Spartan SME Fund Proprietary Limited	No control	Amortised cost
SummerPlace Equity Fund I	No control	Fair value through profit or loss
The SA SME Fund Management Company Proprietary Limited	Control	Consolidated
The SMME Crisis Partnership Fund	Control	Consolidated
The SA SME Fund GP (RF) Proprietary Limited	Control	Consolidated
The SA SME Fund VC GP Proprietary Limited	Control	Consolidated
The SA SME Seed Fund GP (RF) Proprietary Limited	Control	Consolidated
High Impact Seed Fund of Funds Partnership	Control	Consolidated
The SA SME Fund of VC Funds I	Control	Consolidated
University Technology Fund	No control	Fair value through profit or loss

There have been no changes to the accounting treatment of investments in the current year.

2.2 Fair value measurement of investments

All investments are valued in accordance with IFRS Accounting Standards and the IPEV guidelines.

The Company's investments mainly comprise drawn commitments into Funds and Section 12J Venture Capital Companies (VCCs), which in turn invest in portfolio companies in which the Company has an indirect interest. The General Partners of these Funds provide quarterly net asset value (NAV) statements based on the Fund Managers' valuations which the directors of the Company use to determine the fair value of a Fund. The Fund Managers' valuations are audited annually by the Funds' auditors. The Fund Manager of each Fund determines the individual fair value of each portfolio company and the Fund's NAV at the end of each quarter. These valuations are approved by the Funds' Advisory Boards, Investment Committees or Board of Directors. The Company's portfolio manager represents the Company on each Advisory Board that reviews the valuations prepared by the Fund Managers. The policy of the Fund Managers is to determine the fair value of the portfolio companies in accordance with the IPEV guidelines as noted below.

At each reporting date after the initial acquisition date, an assessment of the fair value of the investment is undertaken to determine any required changes in the fair value of the investment.

Depending on the stage of the investment and the sector in which the investment operates, a variety of methodologies is used by the Fund Managers, including earnings multiple models, discounted cash flow models and revenue multiple models.

The Valuations, Audit and Risk Committee is responsible for reviewing the valuations of the Funds and underlying portfolio companies, and for recommending the valuations to the Board for approval.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations in any valuation technique involving the type of securities in which the Funds invest. Therefore, the fair values presented herein may not be indicative of the amount the Funds could realise in a current transaction.

2.3 Calculation of loss allowance

Certain of the Company's investments are measured at amortised cost. These comprise debt facilities to intermediaries that are utilised by the intermediaries for on-lending to SMEs.

When measuring expected credit losses (ECL) on these investments, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of the asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information as described in paragraph 6.1.

2.4 Tax

Tax comprises South African income tax, chargeable on income-related items only and deferred capital gains tax on unrealised gains on investments.

Due to the nature of the operations of the Company, significant judgement is required in determining the accrual for income taxes. Operating expenses are analysed based on management's assessment of the nature of the expenses and whether it has been incurred in the production of income or whether it is of a capital nature. Expenses incurred in the production of income are further apportioned based on the ratio of funds committed to equity and debt investments. The Company recognises liabilities for anticipated uncertain income tax liabilities based on best informed estimates of taxable income. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax liabilities in the period in which such determination is made. Potential penalties and interest on differing tax outcomes are not provided for in the financial statements and will be recognised as an expense of the Company when and if incurred.

3. Functional and presentation currency

These financial statements are presented in South African Rands, which is the Company's functional currency and presentation currency.

4. Property, plant and equipment

Fixtures, furniture and equipment are stated at cost less accumulated depreciation. Depreciation is recognised so as to write off the cost or valuation of the assets less their residual values over their useful lives, using the straightline method on the following bases:

Leasehold improvements:	33.33% per annum
Furniture and fittings:	20.00% per annum
Office equipment:	20.00% per annum
Computer equipment:	33.33% per annum
Right-of-use assets:	Over the period of the lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

5. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful lives of the intangible assets using the straight-line method on the following bases:

Computer software:	33.33% per annum

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

6. Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Company recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

None of the Company's investments are regarded as giving rise to a day one profit or loss.

6.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortised cost of a financial asset.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'Interest earned on investments held at amortised cost' line item.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables, cash and cash equivalents and financial guarantee contracts. The amount of the expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Company's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in unemployment rates.
- An actual or expected significant change in the operating results of the borrower. Examples include actual or expected declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organisational structure that results in a significant change in the borrower's ability to meet its debt obligations.
- Significant increases in credit risk on other financial instruments of the same borrower.
- An actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that results in a significant change in the

borrower's ability to meet its debt obligations, such as a decline in the demand for the borrower's sales product because of a shift in technology.

- Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of default occurring.
- A significant change in the quality of the guarantee provided by a shareholder if the shareholder has an incentive and financial ability to prevent default by capital or cash infusion.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, adjusted by forward looking information. For financial assets, the exposure at default is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trends, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

6.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- A financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless such treatment would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

As at 28 February 2026, the Company does not have any financial liabilities that are measured at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. If the modification is not substantial, the difference between (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

7. Tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be an outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of management and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

In terms of the South African Income Tax Act, the revenue of the Company is considered to be passive income and the Company therefore does not generate tax losses that may be utilised at a future date. As a result, the Company does not raise a deferred tax asset in respect of assessed losses.

8. Cash and cash equivalents

Cash and cash equivalents comprise:

- Cash on hand.
- Deposits held at call and short notice.
- Balances with banks.

Cash and cash equivalents have a maturity of less than twelve months from the date of acquisition. Cash and cash equivalents are initially recognised at fair value. Subsequently cash and cash equivalents are carried at cost, which due to their short-term nature approximates fair value.

Due to the highly liquid nature of the cash and cash equivalents, the credit quality of the counterparties and the fact that the Company has never experienced a credit loss, the ECL on cash and cash equivalents is negligible.

9. Share capital

Shares are classified as equity when there is no obligation to transfer cash or assets.

10. Employee benefits

The Company has established a defined contribution retirement fund for its employees.

10.1 Leave pay

The Company accrues in full the employees' rights to annual leave entitlement in respect of past service. This is expensed over the period the services are rendered.

11. Provisions

Provisions are recognised when, as a result of past events, the Company has a present legal or constructive obligation of uncertain timing or amount, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money.

Future events that may affect the amount required to settle an obligation are only taken into account in determining the amount of a provision where there is sufficient evidence that they will occur.

The Company recognises a provision for an onerous contract when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the obligations under the contract.

12. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less from the reporting date. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Due to the short-term nature of trade and other payables, this approximates fair value.

13. Revenue

13.1 Interest

Interest income comprises amounts that the Company earns from bank deposits placed with Tier 1 South African banks and investments held at amortised cost. The interest earned on investments held at amortised cost is earned from the SME sector in South Africa. Interest income is accounted for on an accrual basis in the accounting period in which it is earned.

13.2 Dividend income

Dividend income from investments is recognised when the right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Dividend income is earned on investments in a variety of sectors in South Africa and is included as other investment income in the statement of comprehensive income.

13.3 Investment gains and losses

Investment gains and losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as gains and losses on investments held at fair value in the statement of comprehensive income.

14. Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and office equipment, and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the

lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments in the current year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented as part of property, plant and equipment in the statement of financial position.

15. Related parties

Amounts due to related parties are classified as financial liabilities subsequently measured at amortised cost. They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any and are subsequently measured at amortised cost using the effective interest method. Interest expense on amounts due to related parties is disclosed in funding costs in the Statement of Comprehensive income.

16. Government grants

Government grants received are invested in the Company's investment intermediaries, in line with the purpose for which grant should be used. The grants are recognised as income over the period of the facility in order to match the related costs, for which they are intended to compensate, on a systematic basis. The grants are classified as a financial liability subsequently measured by increasing the carrying amount of the liability, to reflect interest accrued (using the effective interest method) and by reducing the carrying amount to reflect payments made in respect of the grant liability in accordance with IAS 20 requirements.

17. New IFRS standards and amendments to published standards

17.1 Standards and interpretations effective and adopted in the current year

The adoption of the following new and amended standards and interpretations, which are effective for the 28 February 2026 reporting period, did not have any material impact on the amounts or on the disclosures reported in these financial statements:

- Amendments IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments;
- Amendments IFRS 9 and IFRS 7: Contracts referencing Nature-dependent Electricity;
- Disclosures about Uncertainties in the Financial Statements; and
- IFRS Practice Statement 1: Management Commentary.

17.2 New and revised IFRS standards in issue but not yet effective

The following new standards and interpretations, which are effective for reporting periods beginning on or after 1 January 2026, are not expected to have a material impact on the financial statements in future periods::

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures; and
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2026

1. Management of financial risk

The Company's activities expose it to a variety of financial risks. Financial risks include market risk, credit risk and liquidity risk.

1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and investment returns. Market risk that could impact on future cash flows and hence the value of a financial instrument arises from:

- **Interest rate risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Currency risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Equity price risk:** The impact of changes in equity prices and dividend income.

Interest rate risk

The SA SME Fund's financial assets are interest bearing, while its financial liabilities are non-interest bearing, except for the right-of-use lease liability and the other long-term liability. However, the interest rates are fixed and the liabilities are not re-measured for changes in market interest rates. The SA SME Fund is exposed to interest rate risks on funds invested in interest bearing bank deposits and investments measured at amortised cost. In addition, cash flow interest rate risk arises on the preference shares that are measured at fair value through profit or loss as the preference dividends earned are linked to the Prime interest rate. There is no fair value interest rate risk on the preference shares.

At 28 February 2026 the Company's total exposure to interest rate risk was as follows:

	2026 R'000	2025 R'000
Investments measured at fair value through profit or loss	75,150	66,289
Investments measured at amortised cost	218,160	237,087
Cash and cash equivalents	811,233	655,810
	1,104,543	**959,186**

The analysis below details the Company's sensitivity to a 1% increase and decrease in the interest rate earned on its cash and cash equivalents and investments measured at amortised cost, and the effect on income for the period.

		2026 R'000		2025 R'000
RATE VARIANCE:	+1%	11,045	+1%	9,592
	-1%	(11,045)	-1%	(9,592)

Currency risk

All financial assets and liabilities are denominated in South African Rand and the Company is not exposed to currency risk.

Equity price risk

As at 28 February 2026, the Company holds equity shares in KNF Ventures (RF) Proprietary Limited, a Section 12J Venture Capital Company and Mafami Proprietary Limited t/a Vula. In addition, the Company is indirectly exposed to equity price risk through the valuation of the underlying portfolio investments held through its investments in Funds. The analysis below details the Company's sensitivity to a 1% increase and decrease in the fair value of the unlisted investments held at 28 February 2026 based on fluctuations in the price of its unlisted investments.

		2026		2025
		R'000		R'000
Change in equity prices assumed:	+1%	10,020	+1%	8,686
	-1%	(10,020)	-1%	(8,686)

1.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The main concentration of credit risk to which the Company is exposed arises from the Company's cash and cash equivalents, preference shares measured at fair value through profit or loss and investments measured at amortised cost. The Company's cash is deposited only with major banks of high-quality credit standing.

Investments go through a stringent due diligence process, including an assessment of the credit risk of the counterparty, and are approved by the Investment Committee.

The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
	R'000	R'000
Investments measured at fair value through profit or loss	84,315	48,131
Investments measured at amortised cost	218,160	237,087
Trade and other receivables	129	129
Cash and cash equivalents	811,233	655,810
	1,113,837	**941,157**

Inputs, assumptions and estimation techniques used in measuring expected credit losses

The Company applies the expected credit loss (ECL) model prescribed by IFRS 9 to financial assets measured at amortised cost. At each reporting date, management performs an individual assessment of each debt investment to determine the appropriate expected credit loss allowance. Given the relatively small number of debt investments within the portfolio, management does not apply a statistical credit model, but instead performs an investment specific assessment using all reasonable and supportable information available at the reporting date. The assessment incorporates both quantitative and qualitative factors, together with forward looking information, to estimate the expected recoverability of each investment.

Expected credit losses are measured using the probability of default (PD), exposure at default (EAD) and loss given default (LGD) methodology, whereby:

Expected credit loss = Probability of default × Exposure at default × Loss given default

Measurement of 12-month and lifetime expected credit losses

The probability of default represents management's estimate of the likelihood that a borrower will default over the relevant assessment period. In determining the appropriate probability of default, management considers the specific facts and circumstances applicable to each investment, including the borrower's financial performance, repayment history, current trading performance, expected future cash flows, compliance with contractual repayment terms, refinancing discussions and other borrower-specific information obtained through ongoing monitoring. Based on this assessment, probabilities of default ranging from 12.5% for lower risk investments to 15% for higher risk investments were applied during the current reporting period.

The exposure at default represents the estimated exposure outstanding at the date of default and is determined as the present value of the expected future contractual cash flows of each facility, discounted using the effective interest rate applicable at the most recent interest rate reset date.

The loss given default represents management's estimate of the proportion of the outstanding exposure that is expected to be unrecoverable after taking into account expected recoveries from collateral, guarantees, security arrangements and other available credit enhancements.

The Company recognises 12-month expected credit losses for financial assets where the credit risk has not increased significantly since initial recognition. Lifetime expected credit losses are recognised where there has been a significant increase in credit risk since initial recognition or where the financial asset is considered to be credit impaired.

Assessment of significant increase in credit risk

Management assesses whether there has been a significant increase in credit risk for each investment at every reporting date by considering all reasonable and supportable information available without undue cost or effort. This assessment is based on the specific circumstances of each borrower rather than the application of predetermined quantitative thresholds.

In performing this assessment, management considers factors including the borrower's ability to meet contractual repayment obligations, compliance with agreed repayment terms, financial performance relative to expectations, expected future cash flows, refinancing or restructuring discussions, changes in business performance, the status of ongoing negotiations with borrowers and any other information that may affect the expected recoverability of the investment.

During the current reporting period, management concluded that the credit risk associated with the ProfitShare Partners loan facility remained elevated following the borrower's inability to settle amounts due on contractual maturity, the subsequent restructuring of repayment terms, ongoing repayment negotiations and the continued underperformance of the business relative to budget. Although repayments were received in accordance with the revised repayment arrangements before year end, management concluded that these factors continued to indicate a heightened level of credit risk and accordingly applied a probability of default of 15% to these facilities.

On the other hand, management concluded that there had not been a significant increase in credit risk for the Spartan and A2Pay loan facilities. These borrowers have continued to meet their contractual repayment obligations and no adverse information or events have been identified that would indicate that recovery of the outstanding balances is unlikely.

Assessment of credit impaired financial assets

A financial asset is considered credit impaired where one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset.

Management assesses whether an investment is credit impaired by considering evidence such as liquidation or insolvency proceedings, prolonged default, significant financial distress, the inability of the borrower to settle contractual obligations, the expected recoverability of outstanding balances and the likelihood of future recoveries.

At the reporting date, there were no exposures regarded as credit impaired. Accordingly, there were no outstanding balances that have been fully provided for.

Forward looking information

Management incorporates forward looking information into the expected credit loss assessment by considering both borrower specific information and broader macroeconomic conditions expected to affect the recoverability of the Company's debt investments.

During the current year, management considered published market information, including Moody's Annual Default Study and S&P Global Ratings' Credit Conditions report for emerging markets, together with prevailing economic conditions, geopolitical developments, inflationary pressures, interest rate expectations and the potential impact of these factors on the Company's borrowers. Although Moody's base case indicated an improving global credit environment, management also considered downside scenarios relating to geopolitical uncertainty, energy market disruptions, inflationary pressures and tighter financing conditions. Based on this assessment, management concluded that probabilities of default ranging from 12.5% to 15% remained appropriate and continued to provide a prudent allowance for potential downside risks.

Changes in estimation techniques and significant assumptions

The methodology used to estimate expected credit losses remained consistent with that applied in the prior year. During the current year, management updated the forward looking macroeconomic information and borrower specific assessments used in determining the probability of default for each investment to reflect the most recent available information. Following this assessment, management concluded that no significant changes to the underlying estimation techniques were required. The principal assumptions applied in measuring expected credit losses remained consistent with those used in the prior year, although the assumptions were updated where necessary to reflect changes in the credit risk profile of individual borrowers and current economic conditions.

Credit risk management practices

The Company's exposure to credit risk arises primarily from debt investments measured at amortised cost. The objective of the Company's credit risk management process is to minimise expected credit losses by identifying changes in the credit quality of each investment at an early stage and taking appropriate actions to maximise recoverability.

Given the nature of the Company's investment portfolio and the relatively small number of debt investments, credit risk is managed on an individual investment basis rather than through the use of portfolio segmentation or statistical credit models. Management performs an individual credit assessment of each investment at every reporting date using information obtained through ongoing engagement with borrowers, periodic financial reporting, monitoring of contractual repayments and consideration of external and borrower specific developments that may affect recoverability.

Credit risk management practices (continued)

The Company's credit risk management process includes regular monitoring of each borrower's financial performance, liquidity position, compliance with contractual repayment terms, expected future cash flows, refinancing or restructuring discussions, available security and collateral, and other events that may affect the borrower's ability to settle its obligations. Where appropriate, management engages directly with borrowers to renegotiate repayment terms or implement recovery strategies designed to maximise the recovery of the outstanding investment.

Assessment of significant increases in credit risk

The Company determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of default at the reporting date with the risk of default at the date the investment was initially recognised. This assessment is based on all reasonable and supportable information available without undue cost or effort and requires the application of significant management judgement.

Management does not rely solely on quantitative measures or prescribed delinquency thresholds when assessing significant increases in credit risk. Instead, each investment is assessed individually after considering factors including:

- the borrower's ability to meet contractual repayment obligations;
- compliance with agreed repayment terms;
- deterioration in financial performance or operating results;
- expected future cash flows and liquidity;
- restructuring or refinancing discussions;
- evidence of financial distress;
- changes in the expected recoverability of the investment; and
- other borrower specific information identified through ongoing monitoring.

During the current year, management concluded that the ProfitShare Partners facilities had experienced a significant increase in credit risk following the borrower's inability to settle amounts due on contractual maturity, the subsequent restructuring of repayment terms, ongoing repayment negotiations and the continued underperformance of the business relative to budget. These factors resulted in the application of a higher probability of default when measuring the expected credit loss allowance.

On the other hand, management concluded that there had not been a significant increase in credit risk for the Spartan and A2Pay facilities. Both borrowers continued to meet their contractual repayment obligations and no adverse events or information were identified that would indicate a deterioration in their credit risk since initial recognition.

Low credit risk assessment

The Company does not generally apply the practical expedient in IFRS 9 that permits financial instruments with low credit risk at the reporting date to be assumed not to have experienced a significant increase in credit risk. Instead, each investment is individually assessed using all available qualitative and quantitative information to determine whether credit risk has increased significantly since initial recognition. Accordingly, no class of financial assets is assessed solely on the basis that it is considered to have low credit risk.

Past due presumption

The Company does not use the rebuttable presumption in IFRS 9 that credit risk has increased significantly when contractual payments are more than 30 days past due as the primary indicator of a significant increase in credit risk. Given the nature of the Company's investments, repayment terms may be renegotiated or restructured as part of an agreed commercial strategy to maximise recoverability.

Consequently, management considers all relevant qualitative and quantitative information, including the reasons for delayed repayments, restructuring arrangements, expected future recoveries and ongoing negotiations with borrowers, before concluding whether there has been a significant increase in credit risk.

For example, although ProfitShare Partners facilities was unable to settle amounts due on contractual maturity, management's assessment of significant increases in credit risk was based on the totality of the available evidence, including the borrower's financial performance, revised repayment arrangements and ongoing negotiations, rather than on payment delinquency in isolation.

Management reviews all credit risk assessments at each reporting date and updates the expected credit loss allowance where new information becomes available

The credit risk on investments that are used by intermediaries to provide finance to SMEs is mitigated by the cession of book debts of the investee. In addition, the Company has received guarantees totalling R20,000,000 from the following companies that are related parties of the investees:

	2026 R'000	2025 R'000
Umastandi Fund I Security SPV (RF) Proprietary Limited*	-	10,035
Spartan SME Finance Proprietary Limited	10,000	10,000
Spartan Finance Holdings Proprietary Limited	10,000	10,000
	20,000	**30,035**

*The investment in Umastandi Fund I Proprietary Limited was realised in full in the current year. Consequently, the guarantee provided in respect of the settled loan facility is no longer available.

1.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities due to insufficient cash being available to meet commitments as and when they become due.

The Company currently has sufficient cash resources available to meet its obligations.

The table below analyses the Company's financial liabilities and certain non-financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

R'000	0 – 3 months	4 – 12 months	>1 year	Total
2026				
Trade and other payables	2,480	-	-	2,480
Current tax payable	-	34	-	34
Right-of-use lease liability	162	530	1,340	2,032
Provisions	12,501	2	-	12,503
Other liabilities	2,754	298,892	418,495	720,141
Total	**17,897**	**299,458**	**419,835**	**737,190**
2025				
Trade and other payables	1,756	10,897	-	12,653
Right-of-use lease liability	199	265	-	464
Provisions	**10,601**	**2**	**-**	10,603
Other liabilities	3,206	9,619	554,766	567,591
Total	**15,762**	**20,783**	**554,766**	**591,311**

1.4 Valuation risk

The Company's exposure to valuation risk arises from movements in the values of its unquoted investments into Funds, whose valuations in turn are derived from the valuations of portfolio companies in which they invest.

Financial assets and liabilities carried at fair value need to be classified within the appropriate level of hierarchy on which their fair values are based. The information below sets out the different levels as well as the classification of the Company's assets and liabilities where appropriate.

Investments trading in active markets and deriving their fair value from quoted market prices of

identical assets are classified within Level 1. These prices provide the most reliable fair value classification and the Company does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Company is the current bid price.

Investments trading in markets not considered to be active and deriving their fair value from observable inputs other than quoted prices included within Level 1 are classified within Level 2. These inputs need to be directly or indirectly observable for the investment and can include: quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived or corroborated by observable market data. The unlisted investment in preference shares is classified within this level.

Level 3 classification applies to investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments in Fund Limited Partnerships and relevant Section 12J Venture Capital Companies are classified within this level.

R'000	Level 1	Level 2	Level 3	TOTAL
2026				
Unlisted investments	-	-	1,086,326	1,086,326
Balance at 28 February 2026	**-**	-	**1,086,326**	**1,086,326**
2025				
Unlisted investments	-	-	983,053	983,053
Balance at 28 February 2025	**-**	-	**983,053**	**983,053**

There were no transfers between levels of the fair value hierarchy during the current year or in the prior financial year.

The following table presents the movement in Level 3 assets during the year by class of financial instrument:

	Unlisted investments	
R'000	**2026**	**2025**
Non-current assets		
Opening balance	983,053	839,475
Acquisitions	113,770	139,757
Realisations	(120,883)	(45,774)
Net gains included in the statement of comprehensive income	110,386	49,595
Balance at the end of the period	**1,086,326**	**983,053**

The Company's Level 3 financial instruments comprise unlisted investments in Fund Limited Partnerships, Partnerships, section 12J Venture Capital companies and other unquoted instruments measured at fair value through profit or loss. The valuation of these investments is considered to be the Net Asset value (NAV) of the Company's share in the Partnerships. A significant determinant of the NAV of the Partnership is the fair value of its investments. The Fund managers of the Partnerships value their investments using appropriate valuation methodologies in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. Valuation techniques applied include earnings multiple methodologies, revenue multiple methodologies, discounted cash flow methodologies, recent transaction pricing methodologies, net asset value methodologies and market based valuation methodologies.

Significant unobservable inputs used in the valuation of the underlying investments for the year ended 28 February 2026 included revenue multiples, EBITDA multiples, valuation caps, ownership interests, debt service coverage ratios, gross profit margins, EBITDA margins, liquidity ratios, interest rates, and MOIC assumptions.

Recent funding round valuations, transaction pricing assumptions and other market participant assumptions were also considered where relevant in determining fair value. For certain investments, cost was considered an appropriate indicator of fair value at the reporting date.

The significant unobservable inputs used in the valuation of Level 3 financial instruments are inherently uncertain and changes in these inputs may result in different fair value measurements. In general, increases in earnings multiples, revenue multiples, projected cash flows and market valuation assumptions would result in an increase in fair value, while increases in discount rates, expected credit losses, liquidity discounts and credit risk premiums would result in a decrease in fair value.

Sensitivity of Level 3 fair value measurements to changes in unobservable inputs

The estimation of fair value is sensitive to changes in these unobservable inputs. A change in one or more of the significant unobservable inputs, while holding all other assumptions constant, could result in a higher or lower fair value measurement.

In general:

- An increase in earnings multiples, revenue multiples, projected cash flows, post money valuation assumptions or recent transaction prices would result in an increase in the fair value of the investments;
- A decrease in these inputs would result in a decrease in the fair value of the investments;
- An increase in discount rates, liquidity discounts, expected credit losses or credit risk premiums would result in a decrease in fair value; and
- A decrease in these inputs would result in an increase in fair value.

For investments valued using discounted cash flow methodologies, the most significant sensitivities relate to projected future cash flows and discount rates applied.

For investments valued using market multiple methodologies, fair values are particularly sensitive to changes in EBITDA multiples, earnings multiples and revenue multiples applied to maintainable earnings or revenue. For investments valued using recent transaction pricing methodologies, fair values are sensitive to changes in market conditions, funding round pricing assumptions and valuation caps.

Certain investments are also sensitive to assumptions relating to recoverability, expected credit losses, liquidity risk and credit risk. Where applicable, management considers the impact of macroeconomic conditions, market volatility and portfolio company performance in determining appropriate valuation assumptions.

Management believes that the unobservable inputs applied in the valuation of Level 3 financial instruments are appropriate in the circumstances and are consistent with observable market information where available.

However, due to the inherent uncertainty associated with unobservable inputs, actual realised values may differ from the values reflected in the annual financial statements.

The following table summarises the valuation methodologies applied, the significant unobservable inputs used in determining fair value and the relationship of those inputs to the fair value measurements.

Financial assets	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Investments in unlisted Fund Limited Partnerships, Partnerships, Venture Capital companies and other unquoted instruments - Note 3	The fair value of the investments is determined primarily with reference to the Group's share of the underlying NAV. The underlying fund managers value investments in accordance with IFRS 13 and the IPEV Guidelines using earnings multiple, EBITDA multiple, revenue multiple, discounted cash flow, recent transaction pricing, market-based and NAV methodologies.	Revenue valuation multiples (0.6x–12.0x)	Higher revenue multiples increase fair value. A +/-1.0x multiple would increase/ decrease fair value, assuming all other variables
		EBITDA valuation multiples (2.9x–24.0x)	Higher EBITDA multiples increase fair value. A +/-1.0x multiple would increase/ decrease fair value.
		Earnings multiples (approx. 5.0x)	Higher earnings multiples increase fair value. A +/-1.0x multiple would increase/ decrease.
		Discount rates	Higher discount rates decrease fair value. +/-1% discount rate would decrease/increase fair value.
		Projected future cash flows	Higher projected cash flows increase fair value.
		Recent transaction pricing	Higher transaction prices increase fair value.
		Valuation caps (USD6m–USD60m)	Higher valuation caps increase fair value. A +/-10% assumption would increase/decrease fair value.
		Pre-money valuations (USD6.4m–USD82m)	Higher pre-money valuations increase fair value.
		Debt service coverage ratios (0.87x–1.12x)	Higher DSCRs generally increase fair value.
		Discount for lack of marketability (approx. 2%)	Higher marketability discounts decrease fair value.
		Recoverability assumptions	Higher recoverability increases fair value.
		Liquidity discounts and credit risk premiums	Higher liquidity discounts and credit risk premiums decrease fair value.
		Expected credit loss assumptions	Higher expected credit losses decrease fair value.
		Conversion features and preference share return assumptions	More favourable conversion features increase fair value.

1.5 Capital risk management

The Company's objectives when managing capital are to maintain a strong capital base to sustain the Company's ability to continue as a going concern, to provide sustainable returns for shareholders and benefits for other stakeholders. The capital structure of the Company consists of equity attributable to ordinary shareholders, comprising share capital less accumulated losses. The Company's liquidity profile, current and forecast, is monitored on a continuous basis by management and is considered before investments are approved.

2. Property, plant and equipment

R'000	Leasehold improvements	Furniture and fittings	Office equipment	Computer equipment	Right-of-use assets	TOTAL
COST						
Balance at 1 March 2024	271	389	76	263	2,645	3,644
Additions	55	10	4	26	17	112
Disposals	-	-	-	-	-	-
Balance at 28 February 2025	**326**	**399**	**80**	**289**	**2,662**	**3,756**
Balance at 1 March 2025	326	399	80	289	2,662	3,756
Additions	-	-	6	-	2,294	2,300
Disposals	-	-	-	-	-	-
Balance at 28 February 2026	**326**	**399**	**86**	**289**	**4,956**	**6,056**
ACCUMULATED DEPRECIATION						
Balance at 1 March 2024	271	354	70	209	1,552	2,456
Depreciation	**33**	**16**	**2**	**35**	**704**	**790**
Disposals	-	-	-	-	-	-
Balance at 28 February 2025	**304**	**370**	**72**	**244**	**2,256**	**3,246**
Balance at 1 March 2025	304	370	72	244	2,256	3,246
Depreciation	22	12	4	21	725	784
Disposals	-	-	-	-	-	-
Balance at 28 February 2026	**326**	**382**	**76**	**265**	**2,981**	**4,030**
CARRYING AMOUNTS						
At 28 February 2026	-	**17**	**10**	**24**	**1,975**	**2,026**
At 28 February 2025	**22**	**29**	**8**	**45**	**406**	**510**

3. Investments

3.1 Unlisted investments at fair value

The Company obtains exposure to and has indirect investments in a diversified pool of unquoted investments (portfolio companies) by investing in Fund Limited Partnerships (Funds) that typically have a 10-year life cycle. The Company becomes a Limited Partner of the Fund and the investments are made through commitments into the Funds. Additionally, the Company has invested directly in KNF Ventures (RF) Proprietary Limited, a Section 12J Venture Capital Company and Mafami Proprietary Limited. The Company has also invested in convertible preference shares issued by ProfitShare Partners Proprietary Limited. As at 28 February 2026, the Company had the following investments:

Investments measured at fair value through profit or loss		**2026 R'000**	**2025 R'000**
Carrying amounts of:			
Unlisted investments		1,086,326	983,053
		1,086,326	**983,053**
Current		10,811	49,417
Non-current		1,075,515	933,636
		1,086,326	**983,053**
Consisting of:			
Cost		1,067,504	953,734
Realisations		(252,596)	(131,713)
Unrealised capital revaluation movement at the end of the year		247,401	139,350
Accrued income		24,017	21,682
		1,086,326	**983,053**
The investments consisted of the following:	% of Fund / Company	2026 R'000	2025 R'000
PAPE Fund 3	**9.5%**	**84,643**	**94,900**
KNF Ventures (RF) Proprietary Limited	**16.1%**	**61,577**	**63,471**
Savant Venture Fund I (A)	**68.3%**	**127,780**	**117,922**
OneBio Seed Investment Fund I	**75.6%**	**52,519**	**30,664**
4Di Capital Fund III	**95.6%**	**94,330**	**91,238**
Masisizane Franchise Fund I	**70.4%**	**75,150**	**66,289**
SummerPlace Equity Fund I	**49.9%**	**115,155**	**127,637**
Digital Africa Ventures	**98.4%**	**9,045**	**6,901**
University Technology Fund	**73.1%**	**252,517**	**206,936**
ProfitShare Partners preference shares	**N/A**	**-**	**-**
The SA SME Fund Management Company Proprietary Limited	**31.9%**	**48**	**43**
The SA SME Fund of VC Funds I Partnership	**20.5%**	**90,638**	**48,610**
High Impact Seed Fund of Funds Partnership	**33.3%**	**13,477**	**-**
The SA SME Fund VC GP Proprietary Limited	**100%**	**27,942**	**25,674**
The SA SME Fund GP Proprietary Limited	**100%**	**1**	**1**
Endeavor Harvest Fund II	**10.4%**	**16,758**	**16,450**
Grindstone Ventures Fund I	**70.6%**	**6,022**	**5,905**
Knife Capital (SA) Fund III	**18.0%**	**47,912**	**30,995**
The SMME Crisis Partnership Fund	**33.3%**	**9,166**	**48,131**
Mafami Proprietary Limited	**3.6%**	**1,646**	**1,286**
		1,086,326	**983,053**

Unrealised fair value gains and losses comprise of the following fair value movements:	2026 R'000	2025 R'000
PAPE Fund 3	(11,448)	(24,664)
KNF Ventures (RF) Proprietary Limited	(1,894)	(2,242)
Savant Venture Fund I (A)	9,830	22,854
OneBio Seed Investment Fund I	1,169	(705)
4Di Capital Fund III	(2,116)	(2,998)
Masisizane Franchise Fund I	8,860	(1,395)
SummerPlace Equity Fund I	(16,919)	22,058
Digital Africa Ventures	2,384	(6,510)
University Technology Fund	45,908	59,906
ProfitShare Partners preference shares	(2,335)	(47,228)
The SA SME Fund Management Company Proprietary Limited	-	-
The SA SME Fund of VC Funds I Partnership	2,646	2,779
High Impact Seed Fund of Funds Partnership	(709)	-
The SA SME Fund VC GP Proprietary Limited	-	-
The SA SME Fund GP Proprietary Limited	-	-
Endeavor Harvest Fund II	370	(484)
Grindstone Ventures Fund I	117	(1,476)
Knife Capital (SA) Fund III	7,794	2,034
The SMME Crisis Partnership Fund	61,034	(16,867)
Mafami Proprietary Limited	360	(2,693)
	105,051	2,369

The fair value of the unlisted investments measured at fair value through profit or loss was determined with reference to the net asset value of the Funds, which measure their assets and liabilities at fair value. The fair value of the preference shares has been calculated by discounting future cash flows at current market interest rates.

The principal place of business of the above investments is South Africa.

PAPE Fund 3 and SummerPlace Equity Fund I are both en commandite partnerships where the investments are of a long term nature and the funds are equity participants that ultimately derive dividends and capital appreciation from their investments.

KNF Ventures is a Section 12J Venture Capital Company focused on innovation-driven ventures with proven traction.

The remaining funds are venture capital funds established with the intention of making long term investments in early stage companies with the ultimate purpose of deriving investment income and achieving long term capital appreciation. The investment in Savant Venture Fund I includes the commitment to the Fund as well as an incubation facility to enable the fund to invest in early-stage potential pipeline companies. All the funds are en-commandite partnerships.

Masisizane Franchise Fund is a general partnership, the purpose of which are to invest in portfolio companies to derive investment income and long term capital gains.

Summarised financial information in respect of Masisizane Franchise Fund I is set out below. The summarised financial information below represents amounts in Masisizane's financial statements and not the Company's share of these amounts.

	2026 R'000	2025 R'000
Current assets	85,178	70,652
Non-current assets	21,613	23,549
Total assets	**106,792**	**94,201**
Current liabilities	-	-
Net assets	**106,792**	**94,201**
Partners' capital accounts	67,500	67,500
Retained earnings	39,292	26,701
Capital attributable to partners	**106,792**	**94,201**
Capital attributable to The SA SME Fund Limited	**75,150**	**66,289**
Revenue	9,105	9,988
Net provision for expected credit losses	55	(12,473)
Profit / (Loss) for the year	9,296	(1,679)
Total comprehensive profit / (loss)	9,296	(1,679)

3.2 Unlisted investments at amortised cost

The Company has provided financing facilities to a number of investment intermediaries. This funding is used by the intermediaries to provide finance for working capital, project finance, asset finance and medium-term loans to SMEs and spaza shops. These loans are held with the objective of diversifying the portfolio and collecting contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. In addition, the Company has purchased a convertible promissory note in a potential portfolio company of the University Technology Fund. The promissory note has been fully provided for.

At 28 February 2026, the company had the following investments:

	2026 R'000	2025 R'000
Investments measured at amortised cost		
Carrying amounts of:		
Investments measured at amortised cost	218,160	237,087
	218,160	**237,087**
Current	27,607	52,192
Non-current	190,553	184,895
	218,160	**237,087**
Consisting of:		
Cost	227,500	227,500
Realisations	(61,503)	(28,503)
Accrued income	82,624	67,376
Provision for expected credit losses	(30,461)	(29,286)
	218,160	**237,087**

The Company's debt intermediaries have seen an increase in non-performing loans or bad debts as a result of the strained economy compared to the previous financial year.

The investments consisted of the following:

	2026 R'000 Amortised cost	2026 R'000 Fair value	2025 R'000 Amortised cost	2025 R'000 Fair value
Spartan SME Fund Proprietary Limited	**169,131**	**170,106**	**155,272**	**155,210**
The loan bears interest at Prime less 1% per annum, compounded annually and is repayable in full, together with accrued interest, on 24 April 2027. The loan is secured by a cession of book debts. In addition, the Group has received guarantees totalling R20 million from other companies within the Spartan group. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.				
Umastandi Fund I SPV (RF) Proprietary Limited	**-**	**-**	**9,723**	**10,084**
The loan bears interest at Jibar plus 3% per annum, compounded quarterly and was repaid in full, together with the accrued interest on 17 November 2025.				
A2Pay Financial Services Proprietary Limited	**21,422**	**21,997**	**19,900**	**20,278**
The loan bears interest at Prime less 2% per annum, compounded quarterly and is repayable in full, together with accrued interest, on 19 February 2028. The loan is secured by a cession of book debts and has been guaranteed by A2L Media Corp Proprietary Limited, a fellow subsidiary of A2Pay. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.				
ProfitShare Partners Proprietary Limited				
The loan is secured by a cession of book debts and bears interest at Prime plus 2.5%, compounded monthly and payable quarterly in arrears. The PSP debt facility matured in October 2025. PSP was unable to repay the facility upon maturity, and the Company has since entered into negotiations with PSP management to maximise potential returns. Payments totalling R5 million have been received after year end. The fair value has been calculated by discounting future cash flows at current market interest rates. The investment is regarded as a Level 2 instrument under the fair value hierarchy.	**27,607**	**27,607**	**52,192**	**52,192**
	218,160	**219,710**	**237,087**	**237,764**

Movement in Expected Credit Losses

	2026 R'000	2025 R'000
Balance at the beginning of the year	**29,286**	**10,073**
Stage 1 ECL allowance	4,895	7,214
Stage 2 ECL allowance	-	2,859
Stage 3 ECL allowance	24,391	-
Statement of comprehensive income charge	**1,175**	**19,213**
Stage 1 ECL allowance	1,293	(2,319)
Stage 2 ECL allowance	-	-
Stage 3 ECL allowance	194	21,532
Reversal of ECL allowance	(312)	-
Balance at the end of the year	**30,461**	**29,286**
Stage 1 ECL allowance	5,876	4,895
Stage 2 ECL allowance	-	-
Stage 3 ECL allowance	24,585	24,391
Reversal of ECL allowance	-	-

R'000				
2026				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross loans	**196,429**	**-**	**52,192**	**248,621**
Total expected credit loss balance	**(5,876)**	**-**	**(24,585)**	**(30,461)**
Net advances	**190,553**	**-**	**27,607**	**218,160**
R'000				
2025				
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross loans	**189,790**	**-**	**76,583**	**266,373**
Total expected credit loss balance	**(4,895)**	**-**	**(24,391)**	**(29,286)**
Net advances	**184,895**	**-**	**52,192**	**237,087**

The decrease in the movement in expected credit losses is primarily attributable to the significant expected credit loss provision of R21.5 million recognised in the prior year in respect of the R75 million loan facility issued to Profitshare Partners Proprietary Limited (PSP).

4. Trade and other receivables

	2026 R'000	**2025 R'000**
Financial assets:		
Deposits	129	129
	129	**129**

The fair value approximates the carrying value of the trade and other receivables, due to the short-term nature thereof. All trade and other receivables are current. Due to the short-term nature of the trade and other receivables, the credit quality of the counterparties and the fact that the Company has never experienced a credit loss, the ECL on trade and other receivables is negligible.

5. Prepayments

	2026 R'000	**2025 R'000**
Prepaid management fees	3,697	3,517
Other prepayments	872	1,088
	4,569	**4,605**

6. Cash and cash equivalents

		2026		2025
		R'000		R'000
Bank and cash balances		**811,233**		**655,810**
Cash at bank and short-term deposits	**Ave. interest rate**		**Ave. interest rate**	
First National Bank	7.25%	147,419	7.85%	20,174
Investec	6.15%	130,759	7.60%	121,160
Nedbank	6.90%	258,822	8.65%	275,249
Standard Bank	6.55%	102,336	N/A	
Rand Merchant Bank call deposit	6.95%	171,897	8.68%	239,227
		811,233		**655,810**

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of twelve months or less. The carrying amount of these assets is approximately equal to their fair value due to their short-term nature and because they bear interest at market-linked rates. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

7. Share capital

	2026 Number of shares	2025 Number of shares
Authorised		
Ordinary no par value shares rounded to '000	**3,000,000**	**3,000,000**

Issued	2026 R	2026 Number of shares	2025 R	2025 R
Ordinary no par value shares	1,390,400	1,390,400	1,389,400	1,389,400

Reconciliation of shares issued	Number of shares	Number of shares
Balance at 1 March 2024	1,388,400	1,388,400
Issue of shares	1,000	1,000
Balance at 28 February 2025	**1,389,400**	**1,389,400**
Issue of shares	1,000	1,000
Balance at 28 February 2026	**1,390,400**	**1,390,400**

During the year ended 28 February 2026 the Company increased its share capital and issued 1 million (2025: 1 million) fully paid up new shares at a price of R1.00 per share.

8. Tax

	2026 R'000	2025 R'000
South African normal tax		
Current tax	**10,697**	**9,386**
Deferred tax	**23,429**	**186**
	34,126	**9,572**
Reconciliation of tax rate	%	%
Standard rate of tax	**27.0**	**27.0**
Non-taxable income	(15.27)	(154.80)
Unrealised gains on investments	(27.84)	(9.87)
Expenditure disallowed	23.73	287.89
Timing differences	0.03	(2.59)
Capital loss incurred on exit	1.94	-
Deferred capital gains tax on unrealised gains on investments	21.00	(0.52)
Effective tax rate	**30.59**	**147.11**

In terms of the South African Income Tax Act, the non-capital revenue of the Company is considered to be passive income and the Company therefore does not generate tax losses that may be utilised at a date in the future. As a result, the Company does not raise a deferred tax asset in respect of estimated or assessed losses.

Deferred Tax

The following deferred tax liability has been recognised by the Company including movements thereon during the current and prior reporting period.

R'000	Unrealised capital gains on investments measured at fair value through profit and loss
Balance at 1 March 2024	**31,431**
Deferred tax expense recognised in profit and loss	**186**
Balance at 28 February 2025	**31,617**
Deferred tax expense recognised in profit and loss	**23,429**
Balance at 28 February 2026	**55,046**

9. Trade and other payables

	2026 R'000	2025 R'000
Trade payables	11	11
Other payables	798	11,661
Total financial liabilities	809	11,672
Accruals	1,671	981
Total financial and non-financial liabilities	2,480	12,653

Trade and other payables are non-interest bearing and are settled on average 30 days from date of statement. The fair value approximates the carrying value of the trade and other payables, due to the short term nature thereof.

10. Government grant assets and other liabilities

	2026 R'000	2025 R'000
Unlisted investments related to government grant		
Unlisted investments related to government grant	11,000	25,500
Other liabilities		
Grant liability in respect of Department of Science, Technology and Innovation project funding agreement	290,607	257,602
Deferred income	19,692	43,181
	310,299	300,783
Grant liability in respect of Department of Science and Innovation First Loss Facility Contribution agreement	49,668	37,972
Deferred income	59,814	66,776
	109,482	104,748
Grant liability in respect of Department of Science, Technology and Innovation Venture Capital Climate Tech Fund of Funds facility contribution agreement	28,370	-
Deferred income	45,803	-
	74,173	-
Grant liability in respect of USAID First Loss Facility Contribution agreement	20,608	16,557
Deferred income	20,332	22,618
	40,940	39,175
Grant liability in respect of Technology Innovation Agency returnable capital agreement	22,809	27,867
Deferred income	67,949	74,363
	90,758	102,230
	-	
Total grant liabilities	412,062	339,998
Total deferred income	213,590	206,938
Current	262,224	-
Non-current	363,428	546,936
	625,652	546,936

During the year ended 28 February 2021, the Company entered into a project funding agreement with the Department of Science Technology and Innovation (DSTI) whereby the DSTI provided R25.5 million cash for investment in specified portfolio companies namely:

- OneBio (Sawubona Mycellium)
- Savant (Goedetrou)
- Savant (Hypernova Space Technologies)
- University Technology Fund (Hyrax Bioscience)

During the year ended 28 February 2023, the project funding agreement was extended and a further R105 million was received from the DSTI for investment in the SA SME Fund of VC Funds I Partnership. In 2023 the project funding agreement was amended and a further R150 million was received from the DSTI for investment in the SA SME Fund of VC Funds I Partnership. The funds do not bear interest and are returnable to the DSTI based on the returns generated by the investments in the portfolio companies. The termination date of the project funding agreement is 31 December 2026.

In the prior year, the Company entered into a First Loss Facility Contribution Agreement with the DSTI whereby the DSTI provided R100 million cash for investment in the High Impact Seed Fund of Funds Partnership. Additionally, the DSTI allocated R100 million returnable capital to the Technology Innovation Agency (TIA), for investment in the High Impact Seed Fund of Funds Partnership. The capital invested is due to be returned to TIA on 30 September 2036.

In the current year the DSTI committed funding of R150 million for Climate Tech investments in the HISFoF Partnership. An initial tranche of R75 million was received during the current year, with the remaining R75 million expected to be received in the DSTI's subsequent financial year. The funding bears no interest and is repayable to the DSTI based on the returns generated from investments in the underlying portfolio companies. The project funding agreement terminates on 30 November 2028.

During the year ended 28 February 2023, the Company entered into a First Loss Facility Contribution Agreement with USAID whereby USAID has provided an amount of USD2 million as a first loss facility for investment in the SA SME Fund of VC Funds I Partnership. The funds do not bear interest and are due to be returned to the USAID on 19 January 2035.

The above liabilities were initially measured at fair value by discounting the amount payable at a market related rate over the term of the agreement. The difference between the amount payable and the fair value is recognised as deferred income from a government grant and is released to the income statement over the term of the agreement on a straight-line basis. Interest expense is recognised over the term of the agreement using the effective interest method. The liability is subsequently measured at amortised cost.

To date the Company has invested R91,7 million (2025: R52.3 million) of the grant received from the DSTI, and R10,5 million (2025: R9.6 million) from the First loss facility received from the USAID in the SA SME Fund of VC Funds I Partnership. The investments with the Partnership are measured at fair value and the grant has not been used to reduce the cost of the investment.

To date the Company has invested R14,7 million (2025: R0) of the grant received from the TIA in the HISFoF Partnership.

11. Black Investment Professionals program

In the prior year, the Company launched the Black Investment Professionals Associate (BIP) Program. The purpose of the Programme is to provide funding to enable venture capital fund managers in South Africa to employ South African Black investment professionals at an associate level for a period of two years. After obtaining approval from the DSTI, the program is funded from R20 million interest earned from the R255 million grant received from the DSTI, for investment in the SA SME Fund of VC Funds I Partnership (see note 11). The program funds 75% of each associate's salary cost for the duration period of the program and the remaining 25% salary cost is borne by the Fund manager at which the associate is employed. The duration of the program was extended by one year for all associates appointed through the program.

In the current year, the Company entered into a project funding agreement with the DSTI whereby the DSTI provided an additional R40 million for investment in the BIP Programme. The funds do not bear interest and the termination date of the project funding agreement is 31 December 2028.

To date the BIP program has incurred the following expenses that are paid from the R60 million cash received for the program:

	2026 R'000	2025 R'000
Funding allocated for the program - Opening balance	20,000	-
Expenses incurred in previous years	(3,704)	-
	16,296	-
Movement		
Funding received during the year for the program	**40,000**	**20,000**
Grant funding adjustment*	(259)	-
Legal fees	-	(282)
Associate Salaries	(13,560)	(3,347)
Administration cost	(38)	(75)
Other program expenses	(252)	-
	25,891	**(3,704)**
Remaining funding available for the BIP program	**42,187**	**16,296**
Non-current	**24,970**	**3,471**
Current	**17,217**	**12,825**
	42,187	**16,296**

*The R40 million grant funding received is initially measured at fair value by discounting the amount payable at a market related rate over the term of the program. The difference between the amount payable and the fair value is recognised as deferred income from government grants and is released to the income statement over the term of the program on a straight-line basis. Interest expense is recognised over the term of the program using the effective interest method. The liability is subsequently measured at amortised cost.

12. Right-of-use lease liability

	2026 R'000	2025 R'000
Movement in right-of-use lease liability		
Balance at beginning of the year	**451**	**1,126**
Lease renewal	**2,294**	**17**
Finance charges	**94**	**85**
Cash outflow for leases	**(807)**	**(777)**
	2,032	**451**
Current portion payable within one year	**692**	**451**
Long term portion	**1,340**	**-**
Total	**2,032**	**451**
Total cash outflow for leases		
Finance charges	**94**	**85**
Capital portion	**713**	**692**
	807	**777**
Contractual undiscounted cash flows		
Due in one year	**846**	**464**
Due thereafter	**1,437**	**-**
Total	**2,283**	**464**

The Company has leased a building that is being used as office space. The lease was renewed on 01 October 2025 for a period of three years. On average, the lease period is three years. The incremental cost of borrowing used to discount the value of the remaining lease payments is 9.69% (2025: 11.46%).

13. Provisions

	2026 R'000	2025 R'000
Employee benefits	**12,503**	**10,603**
	12,503	**10,603**
	-	
Current	**12,503**	**10,603**
Non-current	**-**	**-**
	12,503	**10,603**
Movement in provisions:		
Balance at the beginning of the year	**10,603**	**9,582**
Additional provision in the year	**12,503**	**10,603**
Utilisation of the provision	**(10,603)**	**(9,582)**
Balance at the end of the year	**12,503**	**10,603**

The provision for employee benefits represents annual leave and accrued bonuses in terms of employees' contracts of employment. An amount of R12,9 million (2025: R11,1 million) in respect of employee benefits provisions has been paid subsequent to year end.

14. Operating expenses

	2026 R'000	2025 R'000
Operating expenses comprise:		
Auditors' remuneration		
Audit fees	3,429	3,228
Depreciation	784	790
Fund II costs*	1,579	3,243
Insurance	**630**	**529**
Investment-related costs	169	121
Legal fees	311	-
Operating lease rentals – office equipment (Note 18)	25	27
Salaries and wages**	24,844	23,690
Short term incentives***	12,988	11,146
Other operating expenses	2,859	2,806
	47,618	**45,580**

*The decrease in Fund II costs is primarily attributable to a decrease in overhead costs incurred by the General Partner of The SMME Crisis Partnership Fund. The overhead costs were borne by The SA SME Fund Limited and not the respective partnership in line with the arrangement between the Company and the General Partner.

**Salaries and wages include gross salaries, statutory contributions and Director's salaries of R9,3 million (2025: R8,5 million) as disclosed in note 15.

***Short term incentives include incentives payable to directors as disclosed in note 15. The short term incentives allocation percentage increased from 50.6% to 51.0% in the current year.

15. Directors' and prescribed officers' emoluments

	2026 (R'000)			2025 (R'000)		
	Salary	Short term incentive	Total	Salary	Short term incentive	Total
Ketan Gordhan	**5,718**	**2,916**	**8,634**	**5,016**	**2,308**	**7,324**
Caryn Winter	**3,636**	**1,855**	**5,491**	**3,480**	**1,762**	**5,242**
	9,354	**4,771**	**14,125**	**8,496**	**4,070**	**12,566**

The non-executive directors do not receive any remuneration or fees for their services to the Company.

16. Notes to the statement of cash flows

Cash utilised in operations	2026 R'000	2025 R'000
Operating profit / (loss) before tax	**111,568**	**(9,573)**
Adjustments for:		
Depreciation of property, plant and equipment	**784**	**790**
Interest earned on cash and cash equivalents	**(13,283)**	**(17,296)**
Income from government grant	**(45,432)**	**(35,843)**
Investment income recognised in the statement of comprehensive income	**(46,475)**	**(52,370)**
Other income	**(3,000)**	**-**
Interest expense - non cash*	**39,123**	**28,500**
Interest expense on lease liability	**94**	**85**
Realised gains from fair value adjustments	**(10,000)**	**-**
Unrealised gains from fair value adjustments	**(105,051)**	**(2,367)**
Working capital changes:		
Decrease in prepayments and trade and other receivables	**37**	**1,115**
(Decrease) / increase in trade and other payables	**(10,173)**	**10,185**
Increase in provisions	**3,386**	**20,234**
	(78,422)	**(56,540)**

*Interest expense - non cash relates to interest accrued on the government grant facilities received from the DSTI, TIA and the USAID. The grants have been classified as a financial liability subsequently measured by increasing the carrying amount of the liability, to reflect interest accrued (using the effective interest method) and by reducing the carrying amount to reflect payments made in respect of the grant liability that have been discounted in accordance with IAS 20 requirements.

17. Operating lease rentals

Operating lease rentals relate to leases of low value office equipment with lease terms of three years.

	2026 R'000	2025 R'000
Operating lease rentals due within one year	22	18
Operating lease rentals due thereafter	17	-
	39	18

18. Contingencies

There were no contingent liabilities at 28 February 2026 and at 28 February 2025.

19. Capital commitments

The table below notes undrawn capital commitment movements during the year:

Undrawn capital commitments:	% of fund	Total capital commitment	Undrawn capital commitment at 1 March 2025	New capital committed during the year	Capital commitment drawn during the year	Undrawn capital commitment at 28 February 2026
PAPE Fund 3	9.5%	100,000	3,955	-	(2,422)	1,533
SummerPlace Equity Fund 1	49.9%	125,000	18,469	-	(9,195)	9,274
Savant Venture Fund 1	68.3%	100,000	3,702	-	(2,910)	792
4Di Capital Fund III	95.6%	125,000	25,824	-	(9,807)	16,017
OneBio Seed Investment Fund I	75.6%	75,000	29,698	-	(19,289)	10,409
University Technology Fund	73.0%	145,000	7,881	-	(2,966)	4,915
Digital Africa Ventures Fund I	98.4%	25,000	2,427	-	(588)	1,839
Endeavor Harvest Fund II	10.5%	20,000	2,642	-	(1,604)	1,038
Grindstone Ventures Fund I	69.9%	10,000	1,345	-	(390)	955
Knife Capital (SA) Fund III	18.0%	75,000	38,062	-	(10,853)	27,209
The SA SME Fund of VC Funds I	20.5%	265,000	212,693	-	(39,897)	172,796
High Impact Seed Fund of Funds I	33.3%	100,000	100,000	-	(14,746)	85,254
		1,165,000	**446,698**	-	**(114,667)**	**332,031**

Undrawn capital commitments:	% of fund	Total capital commitment	Undrawn capital commitment at 1 March 2024	New capital committed during the year	Capital commitment drawn during the year	Undrawn capital commitment at 28 February 2025
PAPE Fund 3	9.6%	100,000	6,612	-	(2,657)	3,955
SummerPlace Equity Fund 1	49.9%	125,000	55,689	-	(37,220)	18,469
Savant Venture Fund 1	68.3%	100,000	4,935	-	(1,233)	3,702
4Di Capital Fund III	96.15%	125,000	45,616	-	(19,792)	25,824
OneBio Seed Investment Fund I	89.02%	75,000	40,367	-	(10,669)	29,698
University Technology Fund	72.8%	145,000	32,787	-	(24,906)	7,881
Digital Africa Ventures Fund I	97.34%	25,000	3,217	-	(790)	2,427
Endeavor Harvest Fund II	10.58%	20,000	4,246	-	(1,604)	2,642
Grindstone Ventures Fund I	73.26%	10,000	2,315	-	(970)	1,345
Knife Capital (SA) Fund III	25.43%	75,000	48,967	-	(10,905)	38,062
The SA SME Fund of VC Funds I	33.3%	265,000	218,678	-	(5,985)	212,693
High Impact Seed Fund of Funds I	33.3%	100,000	-	100,000	-	100,000
		1,165,000	**463,429**	**100,000**	**(116,731)**	**446,698**

20. Going concern

The directors have considered the financial position of the Company and are of the view that the Company remains a going concern. While the Company currently makes operating cashflow losses and is expected to do so for the foreseeable future, the Company has significant cash balances and its total assets exceed its total liabilities by R1.367 billion (2025: R1.289 billion). The directors note that, included in accumulated losses, are management fees and fund establishment costs and operating costs paid to investee fund managers totalling R175.0 million (2025:R153.1 million) that are fully recoverable in the returns waterfall on the winding up of the partnerships in which the Company has invested, subject to the performance of the underlying Funds.

The directors have reviewed the outstanding commitments relative to the Company's cash balances and note that the remaining commitments are primarily to cover management fees and operating expenses of the portfolio funds and will be paid over the remainder of the investee funds' terms. The Fund of Funds business model of the Company has also been considered by the directors in their assessment of going concern. This model assumes that the Company will have an investment period of approximately five years during which available funds will be invested in portfolio funds or companies in the SME sector. It is only after this investment period and a period of portfolio company growth and management that the Company is expected to generate realised returns from its investment programme. The majority of the Company's portfolio funds are currently in the portfolio management phase.

21. Subsequent events

No matter that is material to the financial affairs of the Company has occurred between the reporting date and the date of approval of these financial statements, which requires adjustment to or disclosure in the financial statements.

22. Related parties

22.1 Transactions with directors

There were no transactions with directors during the year ended 28 February 2026, nor during the year ended 28 February 2025.

22.2 Transactions with related parties

During the period under review, the Company entered into the following transactions with portfolio funds:

R'000	2026						
	Management fee %	**Total income**	**Interest and dividends received**	**Total expenses**	**Management and advisory fees paid**	**Establishment costs and interest paid on equalisation**	**Fund operating expenses**
Financial assets at fair value through profit or loss							
PAPE Fund 3	**2.00%**	**7,876**	7,876	**3,068**	1,729	3	1,336
Savant Venture Fund I (A)	**3.36%**	**-**	-	**1,571**	1,434	-	137
OneBio Seed Investment Fund I	**3.00%**	**-**	-	**2,544**	2,217	-	327
4Di Capital Fund III	**3.00%**	**258**	258	**4,599**	4,312	-	287
University Technology Fund	**3.00%**	**-**	-	**4,229**	3,621	-	608
SummerPlace Equity Fund I	**2.50%**	**12,338**	12,338	**2,647**	2,132	-	515
Masisizane Franchise Fund I	**N/a**	**-**	-	**312**	-	-	312
Digital Africa Ventures Fund I	**3.00%**	**-**	-	**588**	308	-	280
Endeavor Harvest Fund II	**2.00%**	**-**	-	**507**	462	-	45
Grindstone Ventures Fund I	**3.00%**	**-**	-	**409**	299	-	110
Knife Capital (SA) Fund III	**2.00%**	**-**	-	**1,729**	1,725	-	4
ProfitShare Partners Proprietary Limited		**2,335**	2,335	**-**	-	-	-
SA SME Fund of VC Funds I		-	-	**515**	-	-	515
High Impact Seed Fund of Funds		-	-	**560**	161	375	24
		22,807	**22,807**	**23,278**	**18,400**	**378**	**4,500**
Financial assets measured at amortised cost							
Spartan SME Fund Proprietary Limited		**14,888**	14,888	-	-	-	-
A2Pay Financial Services Proprietary Limited		**1,785**	1,785	-	-	-	-
Umastandi Fund I Proprietary Limited		739	739	-	-	-	-
ProfitShare Partners Proprietary Limited		**5,944**	5,944	311	-	-	311
		23,356	**23,356**	**311**	**-**	**-**	**311**
		46,163	**46,163**	**23,589**	**18,400**	**378**	**4,811**

In addition to the above transactions, during the year ended 28 February 2026, the Company injected capital of R2,3 million (2025: R11,7 million) into the SA SME Fund VC GP Proprietary Limited and R5,000 (2025: R10,000) into the SA SME Fund Management Company Proprietary Limited for the funding of the company operations. The SA SME Fund Limited has control over both companies.

R'000	2025						
	Management fee %	**Total income**	**Interest and dividends received**	**Total expenses**	**Management and advisory fees paid**	**Establishment costs and interest paid on equalisation**	**Fund operating expenses**
Financial assets at fair value through profit or loss							
PAPE Fund 3	**2.00%**	**2,382**	2,382	**2,969**	1,664	-	1,305
Savant Venture Fund I (A)	**3.36%**	**-**	-	**2,640**	2,564	-	76
OneBio Seed Investment Fund I	**3.00%**	**-**	-	**2,782**	2,582	-	200
4Di Capital Fund III	**3.00%**	**368**	368	**4,521**	4,308	-	213
University Technology Fund	**3.00%**	**-**	-	**5,949**	4,829	-	1,120
SummerPlace Equity Fund I	**2.50%**	**6,538**	6,538	**3,837**	3,322	-	515
Masisizane Franchise Fund I	**N/a**	**-**	-	**312**	-	-	312
Digital Africa Ventures Fund I	**3.00%**	**-**	-	**790**	482	-	308
Endeavor Harvest Fund II	**2.00%**	**-**	-	**223**	160	-	63
Grindstone Ventures Fund I	**3.00%**	**-**	-	**744**	299	-	445
Knife Capital (SA) Fund III	**2.00%**	**-**	-	**1,812**	1,725	-	87
ProfitShare Partners Proprietary Limited		**6,683**	6,683	**-**	-	-	-
SA SME Fund of VC Funds I		4,382	4,382	445	-	-	445
		20,353	**20,353**	**27,024**	**21,935**	**-**	**5,089**
Financial assets measured at amortised cost							
Spartan SME Fund Proprietary Limited		**14,819**	14,819	-	-	-	-
A2Pay Financial Services Proprietary Limited		**1,794**	1,794	37	-	-	37
Umastandi Fund I Proprietary Limited		1,119	1,119	-	-	-	-
ProfitShare Partners Proprietary Limited		**9,847**	9,847	-	-	-	-
		27,579	**27,579**	37	-	-	37
		47,932	**47,932**	**27,061**	**21,935**	**-**	**5,126**

The SA SME Fund Limited
Incorporated in the Republic of South Africa
Registration number 2016/238385/06
("the Company")

29 October 2026

Dear Shareholder

The detailed Notice of the Annual General Meeting ("Notice") and supporting documentation are attached hereto. The Notice is accompanied by explanatory notes setting out the reasons and the effects of the proposed ordinary and special resolutions in the Notice.

Should you require a full printed version of the Annual Financial Statements, please contact me on lerato@sasmefund.co.za and a copy will be sent to you.

If you are unable to attend the Annual General Meeting, you are able to vote by proxy in accordance with the instructions in the Notice and the form of proxy.

Yours sincerely



L Mashaba
Company Secretary

The SA SME Fund Limited
Incorporated in the Republic of South Africa
Registration number 2016/238385/06
("the Company")

NOTICE OF AGM

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008 as amended ("the Companies Act") that the tenth Annual General Meeting of the Company ("AGM") will be held on Monday, 23 November 2026 at 13h15 or immediately after the 2025 AGM to be held on Monday 23 November 2026 at 12h30, at 1 Discovery Place, Sandton, 2196.

PURPOSE

The purpose of the AGM is to conduct the following business:

1. present the audited financial statements of the Company for the year ended 28 February 2026 (including the directors' report, the independent external auditor's report and the Valuations, Audit and Risk Committee report) as contained in the Integrated Report which accompanies the Notice and is also available on the Company's website at www.sasmefund.co.za;
2. present the report of the Nominations, Ethics, HR and Remuneration committee;
3. to consider and, if deemed fit to pass, with or without modification, the resolutions set out below, and
4. to deal with such other business as may be dealt with at an AGM.

RECORD DATE

The record date for shareholders to be registered in the books of the Company for purposes of being entitled to attend, speak and vote at the AGM is 29 October 2026.

PROOF OF IDENTIFICATION REQUIRED

In accordance with the Companies Act, any shareholder or proxy attending the AGM must present reasonable satisfactory identification. Forms of identification include a green bar-coded identification document or identification card issued by the South African Department of Home Affairs, a driver's licence or a valid passport.

ELECTRONIC PARTICIPATION ARRANGEMENTS

All shareholders are entitled to participate at the AGM via electronic communication, by making use of the Microsoft Teams link available on request from the Company Secretary (lerato@sasmefund.co.za).

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person or by proxy.

Shareholders or their duly appointed proxies who wish to participate electronically in the AGM are required to complete the Electronic Participation Application Form which will be available from the Company Secretary and email the completed form to the Company Secretary (lerato@sasmefund.

co.za) as soon as possible but in any event by no later than 13h15 on Thursday, 19 November 2026. Shareholders who have applied to participate electronically in the AGM are requested by no later than 13h15 on Monday, 23 November 2026 to join the meeting by accessing the meeting invitation provided by the Company, whose admission to the meeting will be controlled by a moderator.

The cost of electronic participation in the AGM is for the expense of the participant and will be billed separately by the participant's own service provider. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the AGM. The Company cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders are entitled to attend, speak and vote at the AGM.

Any shareholder is entitled to appoint one or more proxy or proxies to attend, participate in and speak and vote at the AGM in their stead. The person or persons so appointed as proxy or proxies need not be a shareholder or shareholders of the Company.

Forms of proxy (which form is included with the Notice) must be lodged with the Company, no later than 13h15 on Thursday, 19 November 2026, being not less than 48 (forty eight) hours before the AGM, to be held at 13h15 on Monday, 23 November 2026 or immediately after the 2025 AGM to be held at 12h30 on Monday, 23 November 2026, in accordance with clause 24.3.2 of the Company's Memorandum of Incorporation ("MOI"). Forms of Proxy may be lodged with the Company by:

- delivery to the Company at First Floor, Building 1, 5 Second Road, Hyde Park, 2196; or
- email to lerato@sasmefund.co.za.

Any forms of proxy not submitted by this time can still be lodged by email to lerato@sasmefund.co.za prior to the commencement of the meeting.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM.

On a poll, every shareholder of the Company shall have one vote for every share held in the Company by such shareholder. Voting on the Ordinary Resolutions to be proposed at the AGM will be voted on by a poll.

QUESTIONS

Shareholders are encouraged to submit via email any questions in advance of the AGM to the Company Secretary at lerato@sasmefund.co.za. These questions will be addressed at the AGM and will be responded to via email thereafter.

APPROVALS REQUIRED FOR RESOLUTIONS

In terms of the Companies Act and the MOI, Ordinary Resolutions numbers 1 to 6 (including 1.1 to 1.3; 3.1 to 3.3 and 4.1 to 4.3), contained in this Notice, require the approval by more than 50% (fifty percent) of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The following documents have been distributed as required and will be presented to the shareholders at the AGM:

- the audited financial statements of the Company for the year ended 28 February 2026, incorporating the Independent Auditors' report thereon, the Directors' report and the report of the Valuations, Audit and Risk Committee.

A complete set of the consolidated audited Financial Statements, together with the above mentioned reports, are set out on pages 28 to 89 of the Integrated Report.

NOMINATIONS, ETHICS, HR AND REMUNERATION COMMITTEE

In accordance with the Companies Act, the Chairperson of the NEHRC will report to shareholders at the AGM. Section 61 of the Companies Act requires public companies to include a presentation, of the report in terms of section 72(10B) of the Companies Act, to the Company's shareholders explaining how it performed its functions in terms of the Companies Act and the Regulations and the appointment of its members at the AGM.

ORDINARY RESOLUTIONS

1. Ordinary Resolution number 1 (comprising Ordinary Resolution numbers 1.1, 1.2 and 1.3)

Re-Election of directors

To elect by way of separate resolutions the following non-executive directors:

Ordinary resolution number 1.1

"Resolved that Dr LM Klein is elected for appointment as a director of the Company."

Ordinary resolution number 1.2

"Resolved that Ms P Mahanyele-Dabengwa is elected for appointment as a director of the Company."

Ordinary resolution number 1.3

"Resolved that Dr YG Muthien is elected for appointment as a director of the Company."

Explanatory note in respect of Ordinary Resolution numbers 1.1, 1.2 and 1.3

Clause 38.3.1 of the MOI provides that at least 1/3 (one third) of the Company's non-executive directors shall retire at each AGM. The retiring directors are Dr LM Klein, Ms P Mahanyele-Dabengwa and Dr YG Muthien and they are eligible and available for re-election. The NEHRC have considered the knowledge, skills and performance of the directors retiring by rotation, together with the composition of the Board in terms of age, gender and race and recommend that the eligible directors be proposed for re-election. The proposed Ordinary resolutions number 1.1, 1.2 and 1.3 are to elect Dr LM Klein, Ms P Mahanyele-Dabengwa and Dr YG Muthien for appointment as directors of the Company, in accordance with and as required by the Companies Act.

Mr N Payne will be retiring as a director at the end of this meeting and is not available for re-election as a director.

2. Ordinary resolution number 2

Re-appointment of External Auditors

"Resolved that Deloitte & Touche is re-appointed as the independent external auditors of the Company, to hold office until the conclusion of the next AGM."

Explanatory note in respect of Ordinary Resolution number 2

In terms of section 90(1) of the Companies Act, each year at its AGM, the Company must appoint an auditor who complies with the requirements of section 90(2) of the Companies Act. Following a detailed review, which included an assessment of its independence, the current Valuations, Audit and Risk Committee of the Company has recommended that Deloitte & Touche is re-appointed as the auditors of the Company until the conclusion of the next AGM. It is noted that the individual designated auditor who will undertake the audit for the year ending 28 February 2027 is Tshidi Malongete.

3. Ordinary resolution number 3 (comprising Ordinary Resolution numbers 3.1, 3.2 and 3.3)

Appointment and re-appointment of the members of the Valuations, Audit and Risk Committee

To re-appoint, by way of separate resolutions, the following independent non-executive directors as members of the Company's Valuations, Audit and Risk Committee:

Ordinary Resolution number 3.1

"Resolved that Mr F Chothia is appointed as a member of the Company's Valuations, Audit and Risk Committee."

Ordinary Resolution number 3.2

"Resolved that Mr J Bosini is appointed as a member of the Company's Valuations, Audit and Risk Committee."

Ordinary Resolution number 3.3

"Resolved that Dr YG Muthien is re-appointed as a member of the Company's Valuations, Audit and Risk Committee, subject to the approval and passing of Ordinary Resolution number 1.3."

Explanatory note in respect of Ordinary Resolution numbers 3.1, 3.2 and 3.3

In terms of section 94(2) of the Companies Act, the Valuations, Audit and Risk Committee is a committee elected by shareholders at each AGM. In terms of Regulation 42 of the Companies Act Regulations, at least 1/3 (one third) of the members of the Company's Valuations, Audit and Risk Committee must have academic qualifications, or experience in, economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The Board is satisfied that the Company's Valuations, Audit and Risk Committee members are suitably skilled, experienced as contemplated in Regulation 42 of the Companies Act Regulations and collectively they have the sufficient qualifications and experience to fulfil their duties as contemplated in Section 94(7) of the Companies Act.

Mr N Payne will be retiring as a director at the end of this meeting and is therefore not available for re-election as a member of the Valuations, Audit and Risk Committee.

4. Ordinary resolution number 4 (comprising Ordinary Resolution numbers 4.1, 4.2, and 4.3)

Appointment of the members of the Nominations, Ethics, HR and Remuneration Committee (incorporating the Social and Ethics Committee)

To appoint, by way of separate resolutions, the following independent non-executive directors as members of the Company's NEHRC:

Ordinary Resolution number 4.1

"Resolved that Dr YG Muthien is appointed as a member of the Company's NEHRC, subject to the approval and passing of Ordinary Resolution number 1.3."

Ordinary Resolution number 4.2

"Resolved that Mr A Gore is appointed as a member of the Company's NEHRC."

Ordinary Resolution number 4.3

"Resolved that Dr LM Klein is appointed as a member of the Company's NEHRC, subject to the approval and passing of Ordinary Resolution number 1.1."

Explanatory note in respect of Ordinary Resolution numbers 4.1, 4.2 and 4.3

Amendments to section 72 of the Companies Act relate to, inter alia, incorporating certain parts of Regulation 43 into the Companies Act namely, those dealing with the requirements of when to appoint members of the social and ethics committee ("SEC") and timing for constituting the committee. In addition, sections 61 and 72(9A) of the Companies Act requires that in respect of public companies, such committee members must be appointed at each AGM. The NEHRC incorporates the SEC and its duties. The Board is satisfied that the Company's NEHRC members are suitably skilled, experienced and collectively they have the sufficient qualifications and experience to fulfil their duties.

5. Ordinary resolution number 5

Remuneration Policy

"Resolved that the Company's remuneration policy as presented at this AGM and as set out in the Report of the Nominations, Ethics, HR and Remuneration Committee contained in the Integrated Report, be and is hereby approved."

Explanatory note in respect of Ordinary Resolution number 5

In terms of section 30A(2)(a) of the Companies Act, the Company (being a public company) must prepare and present its remuneration policy for approval by shareholders by way of ordinary resolution at the AGM. Accordingly, shareholders are requested to approve the remuneration policy on page 12 of the Integrated Report, which forms part of the Report of the Nominations, Ethics, HR and Remuneration Committee. If the remuneration policy is approved in terms of this resolution:

- it will remain in force for a period of 3 (three) years from approval and must be approved by shareholders every 3 (three) years thereafter; and
- it may be amended prior to the end of the 3 (three) year period provided that any material amendment may only be implemented after it has been approved by shareholders by way of an ordinary resolution either at the next AGM, or at a shareholders meeting called for such purpose.

6. Ordinary resolution number 6

Remuneration implementation report

"Resolved that the remuneration report of the Company as presented at this AGM and as set out on pages 10 to 13 of the Integrated Report, be and is hereby approved."

Explanatory note in respect of Ordinary Resolution number 6

In terms of section 30B(2) of the Companies Act, the Company (being a public company) must prepare and present a remuneration report in respect of the previous financial year for approval by shareholders by way of ordinary resolution at the AGM. This vote will enable shareholders to express their views on the adoption and implementation of the Company's remuneration policy and assess its implementation. Accordingly, shareholders are requested to approved the remuneration policy on page 12 of the Integrated report.

In the event that this resolution is not approved by the requisite majority, the following consequences will, in terms of section 30B(4) of the Companies Act, apply at the next AGM:

- the remuneration committee will be required to present an explanation on the manner in which shareholders' concerns have been taken into account; and
- the directors who are not involved in the day-to-day management of the business of the Company, who have served on the remuneration committee for a period of 12 (twelve) months or more during the year under review, will be required to stand for re-election as members of the remuneration committee.

By order of the Board



LP Mashaba

Company Secretary

29 October 2026

Form of proxy

The SA SME Fund Limited,
Incorporated in the Republic of South Africa
Registration number 2016/238385/06,
("the Company")

For use by registered shareholders of the Company at the Annual General Meeting of the Company ("AGM") to be held at 13h15 on Monday, 23 November 2026, or immediately after the 2025 AGM to be held on Monday, 23 November 2026 at 12h30.

Each shareholder entitled to attend and vote at the AGM may appoint one or more proxy or proxies (who need not be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the AGM, and at any adjournment thereof.

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM.
- The appointment of a proxy is revocable and you may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and the Company.

Kindly note that meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Companies Act, No. 71 of 2008 as amended ("the Companies Act") to provide reasonably satisfactory identification before being entitled to attend or participate in the AGM. Forms of identification include a green bar-coded identification document or identification card issued by the South African Department of Home Affairs, a driver's licence or a valid passport.

I/We (please print)	(name)
Of	(address)
	(contact number)
being the holders of	ordinary shares in the Company, hereby appoint (see Note 1)
1.	or failing him/her
2.	or failing him/her

3. the Chairman of the AGM,

as my/our proxy to attend, participate in and speak and vote for me/us and on my/our behalf or to abstain from voting at the AGM which will be held for the purposes of considering and, if deemed fit, passing the resolutions to be passed thereat, with or without modification, and at any adjournment thereof, in accordance with the following instructions (see note 2).

Insert the number of votes exercisable (one vote per share) -

Ordinary Resolutions		For	Against	Abstain
1.	Ordinary Resolution number 1: Election of directors			
	1.1. Dr LM Klein			
	1.2. Ms P Mahanyele-Dabengwa			
	1.3. Dr YG Muthien			
2.	Ordinary resolution number 2: Re-appointment of external auditor			
3.	Ordinary resolution number 3: Appointment and re-appointment of independent Valuations, Audit and Risk Committee			
	3.1. Mr F Chothia			
	3.2. Mr J Bosini			
	3.3. Dr YG Muthien			
4.	Ordinary resolution number 4: Appointment of Nominations, Ethics, HR and Remuneration Committee			
	4.1. Dr YG Muthien			
	4.2. Mr A Gore			
	4.3. Dr LM Klein			
5.	Ordinary resolution number 5: Remuneration policy			
6.	Ordinary resolution number 6: Remuneration implementation report			

Note: Insert an “X” in the relevant spaces above or the number of votes exercisable (one vote per share) according to how you wish your vote to be cast. An “X” in the relevant spaces above indicates the maximum number of votes exercisable. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you wish to vote.

Signed at on 2026

Signature

Assisted by me (where applicable)

Please read the summary of the rights in respect of proxy appointments established by Section 58 of the Companies Act and instructions overleaf.

NOTES TO THE FORM OF PROXY

Summary of shareholders' rights in respect of proxy appointments as contained in Section 58 of the Companies Act

Please note that in terms of section 58 of the Companies Act:

- This form of proxy must be in writing, dated and signed by the shareholder appointing the proxy.
- You may appoint an individual as a proxy, including an individual who is not a shareholder of the Company, to participate in, and speak and vote at, the AGM, on your behalf.
- Your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this form.
- This form of proxy must be delivered to the Company before your proxy exercises any of your voting rights as a shareholder at the AGM.
- The appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly in person in the exercise of any of your rights as a shareholder at the AGM.
- The appointment of your proxy is revocable unless you expressly state otherwise in this form of proxy.
- As the appointment of your proxy is revocable, you may revoke the proxy appointment by – (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and the Company. Please note that the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the proxy and the Company as aforesaid.
- If this form of proxy has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the Company to you must be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing, and paid any reasonable fees charged by the Company for doing so.
- Your proxy is entitled to exercise, or abstain from exercising, any voting rights of yours without direction at the AGM, except to the extent that this form of proxy provides otherwise.
- The appointment of your proxy remains valid only until the end of the AGM or any adjournment or postponement thereof, unless it is revoked by you before then on the basis set out above.

Instructions on signing and lodging the form of proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairman of the AGM", but any such deletion must be initialled by the shareholder. Should this space be left blank, the Chairman of the AGM will exercise the proxy. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X" or the number of votes exercisable by that shareholder in the appropriate spaces provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the AGM, as he/she thinks fit in respect of all of the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by his/her proxy but the total number of votes cast, or this in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.

3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced.

4. Forms of proxy (which form is included with this notice of AGM) must be lodged with the Company at First Floor, Building 1, 5 Second Road, Hyde Park, 2196 or emailed to lerato@sasmefund.co.za to be received by the Company by no later than 13h15 on Thursday, 19 November 2026, being not less than 48 (forty eight) hours before the AGM to be held on Monday, 23 November 2026 at 13h15, or immediately after the 2025 AGM to be held on Monday, 23 November 2026 at 12h30 in accordance with clause 24.3.2 of the MOI.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless waived by the Chairman of the AGM.

6. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the AGM and speaking thereat to the exclusion of any proxy or proxies appointed in terms hereof, should such shareholder wish to do so.

7. The completion of any blank spaces on the form of proxy need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

8. The Chairman of the AGM may reject or accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a shareholder wishes to vote.

ADMINISTRATION

The SA SME Fund Limited's directors

The following were the directors of the Company during the current financial year and to the date of distribution of the Notice:

Non-Executive directors

A Gore

J Bosini (appointed 1 February 2026)

F Chothia

NJ Dlamini

LM Klein

C Kula (appointed 1 May 2025, resigned 27 February 2026)

Ms P Mahanyele-Dabengwa

YG Muthien

NG Payne

Executive directors

KM Gordhan

CT Winter

Auditors

Deloitte & Touche

5 Magwa Crescent

Waterfall City

Waterfall

2090

Company Secretary

LP Mashaba

Registered Office

1 Discovery Place, Sandton, 2196

PO Box 786722, Sandton, 2146

The SA SME Fund Limited

Registration number: 2016/238385/06

Company tax reference number: 9328138194

www.sasmefund.co.za

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Integrated Report 2026