



NATIONAL
EMPOWERMENT
FUND

Growing Black Economic Participation



Mzi Dayimani
NEF CEO



INTEGRATED REPORT

2025

PRESENTATION

OVERVIEW OF THE REPORT

- Purpose of Report
 - Reflects the NEF's 2024/25 financial and non-financial performance and governance,
 - Demonstrates the NEF's contribution to transformation, industrialisation and inclusive growth.
 - Aligns with **the dtic**'s industrial policy, National Development Plan, and Medium-Term Strategic Framework.
- Reporting Approach
 - Prepared in accordance with the Integrated Reporting (IR) Framework to ensure a balanced view of value creation and impact
 - Complies with the PFMA and audit standards, ensuring accuracy, transparency and accountability.

THE NEF'S MANDATE

The NEF stands as a dynamic force and a pioneer in the advancement of black economic participation.

The NEF's mission revolves around being a catalyst of Broad Based Black Economic Empowerment (B-BBEE) in South Africa. The NEF enables, develops, and implements innovative and transformative investment solutions to advance black economic participation in the economy.

The NEF plays a crucial role in championing economic empowerment, offering support to black entrepreneurs and enterprises.

The NEF aims to be a leading provider of innovative solutions for economic inclusion in South Africa. As a catalyst for B-BBEE, it focuses on enabling, developing, and promoting investments and transformation to support sustainable black economic participation.

- The NEF was established under the National Empowerment Fund Act No 105 of 1998 (NEF Act),
- the Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act)
- Codes of Good Practice issued under that Act

Vision

Our vision is to be the leading provider of innovative transformation solutions for an economically inclusive South Africa. We seek to be the lead financier of Broad-Based Black Economic Empowerment (B-BBEE) investments in the DFI space.

Mission

The NEF is a catalyst for B-BBEE in South Africa.

We enable, develop, promote, and implement innovative investment and transformation solutions to advance sustainable black economic participation in the economy.

Values

The values of the NEF are the glue that holds the ethical tapestry of the organisation together. Collectively, these values form the acronym EMPOWER, as outlined below:

E THICS

M OTIVATION

P ERFORMANCE

O WNSHIP

W ORTHY

E XCELLENCE

R ESPECT

“As a member of the NEF family, I hereby solemnly pledge to remain faithful to the values and ethos of the NEF, because as an instrument in the quest for inclusive growth, I recognise that the economic dreams and aspirations of black people.”

STRATEGIC OBJECTIVES

Objective	Description
Investment Stimulus	Grows black economic participation via sector-specific funds that stimulate industrial and SME investment.
Transformation	Expands black ownership and participation in the economy through funding, mentorship, and enterprise development.
Structural Reform	Addresses systemic barriers and partners with government to strengthen inclusion and access to finance.
Induced Demand	Supports local production to replace imports and boost exports, driving localisation and competitiveness.
Catalytic Sectors	Invests in high-impact sectors like manufacturing, green economy industries to create jobs.
Development of a Capable State	Ensures financial sustainability, strong governance, and operational efficiency within the NEF.

APP PROGRAMME

The NEF led a strategic planning session, working in collaboration with the shareholder (**the dtic**) and other key stakeholders within the empowerment sector. This process resulted in the development of key performance indicators (KPIs) that prioritise outcomes and impact over output-driven measures. Consequently, the following five programmes were established to:

Programme 1: Black Industrialists

Secure early equity rights for BIs to drive inclusive growth while broadening SA's industrial capacity with a focus on catalytic sectors (manufacturing and renewable economies etc.).

Programme 2: Aggregator

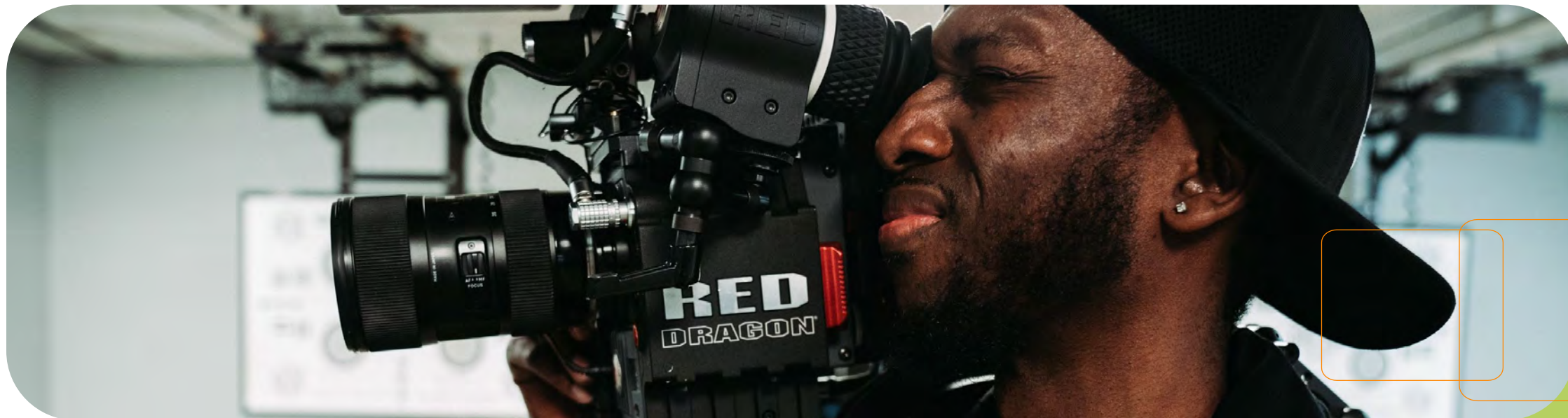
Develop outgrower programmes, farmer marketplaces, and demand/aggregator centers such as packhouses and cotton gins.

Programme 3: Green Economy

Advancing early-stage renewable energy projects to support uninterrupted expansion of manufacturing capacity in the country.



APP PROGRAMME



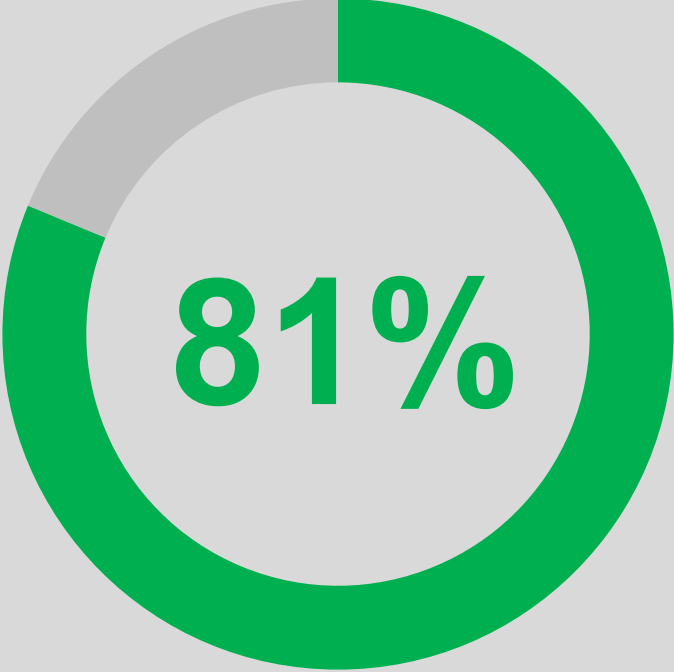
Programme 4: SMEs

Support entrepreneurship through franchise model value chain enhancement, leveraging retail networks for a greener economy, and providing procurement and ESD financing.

Programme 5: Natural and Cultural Beneficiation

Build variety in tourism offerings and showcasing South African beauty through film and TV and exporting our culture to attract tourists.

PERFORMANCE HIGHLIGHTS



81%

- The NEF, in alignment with **the dtic** and its entities, revised its 2024/25 APP mid-year to respond to emerging economic challenges.
- Despite these adjustments, the NEF achieved 81% of its key performance indicators.
- Performance highlights reflect strong financial discipline, governance stability, and impact-driven delivery across programmes.

PERFORMANCE OVERVIEW



NUMBER OF FUNDED SMES



VALUE INVESTED



PERCENTAGE OF AGRI-BUSINESSES FUNDED RELATIVE TO NUMBER OF SMES



PERCENTAGE OF INVESTMENTS TO BLACK INDUSTRIALISTS



DISBURSEMENTS TO BUSINESSES OWNED BY WOMEN, YOUTH AND PEOPLE LIVING WITH DISABILITY



PERCENTAGE OF DISBURSEMENTS TO CATALYTIC SECTORS



PERCENTAGE OF INVESTMENTS IN SMES OPERATING OUTSIDE OF THE 5 MAIN METROS



NUMBER OF NEW JOBS CREATED



NUMBER OF PEOPLE TRAINED



NUMBER OF OPERATIONAL AND/OR FUNDED INCUBATED BUSINESSES



ECONOMIC VALUE ADDED



VALUE OF REVENUE FROM EXPORTING CLIENTS



SUPPLIERS PAID WITHIN 20 DAYS



INVESTEES PAID WITHIN 45 BUSINESS DAYS FROM COMMITMENT



PERCENTAGE OF PORTFOLIO IMPAIRED

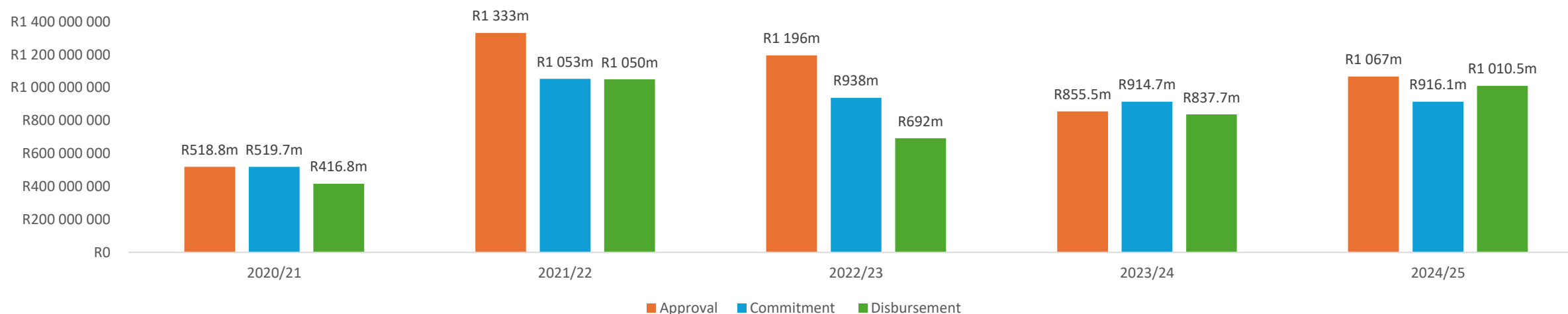


COLLECTION RATIO



▲ Target exceeded ▼ Target not met ● Target met

YEAR-ON-YEAR COMPARISON OF NEF'S PERFORMANCE



- The graphs above depict the comparison of performance between the current and prior financial years.
- The performance trend from 2020/21 to 2024/25 reflects fluctuations influenced by both internal and external factors.
 - Approvals and disbursements peaked in 2021/22, driven largely by COVID-19-related distress funding interventions together with the Economic Relief Fund (spanning across financials years ending 2022 and 2023). This explains the spiked performance during that period, with approvals reaching R1.33 billion and R1.19 billion respectively; while disbursements reached R1.05 billion and R938million respectively.
 - In 2024/25, approvals rebounded to R1.07 billion, while disbursements increased to R1.01 billion—reflecting a recovery in investment activity despite funding constraints.
 - Commitments have remained relatively stable since 2022/23.

CASE STUDY

MINT AND HONEY (PTY) LTD

FOCUS	AGRO-PROCESSING	
NEF FUNDED	R39.8 MILLION	
NEW JOBS CREATED	154	

Mint and Honey (Pty) Ltd, an agro-processing business based in Atlantis, Cape Town, in the Western Cape, has secured R39.8 million in co-funding from the NEF towards a total project cost of R62.3 million to establish the province's first extrusion production plant. Previously outsourcing its cereal production, the company will now be able to produce maize and soya flours in-house, expanding its product range and enhancing value chain integration. This investment is set to support a total of 166 jobs, including 80 operational positions (12 existing and 68 new permanent roles, plus 1 mentorship role), 18 jobs in factory equipment manufacturing, 4 in accreditation consultancy, 40 in construction, and 23 in farming.



YOUR ADVANTAGE (PTY) LTD

FOCUS	FURNITURE	
NEF FUNDED	R10 MILLION	
NEW JOBS CREATED	50	

Your advantage (Pty) Ltd is a 100% South African black-owned and managed enterprise and has been active in the South African furniture manufacturing industry since 2018. Operating from a 15,000m² factory in Isithebe Industrial Park in Mandeni, KwaZulu-Natal, the company specialises in lounge suite sets (3-seater, 2-seater, and 1-seater) and produces 203 sets daily. Its primary clients include major retailers like Shoprite Holdings and the JD Group, which collectively have over 900 stores. The NEF has approved R10 million in funding to support the purchase of production equipment, improve manufacturing efficiency and product quality, boost production capacity, secure raw materials, and support operational costs. This funding will help maintain 440 permanent jobs and create an additional 50 permanent positions.



CASE STUDY

ENGINEERED GEARS (PTY) LTD

FOCUS	MANUFACTURING	
NEF FUNDED	R41.3 MILLION	
NEW JOBS CREATED	57	

Engineered Gears (Pty) Ltd is a 100% black-owned and operated business based in Benoni, Gauteng. Established in 2015, the company specialises in high-quality gear systems, gearboxes, conveyor chains, and other power transmission products. Demonstrating strong growth, the business increased its turnover from R1 million in 2019 to R21 million in 2023. The business approached the NEF for an investment of R41.3 million, which is to be supplemented by a R3 million owner's contribution and a BIC grant application of R19.17 million, with both funding processes currently underway.



THWALOKUHLE (PTY) LTD

FOCUS	WATER TREATMENT	
NEF FUNDED	R12 MILLION	
NEW JOBS CREATED	295	

Thwalokuhle (Pty) Ltd is a 100% black-owned, ISO 14001 and ISO 9001-certified company specialising in turnkey water treatment solutions, including the manufacturing of treatment skids. The company serves sectors such as agriculture, mining, manufacturing, healthcare, pharmaceuticals, and food and beverages. It is recognised for its innovative, sustainable solutions and commitment to job creation in underdeveloped regions. The funding received by the business was approved for R12 million to expand its capacity, internalise key functions, and strengthen technical capabilities. The company will address water scarcity in alignment with the National Water and Sanitation Master Plan and is projected to grow revenue to R14 million in 2025, with a project pipeline valued at R30 million over the next three years. The funding received for the expansion is expected to support 16 permanent jobs and create 295 contract jobs.



CASE STUDY

URIAH RESOURCES (PTY) LTD

FOCUS	MINING	
NEF FUNDED	R45.7 MILLION	
NEW JOBS CREATED	120	

Uriah Resources (Pty) Ltd is a 100% black and 30% women-owned company that offers a variety of mining services in the coal belt of Mpumalanga. The business was founded in 2020 by Mr Thabiso Dlamini. Uriah Resources has recently been awarded a contract by Mafube Colliery (a joint venture between JSE Listed Thungela Resources and Exxaro Resources) to perform contract mining, including extraction and hauling. The funds invested in Uriah will create 120 new jobs and retain a further 3 jobs.



TAUTONA TOURS AND SAFARIS CC

FOCUS	TOURISM	
NEF FUNDED	R10 MILLION	
NEW JOBS CREATED	167	

Tautona Tours and Safaris CC is a 100% black-owned and managed business in Mogwase outside Rustenburg, North-West Province. The NEF approved funding of R10 million to purchase three additional buses and 20 additional quad bikes to respond to the demand. The company is a well-established tourism travel and entertainment, and general transport business servicing guests of major tourism establishments operating in Pilanesberg National Park, private scholars and general ad hoc travel requests from local corporates. The funding will strengthen the capacity of the business to be able to respond to the strong demand. The investment is expected to support 177 jobs, of which 10 are existing permanent, 7 are new permanent jobs and 160 part-time jobs.

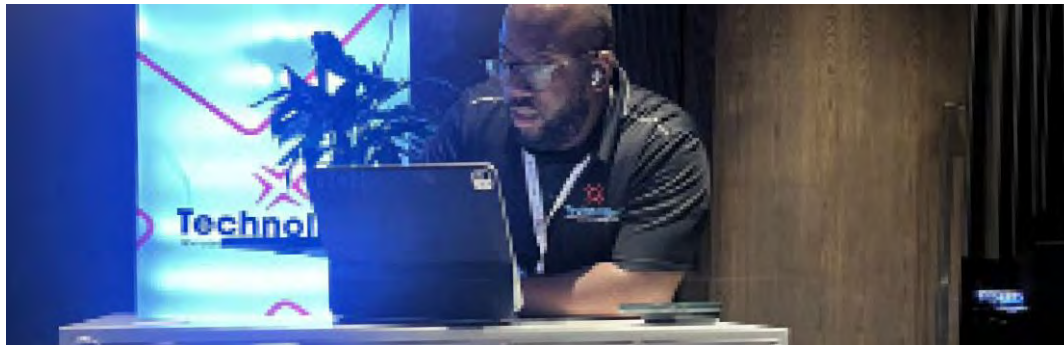


CASE STUDY

TECHNOLIBRA SOLUTIONS (PTY) LTD

FOCUS	DIGITALISATION	
NEF FUNDED	R14 MILLION	
NEW JOBS CREATED	95	

Established in 2013, Technolibra Solutions (Pty) Ltd is a provider of process-focused IT services and solutions. Technolibra Solutions assists its clients to unlock the value of their enterprise application investments by designing, building, and configuring bespoke IT solutions that address unique client challenges. The company is a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) Contributor. The business is 80% male owned, and 20% black female owned. Technolibra Solutions has demonstrated impressive growth since its inception. By the end of the 2024 financial year, the company's annual revenue reached just over R109 million. The business was supported with funding by NEF to the tune of R14 million to support its working capital needs. The NEF funding will empower 28 locals through employment opportunities while preserving 103 existing jobs. The business employs 10 trainees per year.



EMALANGENI TOURISM CC

FOCUS	LODGE	
NEF FUNDED	R13.9 MILLION	
NEW JOBS CREATED	258	

Emalangeni Lodge CC is a 100% black owned and 40% black woman-owned and managed tourism establishment which is based in Nkomazi, Mpumalanga. The business offers hospitality services through a lodge facility for local and international guests. The business is a 3-star facility that boasts 50 units, a restaurant and events hosting facilities, all nestled in 22 hectares of land ideally located just 30km from the Kruger National Park, Malelane Gate and 20km away from the N4 road to Mozambique and Eswatini. Over the past 15 years, the business has experienced significant growth, increasing from an average annual turnover of over R1 million to a remarkable R7.5 million in the 2023/24 financial year. The funding received by the business is set to create 258 jobs, including both permanent and temporary positions.





PHAMBILI SERVICES (PTY) LTD

 FOCUS	SEWAGE, REFUSE DISPOSAL AND SANITATION
 NEF FUNDED	R15 MILLION
 NEW JOBS CREATED	32



Phambili Services (Pty) Ltd is a 100% black-owned and 60% black Female-owned and managed family business.

The business is a waste management company that was established to provide sustainable integrated waste management solutions in the waste management sector of South Africa. The applicant has approached the NEF for expansion funding of R15 million to purchase a property for the manufacturing recycling facility and the purchase of a vehicle, machinery, and equipment.

The transaction will result in the creation of 32 new jobs and maintaining 146 existing permanent jobs.



FINANCIAL HIGHLIGHTS

Financial Indicators	2025 Target	2025 Performance	Indicator
Collection Ratio	80%	80%	●
Return on Investment (ROI)	7%	9.5%	●
Impairment Ratio	30%	30%	●
Cost to Income Ratio	54-58%	38%	●
Surplus before fair value adjustments	R72.3m	R438.1m	●
Overall, Surplus/Deficit	R2.3m	R433.3m	●
Unencumbered Cash	R400m	R429.8m	●

- The NEF achieved an **overall surplus of R433.3 million**, marking a significant turnaround from the R291.4 million loss recorded in March 2024 and surpassing the budgeted surplus of R2.3 million.
- A historic **collection** from investees **totaled to R562 million**, which signified an improvement of R100 million compared to the R465 million reported in the prior year.
- Approved 1 795 transactions valued at over R15.64 billion across all nine provinces since inception.

FINANCIAL PERFORMANCE OVERVIEW

Statement of financial position as at 31 March 2025

R'million	2025	2024	%	Indicator
Investments in associates and subsidiaries	112	78	44%	▲
Investments at fair value	1 567	1 269	23%	▲
Originated loans	1 785	1 668	7%	▲
Finance lease receivables	460	341	35%	▲
Cash and cash equivalents	1 781	2 234	-20%	▼
Other	64	72	-11%	▼
Total Assets	5 769	5 663	2%	▲
Net Asset	4 657	4 251	10%	▲
Other liabilities – investments in subsidiary	9	9	0%	▶
Trade and other payables	73	75	2%	▲
Enterprise Development Fund (EDF)	1 030	1 328	22%	▲
Total net assets and liabilities	5 769	5 663	2%	▲

▲ Increase
▼ Decrease
▶ Stable

- **Investment in Associates:** There was a 44% growth driven by fair value gains from associated investments.
- **Investment at Fair Value:** Share prices for listed investments improved between FY24 and FY25, resulting in an overall increase in net fair value investments.
- **Originated Loans and Finance Lease Receivables:** Year-on-year, loans and finance lease receivables increased primarily due to improvements in loan book quality following the adoption of a new portfolio strategy and an increase in the quantum of new loan disbursements.
- **Cash and Cash Equivalents:** The NEF has consistently maintained a cash balance above R1 billion. However, cash levels decrease over time due to increased disbursement investments.
- **Reserves:** There was a 10% increase driven by a positive net surplus for the year.
- **Enterprise Development Fund (EDF):** The net balance has decreased as a result of disbursements made against the ED funds.

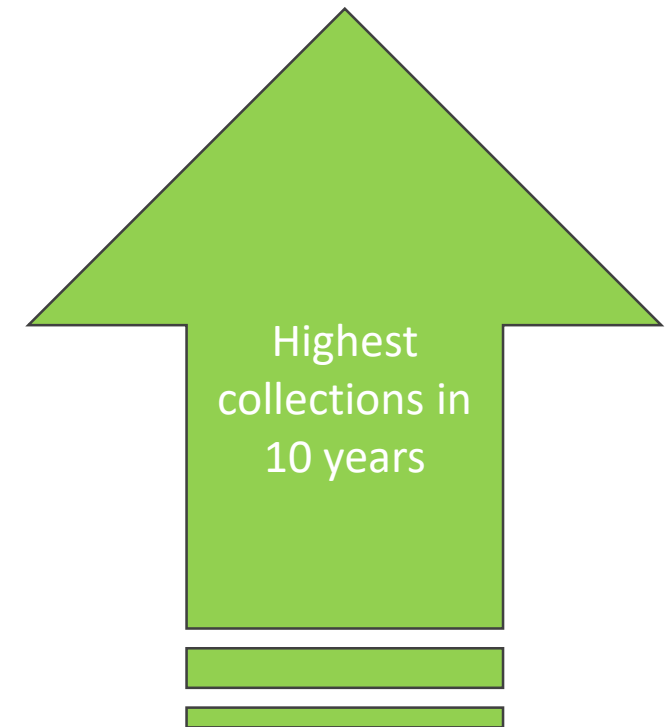
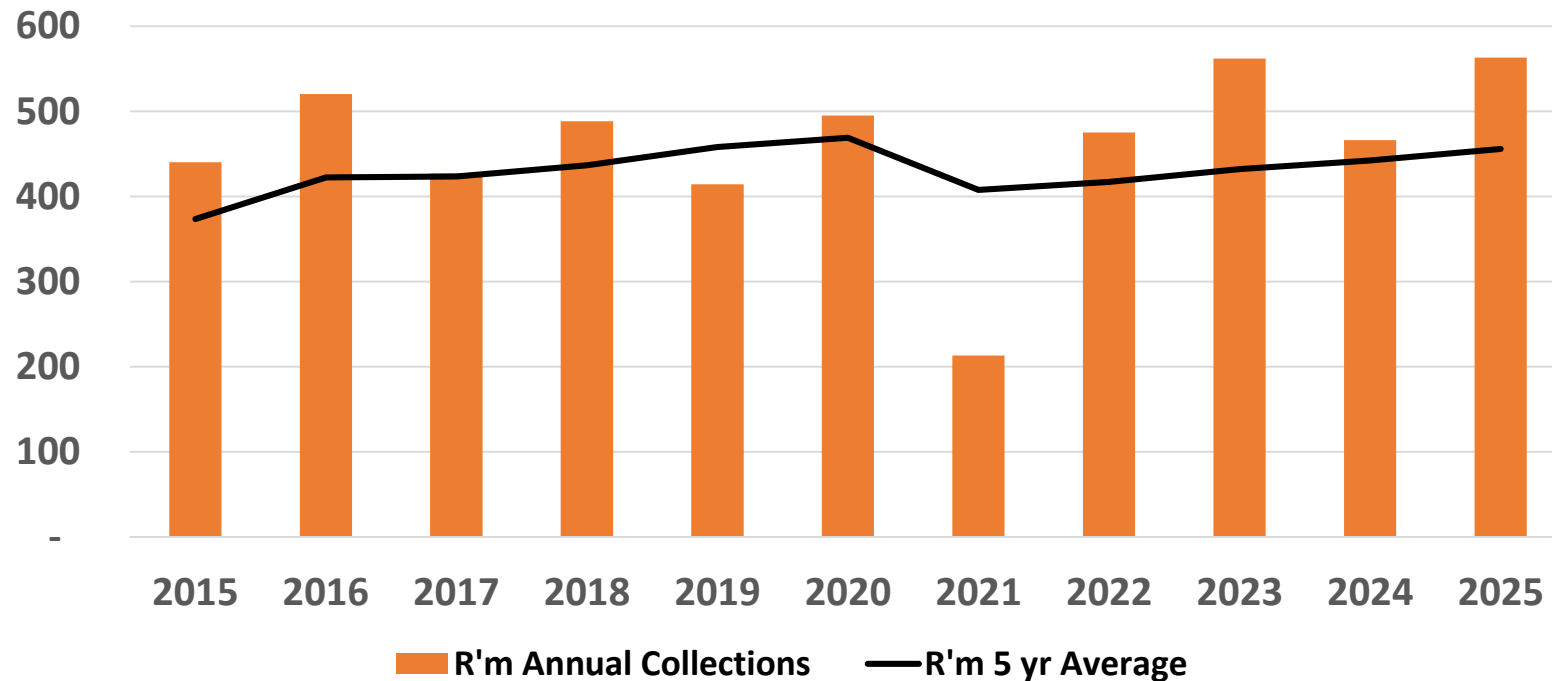
FINANCIAL PERFORMANCE OVERVIEW

Statement of the financial performance as at 31 March 2025

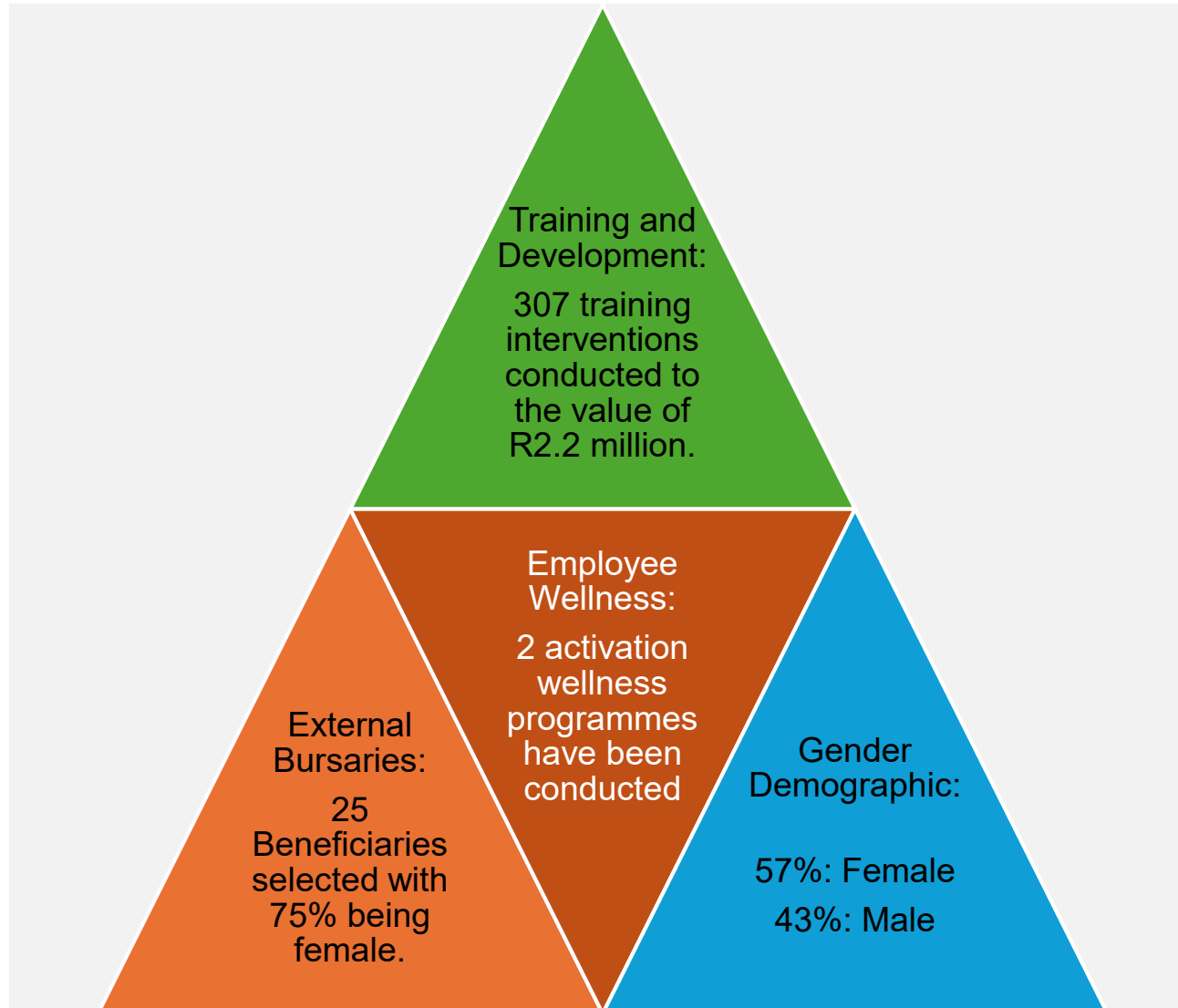
R'million	2025	2024	%	Indicator
Net Revenue	788	658	20%	▲
Social Benefit	-49	-42	-16%	▼
Administration Expenses	-301	-329	8%	▲
Net Operating Income	438	287	53%	▲
Net Impairment Charge	-332	-287	-16%	▼
Fair Value Gain	300	-292	203%	▲
Surplus for the year	406	-292	239%	▲

- **Net Revenue:** There was a 20% increase in net revenue, driven by improvements in interest from developmental activities, dividends from unlisted investments, and revenue from non-exchange sources.
- **Administrative Expenses:** Reduced by 8% between FY24 and FY25, thanks to ongoing reviews of operational effectiveness and strict expenditure discipline.
- **Impairment Charge:** Increased in preparation for the transition to the new impairment accounting standard, which is implemented conservatively and requires upfront recognition of losses.
- **Fair Value Gain:** Primarily generated by the rise in listed share prices.
- **Surplus for the Year:** The NEF reported a net surplus of R406 million for FY25, up from a net loss of R292 million in FY24, attributed to improvements in revenue, cost efficiency, and fair value gains from both listed and unlisted investments.

COLLECTIONS



- Collection rate at 80% of instalments raised.
- A total of R563 million collected (excludes equity receipts like dividends and equity sales from projects like Rhino Ridge Safari Lodge)
- 5-year average of collections exceeded by R100 million in the year ending 2025
- Collectible book increased from 53% to 59% in the year under review.



- In FY2024/25, the NEF continued to invest strategically in human capital, recognising that a capable and motivated workforce is key to sustainable transformation.
- During the year, 25 bursaries were awarded to deserving students — 75% of whom were women — reflecting the NEF's commitment to education, empowerment, and gender equity.
- Internally, the NEF implemented 307 training interventions valued at R2.2 million, with strong female participation across all levels.
- Today, women represent 57% of the workforce, and over the reporting period, the organisation was guided by a majority female-led Board, and a new female member was appointed to EXCO demonstrating transformation in motion and reinforcing inclusive leadership at every level of the institution.

- The annual financial statements were prepared in accordance with GRAP standards and PFMA
- Four subsidiaries were consolidated: Surgetek, Goseame, Delswa and Nefcorp
- Approval to exempt the subsidiaries from complying with the PFMA and the related procurement requirements has been granted by the NT for the FY2025
- NEF remains a going concern and the application of this principle in the preparation of its financial statements

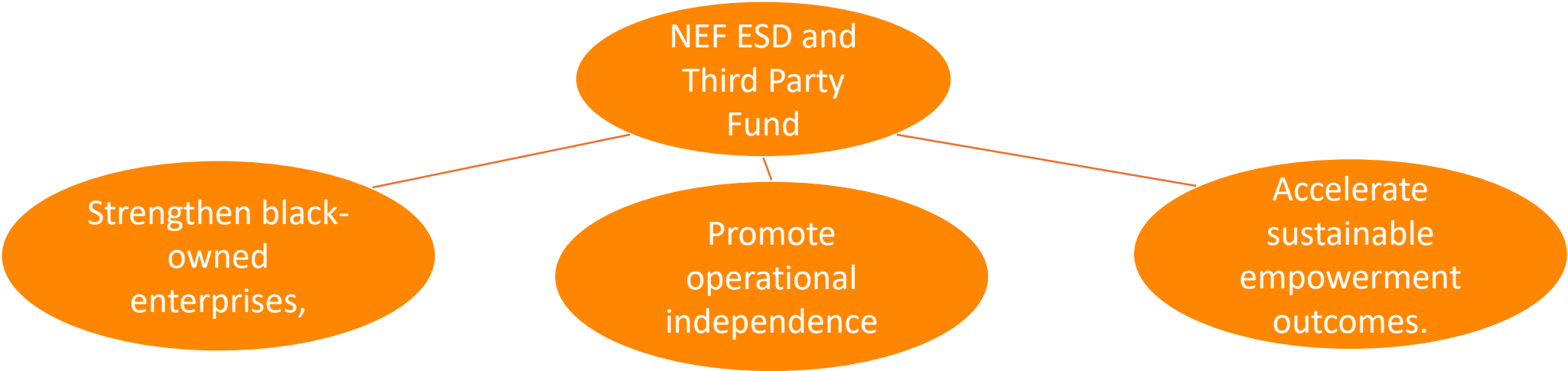
NEF Subsidiaries		
Entity	Ownership	Summary
NEFCorp SOC Ltd	100%	An investment holding company established by the NEF in 2002, owning strategic land and property assets that generate rental income.
Zastrovect Investments (Pty) Ltd t/a Goseame	100%	A Limpopo-based wholesale and retail business in fresh produce and groceries acquired by the NEF in 2013; it has achieved steady profitability and supports 270 jobs during its turnaround phase.
Surge Technologies (Pty) Ltd t/a Surgetek	100%	A leading African manufacturer and distributor of surge protection and earthing equipment under NEF control, currently undergoing turnaround and investor restructuring.
Delswa (Pty) Ltd	100%	A property holding entity formerly part of a clothing manufacturer; after operations closed in 2017, the NEF sold the property and is in the process of deregistering the company.

Clean external audit outcome

GROWING B-BBEE THROUGH PARTNERSHIPS

- The NEF provides a platform for private and public sector entities to channel Enterprise Development (ED) and Supplier Development (SD) contributions into its ESD Fund and Third Party Fund.

Strategic Intent		
Fund mobilisation	Fund management	Stakeholder management



Partnership Impact

Since inception, the NEF has raised

R3bn

from 28 private and public sector
partners

The NEF has leveraged approximately

R9bn

in syndicated funding with private
sector partners

- Contributors include Nissan, Sun City, BP SA, Daimler, Steve Tshwete Local Municipality, the Department of Transport, the dtic, Limpopo Department of Economic Development, Environment and Tourism, Northern Cape Department of Economic Development and Tourism, and the Solidarity Fund, among others.

Development Outcomes

Strengthened collaboration has enhanced fund leverage, risk sharing, and resource efficiency.

Empowered hundreds of black-owned SMEs through combined financial and non-financial support.

Reinforced the NEF's role in delivering transformational impact at scale while maintaining sound governance and accountability.

SKILLS DEVELOPMENT AND TRAINING

- South Africa's official unemployment rate remains critically high at 32.9% (Q1 2025), with youth unemployment (15–34 years) at 45.5%, disproportionately affecting black South Africans in townships, rural, and peri-urban areas.
- An inclusive skills development strategy builds skills capability and creates pathways into the labour market and the entrepreneurial ecosystem

No.	Objective	Indicator
1.	Reduce youth unemployment through targeted skills training	Provide market-relevant, accredited training that improves employability of youth aged 18–35.
2	Align training with NEF priority needs	Deliver training aligned with demand-driven sectors identified
3	Improve access to workplace exposure and job placement	Facilitate internships, learnerships, and workplace-based learning to enhance job readiness
4	Support entrepreneurship and self-employment	Equip youth with skills to start and sustain small businesses, especially in underserved communities.
5	Promote digital and future-fit skills	Integrate ICT, coding, and digital literacy in all programmes to prepare youth for the 4IR economy
6	Increase absorption and long-term employment outcomes	Work with private sectors and NEF investees to absorb trained youth into jobs or enterprise opportunities.
7	Ensure equitable access for vulnerable groups	Priorities training access for women, rural youth, and persons with disabilities.

SKILLS DEVELOPMENT TRAINING: EXECUTION

SKILLS DEVELOPMENT AND JOB CREATION STRATEGY EXECUTION PLAN _ 2025 - 2028

No.	Programme	Description	Interventions/ key enablers required to unlock jobs	Targets and targeted group	Short to medium term March 2025/26 FY
1	NEF Trainee & Skills Development Programme	Recruitment of unemployed graduates and placement within the NEF investee companies and partners.	Access BANKSETA rebates Capped Amount per Trainee is R66k per annum which will enable the payments of a stipends.	Unemployed Youth	280
2	CA (Chartered Accountant) rotation - In-service training	The primary objective of a CA rotation is to provide trainees with diverse practical experience across various business areas to develop a comprehensive understanding of the profession and acquire the necessary competencies for qualifying as a Chartered Accountant, fostering business acumen, professional skills, and ethical values.	Partnership with City of Johannesburg (COJ) and stipend of R450+ is fully funded by COJ	Unemployed Youth	4
3	Candidate Attorneys - In-service training	The primary objective of a candidate attorney is to assist Bachelor of Law students to gain practical legal experience and comprehensive knowledge by assisting legal professionals, drafting legal documents, and learning court processes, ultimately aiming to become a fully registered attorney	Partnerships with law firms and stipend is co-funded	Unemployed Youth	6
4	Learnerships - Matric entry learnership and Diploma entry learnership	To provide a a work-based learning programme that combines theoretical classroom learning with practical, hands-on experience in a workplace to achieve a nationally recognised occupational qualification	Access BANKSETA funding Capped Amount per Learner is R112k which will enable costs to cover Stipends & Training fees Access SARS Tax Incentives R40k - R60K claim over and above	Unemployed Youth	-
Total					290

- Targeting growth to 1 000 participants per annum within two years, expanding youth access to skills and workplace training.

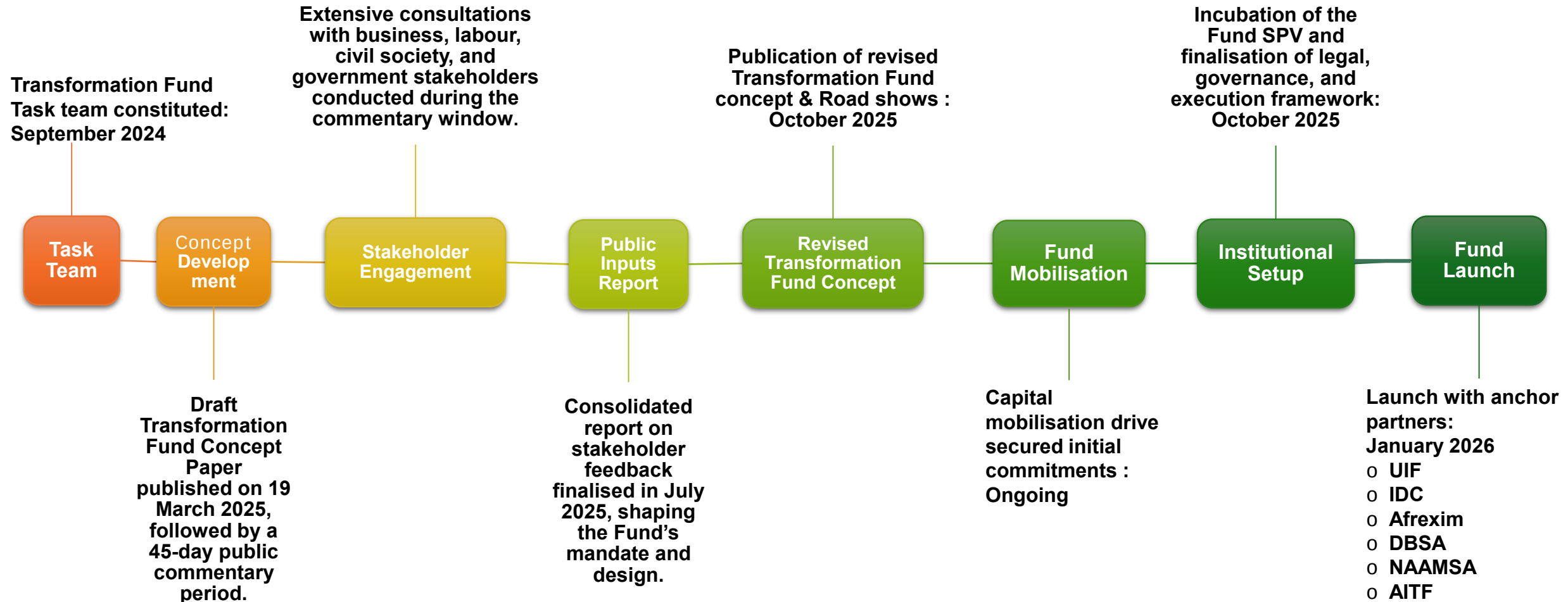
SKILLS DEVELOPMENT TRAINING: PLACEMENTS – YEAR

- The NEF will prioritise Youth placements based on the Provincial unemployment graph shown below.
 - 70 Trainee Placements made to date through NEF programmes.
 - 5 Trainees have since secured permanent employment
 - The table below shows the active recruitment plan on Trainee placements.

Trainees Placements Year to date			
No.	Category	Actual	Comments
1	Rural and Township Programme	50	Trainees started
2	B-BBEE Commission	10	MOU with B-BBEE Commission B-BBEE is the host employer and provided tools of trade
3	NEF Trainees - Head Office & Regional Offices	10	6 Trainees are placed at the Regional Offices 4 Trainees are placed at the Head Office
4	TVET Colleges cohort	18	NEF is finalising MOU with TVET Colleges Recruitment is in progress
Total		88	

- The NEF advanced preparations for the rollout of the Transformation Fund, a flagship initiative jointly conceptualised with **the dtic**, aimed at accelerating broad-based Black economic empowerment and reindustrialisation.
- **Draft Concept Paper** published for public comment on **19 March 2025**, followed by a **45-day consultation** extended to end-May.
- Extensive **stakeholder engagement process** undertaken nationwide to refine the model.
- Feedback incorporated into a **Consolidated Report**, informing the revised design and implementation framework.
- The initiative represents a **systemic instrument for enabling inclusive participation** across strategic sectors.
- Developed collaboratively, tested nationally, and now entering implementation — a milestone for inclusive economic transformation.

THE TRANSFORMATION FUND JOURNEY



INSTITUTIONAL READINESS

- **Programme Management Office (PMO)** established to oversee implementation.
- **NCR registration** and **provisional FAIS licence** completed.
- **Dedicated bank account** opened and core **brand collateral** finalised.
- **Governance and compliance frameworks** approved and aligned with **the dtic** oversight.
- Fund now entering the **capital mobilisation phase**, supported by cross-agency collaboration.
- The institutional and regulatory foundations are complete — positioning the initiative for launch in FY 2025/26.



28

TRANSFORMATION FUND – NEXT STEPS

- Finalise establishment of the Fund's Special Purpose Vehicle (SPV).
- Conclude governance appointments to strengthen oversight and accountability.
- Operationalise ICT and performance management systems to enable fund deployment.
- Prioritise investor engagement, due diligence, and partnership agreements to support launch and sub-fund activation.
- Over the medium term (2027–2029), focus on:
 - Scaling and replication through regional rollouts.
 - Sector diversification across priority industries.
 - Deeper integration with Enterprise and Supplier Development (ESD) and industrialisation programmes.
 - Strengthening inclusive economic participation and transformation across key value chains.



TRANSFORMATION FUND

ENGINEERING AN INCLUSIVE MICROECONOMIC FOUNDATION
FOR MACROECONOMIC GROWTH AND SOCIAL STABILITY

Overview

The NEF's **Rural and Township Development interventions** are designed to expand access to finance and stimulate economic activity in underserved areas.

Funding prioritises **Black-owned SMEs**, especially those owned by **women and youth**

The programme also promotes **enterprise clustering, shared infrastructure, and local supply chain integration** to deepen localisation and competitiveness.

Performance

Over R61.5m invested toward township and rural enterprise projects across multiple provinces.

Investments **supported more than 552 jobs**, with a strong multiplier effect through secondary employment and supplier linkages.

Women-owned enterprises account for 27% of funded businesses under this portfolio.

333 number of **job created**

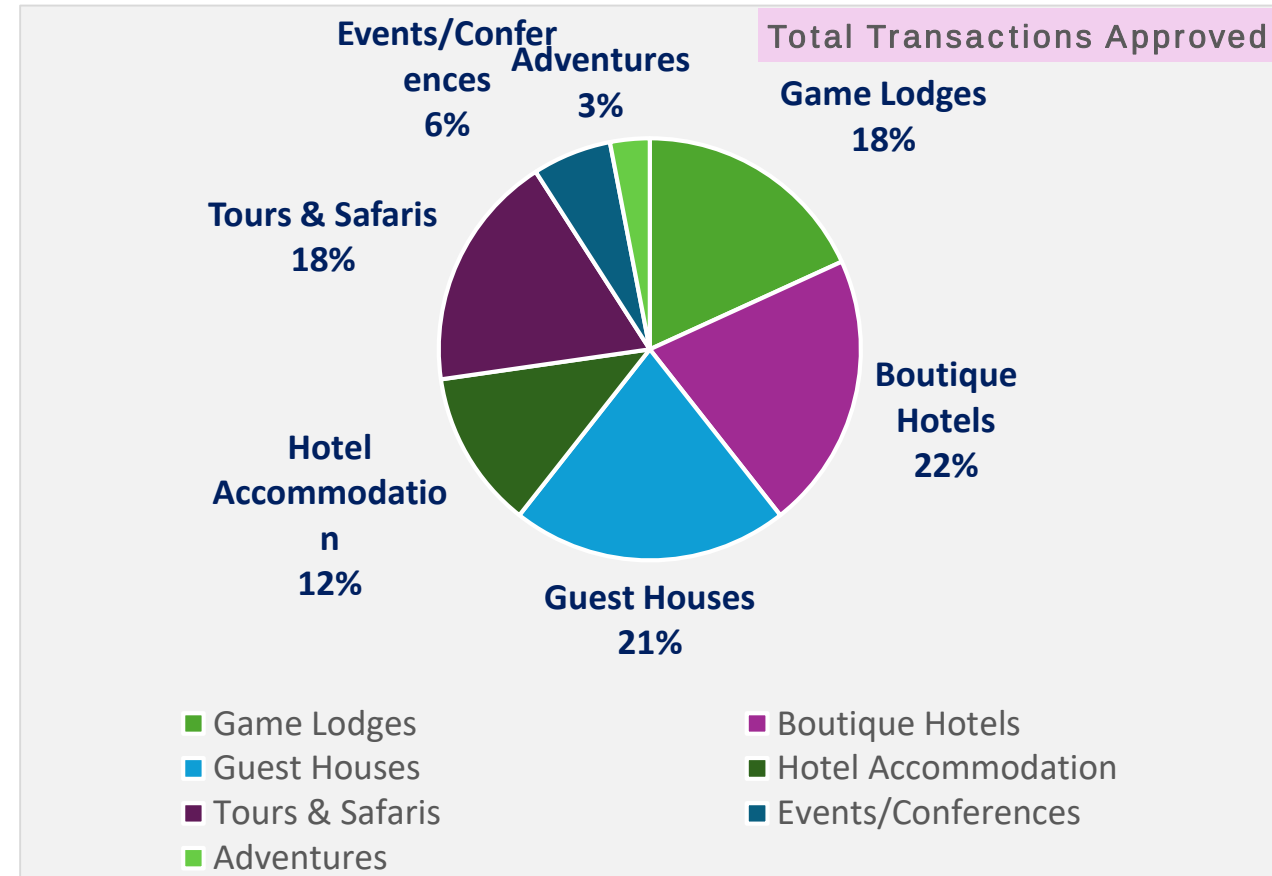
Impact and Outlook

These initiatives are key enablers for **spatial inclusion, poverty alleviation, and SME growth**, in alignment with the **National Development Plan** and **dtic's localisation strategy**.

Over the next cycle, the NEF will **broaden access to rural financing instruments**, with increased focus on **youth entrepreneurship and regional industrial hubs**.

TOURISM TRANSFORMATION FUND

- Approved **33 transactions worth R394 million** across nine provinces.
 - Tourism Transformation Fund (TTF) portion: R118.6 million
 - NEF portion: R275.8 million
- Since inception, the Fund has **disbursed R220 million**, supporting tourism enterprises nationwide.
- Created and sustained **1 227 jobs** — including **562 new jobs** — with each project generating a **multiplier effect** through local procurement, SMME linkages, and community livelihoods.
- Supported **20 women-owned enterprises**, representing **61%** of total approvals.
- Beneficiary businesses span **lodging, adventure, cultural, and eco-tourism** sectors — many located in historically disadvantaged areas.
- 22 projects** are now in the post-investment phase, contributing to job retention and local value-chain growth.



Empowering Communities, Advancing Transformation

■ **Purposeful Investment in People and Places**

- CSI spend prioritised education and entrepreneurship (60%), health and welfare (25%), and environmental sustainability (15%).
- Over 20 000 beneficiaries reached through NEF-led and partner-supported initiatives.
- Collaborations with NGOs, municipalities, and public schools ensured long-term project impact and community ownership.
- CSI initiatives are aligned with the NEF's ESG framework, embedding accountability and sustainability into every intervention

■ **Governance and Accountability**

- Oversight provided by the NEF's Social and Ethics Committee, ensuring compliance with King IV principles.
- Strong focus on measurable outcomes, transparency, and strategic partnerships to amplify community benefit.
- CSI projects are integral to the NEF's transformation mission, bridging empowerment financing with social impact to advance shared prosperity.

CONCLUSION

- The NEF continues to deliver on its mandate of empowerment financing, transformation, and sustainable impact across South Africa's economy.
- In FY2024/25, the organisation achieved 81% of its key performance indicators, demonstrating resilience and operational excellence.
- Financially, the NEF recorded a net surplus and the highest collections in 10 years (R563 million) — reflecting sound governance, recovery, and performance discipline.
- Since inception, the NEF has approved over 1 795 transactions valued at R15.64 billion, supporting Black entrepreneurs and driving inclusive growth across all provinces.
- Investments have created and sustained over 121 000 job opportunities, with growing participation by women (57% workforce representation) and youth.
- Strategic initiatives such as the Transformation Fund, Tourism Transformation Fund, and Enterprise Development partnerships position the NEF to further scale impact in the years ahead.
- The NEF stands ready to deepen transformation, expand access to finance, and build shared prosperity — ensuring that empowerment remains central to South Africa's economic future.



Thank you