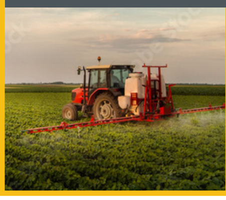

CELEBRATING **85 YEARS**
OF SUSTAINABLE INDUSTRIAL
DEVELOPMENT

CONSOLIDATED ANNUAL FINANCIAL **STATEMENTS**

2026

CONTENTS

CELEBRATING
85 YEARS
OF SUSTAINABLE
INDUSTRIAL
DEVELOPMENT

CONFIRMATION OF ACCURACY AND **FAIR PRESENTATION**

Annual financial statements for the 2026 financial year-end

We hereby acknowledge that the annual financial statements of the Industrial Development Corporation of South Africa Limited (the IDC or the Group or the Corporation) have been submitted to Deloitte & Touche and BDO SA Inc. (BDO) for auditing in terms of section 55(1)(c) of the Public Finance Management Act 1 of 1999 (PFMA), as amended. We acknowledge our responsibility for the accuracy of the accounting records and the fair presentation of the annual financial statements and confirm, to the best of our knowledge, the following:

Annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS)® Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC® interpretations as issued by the IFRS® Interpretation Committee, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Johannesburg Stock Exchange (JSE Limited) Debt and Specialists Securities Listings Requirements as well as the requirements of the PFMA.

Performance information

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the IDC Corporate Plan and approved amendments for the financial year ended 31 March 2026. The performance information has been reported in accordance with the requirements of the guidelines on annual reports as issued by National Treasury. A system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of performance information.

In respect of material issues

The annual financial statements are complete, accurate and free from material omissions.

Preparation of the financial statements

The financial results have been prepared under the supervision of Isaac Malevu CA(SA), the Group's Chief Financial Officer (CFO).

Mmakgoshi Lekhethe
Chief Executive Officer (CEO)

31 July 2026

Gloria Serobe
Chairman of the Board

31 July 2026

ACCOUNTING AUTHORITY'S STATEMENT OF **RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS**

The Accounting Authority is responsible for the preparation of the IDC's annual financial statements and for the judgments made in preparing these financial statements. The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements. In my opinion, the annual financial statements fairly reflect the operations of the IDC for the financial year ended 31 March 2026. The external auditors are engaged to express an independent opinion on the annual financial statements of the IDC. The IDC's annual financial statements for the year ended 31 March 2026 have been audited by the external auditors and their report is presented on page 16 to 25. The annual financial statements of the IDC as set out on page 26 to 131 have been approved.

Mmakgoshi Lekhethe
Chief Executive Officer

31 July 2026

REPORT OF THE **BOARD AUDIT COMMITTEE**

For the year ended 31 March 2026

Background

The Board Audit Committee (BAC or the Committee) operates in accordance with the PFMA, the King IV Code of Governance, the Companies Act 71 of 2008 (as amended) and the JSE Debt and Specialist Securities Listings Requirements. The Committee assists the Board in fulfilling its oversight responsibilities relating to:

- Financial reporting and disclosure;
- Internal financial controls;
- Risk management relating to financial reporting;
- Internal and external assurance;
- Governance, compliance and ethics; and
- The integrity of the annual financial statements.

The Committee has discharged its responsibilities in accordance with its approved terms of reference and is satisfied that it has fulfilled its statutory and governance obligations during the year under review.

Responsibilities and activities

During the year, the Committee:

- Oversaw the integrity of the Corporation's financial reporting processes;
- Reviewed the annual and interim financial results;
- Assessed the adequacy and effectiveness of internal financial controls;
- Reviewed reports from management, Internal Audit and the external auditors;
- Reviewed significant accounting judgments, estimates and disclosures;
- Considered legal, regulatory and compliance matters affecting financial reporting;
- Monitored the effectiveness and independence of the external auditors;
- Approved the Internal Audit rolling plan and monitored the execution thereof;
- Considered the effectiveness of the combined assurance model; and
- Reviewed the appropriateness of the going concern basis of preparation.

Internal financial controls and financial reporting

The Committee reviewed management's assessment of internal controls, Internal Audit's assessment of the control environment and the findings arising from the external audit process.

In undertaking its assessment, the Committee considered:

- Financial reporting controls and processes;
- SAP Disclosure Management controls;
- Consolidation and reporting processes;
- Disclosure preparation and review procedures;
- Segregation-of-duties controls;
- Journal processing controls;
- Credit monitoring and impairment processes;
- Internal Audit findings;
- External audit findings and audit adjustments; and
- Management remediation activities.

The Committee noted that material financial statement adjustments were identified and corrected during the audit process, including disclosure amendments, consolidation adjustments and prior-period restatements. The Committee further noted deficiencies identified in certain financial reporting controls, disclosure management processes, SAP access controls and management review procedures.

The Committee also noted Internal Audit's overall assessment that the control environment requires Significant Improvement and acknowledged findings relating to recurring segregation-of-duties conflicts, deficiencies in financial reporting controls and weaknesses in certain control execution activities.

Committee conclusion on internal controls

The Committee is of the opinion that the Corporation maintained an established system of governance, risk management and internal control during the year under review.

These controls, together with the assurance activities performed by management, Internal Audit and the external auditors, provided a reasonable basis for the preparation and fair presentation of the FY2026 annual financial statements.

However, the Committee recognises that significant improvements are required in certain areas of financial reporting governance, control execution, disclosure management, SAP access governance, segregation-of-duties controls, consolidation processes and management review procedures.

Accordingly, while the Committee is satisfied that the control environment remained operational and that the FY2026 financial statements are fairly presented, the Committee concurs with Internal Audit's assessment that targeted remediation is required to enhance the maturity, consistency and effectiveness of the internal control environment.

Remediation and continuous improvement

The Committee has directed management to implement a comprehensive remediation programme addressing matters identified through:

- The FY2026 financial statement review process;
- Internal Audit reviews;
- The Internal Control Self-Assessment process; and
- The external audit.

Priority areas include:

- Financial reporting governance;
- SAP Disclosure Management controls;
- Segregation-of-duties management;
- Consolidation controls;
- Valuation governance;
- Documentation of systems and procedures;
- Journal processing controls; and
- Strengthening management review controls.

The Committee will monitor remediation progress through quarterly reporting and independent validation by Internal Audit.

External auditors

The Committee evaluated the independence, effectiveness, skills and performance of Deloitte & Touche and BDO South Africa and is satisfied that the auditors remain independent and suitable for appointment.

The Committee:

- Reviewed and approved the audit plan and scope;
- Monitored audit execution and performance;
- Evaluated auditor independence;
- Considered audit findings and responses from management; and
- Reviewed the proposed audit opinion.

The Committee is satisfied that the external audit was conducted effectively and that an appropriate level of assurance was obtained.

Expertise and experience of the Finance Function

The Committee considered the expertise, experience and capacity of the Finance Function, including the CFO and senior finance management.

The Committee is satisfied that the Finance Function possesses the necessary expertise and experience to discharge its responsibilities. The Committee nevertheless notes the importance of continued capability enhancement to support increasingly complex reporting, valuation, disclosure and regulatory requirements.

REPORT OF THE **BOARD AUDIT COMMITTEE** CONTINUED

Integrated reporting

The Committee reviewed the Integrated Report and considered its consistency with:

- The annual financial statements;
- Management reports;
- Operational and strategic information; and
- Assurance obtained from management and assurance providers.

The Committee is satisfied that the Integrated Report is consistent with the financial statements and presents a balanced view of the Corporation's performance, strategy, risks and prospects.

Combined assurance

The Committee reviewed the effectiveness of the combined assurance model and is satisfied that appropriate assurance has been obtained from management, Risk and Compliance, Internal Audit and the external auditors.

The Committee further notes that coordination between assurance providers continues to improve and supports comprehensive risk and control oversight.

Going concern

The Committee reviewed management's documented going concern assessment and considered:

- Solvency;
- Liquidity;
- Capital adequacy;
- Funding capacity;
- Operational performance; and
- Regulatory compliance indicators.

Based on the information reviewed, the Committee is satisfied that the going concern basis remains appropriate for the preparation of the FY2026 annual financial statements.

Internal Audit

The Committee reviewed the activities, independence and effectiveness of the Internal Audit function and is satisfied that Internal Audit continues to provide objective and independent assurance to the Board.

The Committee reviewed Internal Audit's annual assessment of governance, risk management and internal controls and considered its conclusions in forming its views on the control environment.

Conclusion

Having considered the information provided by management, Internal Audit and the external auditors, the Committee concludes that:

- The FY2026 annual financial statements comply with IFRS Accounting Standards, the PFMA and applicable regulatory requirements.
- The annual financial statements fairly present the financial position, financial performance and cash flows of the Corporation and the Group for the year ended 31 March 2026.
- The external auditors have provided an unmodified audit opinion.
- The Corporation maintained an operational internal control environment during the year under review.
- Certain control deficiencies and areas requiring significant improvement were identified and are being addressed through formal management remediation plans.
- Continuous enhancement of internal financial reporting controls, disclosure management processes, SAP governance and valuation oversight remains a priority for FY2027.

The Committee therefore recommended the FY2026 annual financial statements to the Board for approval.

Tryphosa Ramano
Chairperson: Board Audit Committee

31 July 2026

DIRECTORS' REPORT

For the year ended 31 March 2026

Introduction

The IDC is a Schedule 2 state-owned development finance institution (DFI) established in terms of the Industrial Development Corporation Act 22 of 1940. The Board serves as the Accounting Authority in terms of the PFMA and is responsible for providing strategic leadership, maintaining sound governance, overseeing risk and performance, and ensuring that the Corporation delivers effectively on its developmental mandate.

The IDC's purpose is to drive inclusive and sustainable employment-creating industrialisation in South Africa and the region through the provision of finance, investments and developmental support. The Corporation seeks to promote industrial capacity, competitiveness, localisation, economic transformation and sustainable economic growth.

Board reflection on FY2026

FY2026 was a year of both significant opportunity and considerable challenge. While the Corporation delivered meaningful developmental outcomes and maintained its financial sustainability, the Board was required to navigate a demanding operating environment characterised by economic pressures, infrastructure constraints, portfolio challenges, evolving industrial priorities and increasing governance expectations.

Throughout the year, the Board focused on balancing developmental impact with financial sustainability, improving organisational effectiveness, strengthening governance and oversight, and ensuring that the Corporation remained responsive to South Africa's industrial development priorities.

The Board is encouraged by the Corporation's contribution to industrial development, employment creation and support for strategic sectors of the economy. However, the Board also acknowledges that challenges were experienced in certain operational, financial reporting and performance areas. These matters received focused attention during the year and have informed the Board's priorities for FY2027.

Strategy and board leadership

The Board is responsible for determining the strategic direction of the Corporation and ensuring that the IDC remains relevant, impactful and financially sustainable in fulfilling its mandate.

During FY2026, the Board continued to oversee the implementation of the approved Corporate Plan and Shareholder Compact and regularly reviewed strategic performance, developmental outcomes, investment activity, capital allocation decisions and portfolio performance. The Board also assessed the extent to which the Corporation's current strategy remains aligned to evolving national development priorities and the changing industrial landscape.

The Board devoted significant attention to understanding how the IDC can play a more catalytic role in advancing industrialisation, localisation, infrastructure development, value-chain development, beneficiation, energy transition opportunities and sustainable job creation.

Accordingly, the Board initiated discussions regarding the future positioning of the IDC and resolved to undertake a strategic review during FY2027 aimed at reimagining the Corporation's strategy and sharpening its focus on industrialisation. The objective of this process is to ensure that the Corporation's capital, capabilities, partnerships and interventions are increasingly aligned to the advancement of industrial capacity, productive investment and long-term economic competitiveness.

Nature of business

The IDC is a state-owned DFI that provides financial and non-financial support to businesses across multiple sectors of the economy.

The Corporation's primary activities include:

- Developing and supporting greenfield and expansion projects;
- Providing customised financing and investment solutions;
- Supporting industrial development and localisation;
- Facilitating strategic sector interventions;
- Supporting entrepreneurs, SMMEs and black industrialists;
- Mobilising capital through partnerships; and
- Supporting programmes that contribute to sustainable economic development and employment creation.

DIRECTORS' **REPORT** CONTINUED

Governance and compliance

The Board remains committed to the principles of ethical leadership, accountability, transparency and responsible stewardship.

The Corporation operates within a governance framework designed to ensure compliance with the requirements of the PFMA, Treasury Regulations, the Companies Act, King IV and other applicable legislative and regulatory requirements. The Board is supported by its committees, executive management and various assurance functions in carrying out its responsibilities.

The Board continues to review governance arrangements to ensure that decision-making, accountability and oversight remain effective and appropriate for an institution of the IDC's size and complexity.

Board oversight of risk and sustainability

The Board recognises that effective risk management is fundamental to achieving the Corporation's mandate and preserving long-term financial sustainability.

Risk governance is exercised through the Enterprise Risk Management Framework and supported by the Board Risk and Sustainability Committee, the BAC and executive management. Risk considerations are embedded within strategic planning, investment decision-making, financial management and operational processes.

During FY2026, the Board maintained oversight of key strategic and operational risks, including:

- Credit and investment portfolio risks;
- Portfolio concentration and impairment risks;
- Financial sustainability and capital management;
- Liquidity and funding risks;
- Strategic investment performance;
- Financial reporting and internal control risks;
- Cybersecurity and information technology risks;
- Fraud, ethics and conduct risks;
- Regulatory compliance risks; and
- Environmental, social and sustainability-related risks.

The Board received regular reports from management, Risk Management, Compliance, Internal Audit and the BAC regarding risk exposures, mitigation measures and emerging risks. Where control weaknesses or governance concerns were identified, management was directed to implement corrective actions and remediation plans, which remain subject to Board oversight.

Financial reporting and control environment

The Board devoted considerable attention during the year to financial reporting integrity, disclosure quality and the effectiveness of the internal control environment.

The Board considered reports from management, Internal Audit and the external auditors relating to financial reporting processes and controls. During the preparation and audit of the FY2026 annual financial statements, a number of disclosure, reporting and control deficiencies were identified and addressed prior to finalisation of the financial statements. These included matters relating to disclosure management, review controls, consolidation processes, segregation-of-duties controls and prior-period corrections.

The Board also considered Internal Audit's assessment that the overall control environment requires significant improvement in certain areas and noted the remediation initiatives being implemented by management to strengthen financial reporting governance, control execution, systems documentation, SAP governance and management review processes.

While the Corporation received an unmodified external audit opinion, the Board recognises the importance of continuing to strengthen the maturity and effectiveness of the control environment and will maintain focused oversight of remediation efforts during FY2027.

Portfolio management and strategic exposures

The Board continued to oversee the quality, sustainability and performance of the Corporation's investment portfolio.

Particular attention was given to:

- Portfolio quality and credit performance;
- Strategic investments and large exposures;
- Distressed investments and recovery initiatives;
- Impairment trends and valuation assumptions;
- Portfolio resilience; and
- Long-term value preservation and recovery opportunities.

The Board recognises that certain sectors and investments continue to operate in challenging economic and operating environments and remains committed to ensuring that appropriate interventions, recovery measures and governance oversight are applied where required.

Performance overview

The Corporation delivered combined on-balance-sheet and off-balance-sheet disbursements of approximately R22.7 billion during FY2026. Off-balance-sheet disbursements exceeded target performance, while on-balance-sheet disbursements were marginally below target.

Performance against developmental objectives was mixed but generally positive. Employment creation substantially exceeded target levels, while positive outcomes were also recorded in support of SMMEs and electricity generation initiatives. Certain performance targets relating to transformation funding, export development and SEZ funding were not achieved and continue to receive management attention.

From a financial sustainability perspective, key indicators relating to impairments, non-performing loans and growth in reserves showed improvement. However, operational efficiency indicators, including transaction turnaround times, remained below target and require ongoing focus.

The Board believes that, while progress was achieved in several areas, sustained improvement in operational execution, turnaround times and organisational effectiveness remains necessary to enhance overall institutional performance.

Performance against predetermined objectives

Performance against predetermined objectives for the reporting period is shown next.

Key performance indicators

✓ *Achieved* × *Not achieved*

Perspective	Performance indicators	Target 2025/26	Actual 2025/26	Achievement
Development effectiveness (DE)	DE-1) Value of on-balance sheet funding disbursed (R'm)	17 880	**17 029**	×
	DE-2) Value of off-balance sheet funding disbursed (R'm)	3 000	**5 688**	✓
	DE-3) Value of funding crowded in from other funders (R'm)	30 063	**27 998**	×
	DE-4) Value of funds disbursed for transformation (R'm)	4 684	**3 554**	×
	DE-5) Total number of new jobs to be created	29 784	**71 228**	✓
	DE-6) Total number of jobs expected to be saved	9 362	**1 741**	×
	DE-7) Generating capacity for electricity generation projects approved, including utility scale and small-scale embedded generation (MW)	553	**1 085**	✓
	DE-8) Increase in exports generated for intra-regional and global trade through funding activities (R'm)	14 615	**4 799**	×
	DE-9) Work opportunities created from SEF and other funders (number)	45 673	**53 346**	✓
	DE-10) Value of funds disbursed for businesses in SEZs (including economic infrastructure projects that enable SEZs (e.g. energy supply, logistics, water) (R'm)	1 005	**602**	×
	DE-11) Value of funds disbursed for SMMEs (R'm)	411	**1 310**	✓
Financial sustainability (FS)	FS-12) Impairment ratio (total book) (%)	35.6	**30.0**	✓
	FS-13) Non-performing loans (NPLs) (%) (IFRS)	38.4	**35.1**	✓
	FS-14) Growth in value of reserves (%)	Real GDP growth +3.5 percentage points	**9.1**	✓

DIRECTORS' **REPORT** CONTINUED

✓ *Achieved* × *Not achieved*

Perspective	Performance indicators	Target 2025/26	Actual 2025/26	Achievement
Financial sustainability (FS)	FS -15) Strategic and turnaround achievements for key significant exposures	**Foskor (Pty) Ltd (Foskor):** • 90% of operating profit. • Improve production to 95% of Board approved numbers. **Cast Products:** • Exit business rescue. • Alternative/ wind-down: Agreement with business rescue practitioners on wind-down process.	**Foskor:** • -65% of operating profit. • Production (Acid plant) was improved to 65% of Board approved numbers. **Cast Products:** • Business rescue not exited. • Agreement with business rescue practitioners on wind-down process not concluded.	×
		Kalagadi Manganese: • Production: 3.25% increase FY2025/26 (base being FY2024/25 figures). **BAIC** • Milestones: Start of complete knock-down production for third parties original equipment manufacturers (OEM) (Foton trucks).	**Kalagadi Manganese:** • 3.28% increase was achieved. **BAIC** • Start of complete knock-down production for third parties OEM work was completed.	×
Internal processes (IP)	IP-16) Turnaround time for transactions (complex and non-complex)	80%	56.5%	×
Learning and growth (LG)	LG-17) Culture entropy score (Barret Survey)	25	40	×

Restatements

During the current year, the Group identified and corrected certain prior-period errors and reassessed the accounting treatment of specific transactions. The resulting restatements are summarised below:

Investment in associate (Note 36.1):

- The restatement arose from the identification of an overstatement of mining rights in the prior-year financial statements of an associate, which resulted in the overstatement of the carrying value of the Group's investment in that associate.

Cash, loans and advances held on behalf of third parties (Note 36.2):

- The restatement resulted from a reassessment of the accounting treatment of third-party funds administered by the IDC. Following this assessment, the related cash, loans and advances, together with the corresponding obligations, were recognised in the statement of financial position.

Investment securities/equity (Note 36.3):

- The restatement arose from a prior-year consolidation error relating to the elimination of a subsidiary's preference share capital. The error resulted in the understatement of investment securities and retained earnings.

Further information regarding these restatements, including their financial impact, is provided in Note 36 to the annual financial statements.

Corporate governance

The IDC's directors endorse the King IV Report on Corporate Governance and implemented the principles contained therein during the review period.

Share capital

The issued share capital of R1.4 billion remained unchanged during the reporting year.

Board Audit Committee information

The BAC currently consists of the following non-executive directors:

- T Ramano – Chairperson
- BA Dames
- R Barnard

In addition, R Pitot and BP Mathidi are co-opted members of the Committee.

Events after the reporting period

The IDC continues to monitor developments relating to Tongaat Hulett Limited (THL) and ArcelorMittal South Africa Limited (AMSA). THL remains under business rescue, with the IDC having committed post-commencement funding and entered into agreements subsequent to year-end to support the implementation of the approved rescue plan.

IDC continues to attract media interest and is assisting the Hawks with investigations into the bidding process that was conducted by the THL business rescue practitioner.

AMSA remains subject to ongoing discussions on a potential transaction.

Except for the subsequent events disclosed above, the directors are not aware of any further material events occurring between the reporting date and the date of approval of these annual financial statements on 31 July 2026 that require adjustment to, or additional disclosure in accordance with IAS 10.

Refer to Note 39 for further details on the events after the reporting period.

DIRECTORS' **REPORT** CONTINUED

Directors and secretary

The current directors of the IDC are listed below:

Executive

- ME Lekhethe – Chief Executive Officer

Non-executive

- GT Serobe – Chairman[1]
- R Barnard[1]
- TR Cohen[1]
- A Dlodlo[1]
- Dr KT Mothibeli[1]
- Dr T Makube[2]
- T Ramano[2]
- BA Mabuza[3]
- BA Dames[3]
- Adv NDB Orleyn[3]
- AT Kriel[3]
- NP Mnxasana[4]
- RM Godsell[4]
- Dr SM Magwentshu-Rensburg[4]
- MP Mthethwa[4]

Adv M Kganedi is the Group company secretary.

[1] *The members' appointment by parliament was effective 1 September 2025.*

[2] *Dr T Makube and T Ramano were newly appointed on 1 October 2025.*

[3] *The members' term ended on 1 September 2025, and they were reappointed on 1 October 2025 to ensure continuity in governance and strategic oversight. Initial appointment dates were as follows:*

- *BA Mabuza and BA Dames – 25 November 2011*
- *Adv NDB Orleyn – 29 January 2015*
- *A Kriel – 1 April 2016*

[4] *The members' term ended on 30 August 2025; the members were appointed on 25 November 2011, except for NP Mnxasana who was appointed on 29 January 2015.*

The IDC's registered office is at 19 Fredman Drive, Sandown, 2196.

There were no material changes to the functions or executive responsibilities of directors and board members during the current reporting period.

Outlook and strategic priorities for FY2027

Looking ahead, the Board's principal strategic priority is to reimagine and reposition the IDC's strategy in line with its developmental mandate and to sharpen the Corporation's focus on industrialisation.

During FY2027, the Board will undertake a comprehensive strategic review aimed at ensuring that the Corporation remains a leading catalyst for industrial development and economic transformation. This review will assess strategic priorities, portfolio allocation, organisational capabilities, operating models and performance measures to ensure stronger alignment with national industrialisation objectives.

The Board intends to strengthen the Corporation's focus on:

- Industrialisation and industrial capacity expansion;
- Manufacturing competitiveness and localisation;
- Strategic industrial sectors and value chains;
- Beneficiation and productive investment;
- Infrastructure and energy-related industrial opportunities;
- Entrepreneurial development and support for black industrialists;
- SMME development and ecosystem support;
- Regional industrial development opportunities; and
- Job-rich investments that deliver sustainable developmental impact.

In parallel, the Board will continue to prioritise:

- Financial sustainability and capital preservation;
- Portfolio optimisation and investment performance;
- Enhanced governance and accountability;
- Strengthening financial reporting and internal controls;
- Organisational effectiveness and operational excellence; and
- Building institutional capability to support long-term development outcomes.

The Board remains confident in the strategic relevance of the IDC and believes that a renewed focus on industrialisation, supported by disciplined execution, strong governance and sustainable capital deployment, will position the Corporation to continue playing a leading role in South Africa's economic development and industrial transformation.

On behalf of the Board of Directors.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT**

ON INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of the Industrial Development Corporation of South Africa Limited (the Entity) and its subsidiaries (the Group) set out on pages 26 to 131, which comprise the consolidated and separate statements of financial position as at 31 March 2026, consolidated and separate statements profit or loss and other comprehensive income, consolidated and separate statements of changes equity, and consolidated and separate statements of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Industrial Development Corporation of South Africa Limited and its subsidiaries as at 31 March 2026 and its consolidated and separate financial performance and consolidated 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 Public Finance Management Act of South Africa (Act No. 1 of 1999) (PFMA).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report.

We are independent of the Group and Entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) as applicable to audits of financial statements of public interest entities 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Our determination of materiality is a matter of professional judgment and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on consolidated and separate financial statements as a whole.

Based on our professional judgment, we determined final materiality for the consolidated and separate financial statements as follows:

Materiality considerations	Consolidated financial statements	Separate financial statements
Final materiality amount	R2 021 million	R1 972 million
Basis for determining materiality	2% of the consolidated net asset value as presented in the consolidated statement of financial position to the financial statements.	2% of the separate net asset value as presented in the separate statement of financial position to the financial statements.
Rationale for benchmark applied	We have identified net asset value as the most appropriate basis for a state-owned development finance institution and that this is the key focus for the primary users of the financial statements.	We have identified net asset value as the most appropriate basis for a state-owned development finance institution and that this is the key focus for the primary users of the financial statements.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Group audit scope

We tailored the scope of the audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the Group and the accounting processes and controls.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed at each component either by us, as the group engagement team, or by component auditors under our instruction. In selecting our components, we performed risk assessment procedures across the group and its components to identify risks of material misstatement and identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response. We involved component auditors in this risk assessment process.

Based on our assessment, three consolidated components and one equity accounted component required an audit response having considered our evaluation of the risks of material misstatement to the consolidated financial statements. The following audit scoping was applied:

- We performed an audit of financial information for two of the consolidated components.
- We performed procedures on specific accounts that we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements given the specific risks identified for the remaining consolidated component and equity accounted component.

Residual components were addressed by risk assessment and analytical procedures performed at a group level for consolidated components.

These four components account for 96% of the Group's net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements for the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole and in forming our opinion, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to also report the outcome of audit procedures or key observations with respect to the key audit matters.

Key audit matter	How matter was addressed and outcomes or key observation
Valuation of unlisted investments	
This key audit matter applies to both the consolidated and separate financial statements	
Unlisted mining investments are classified as at fair value through other comprehensive income and are significant in the context of the consolidated and separate financial statements. The significant judgment is driven by inherent subjectivity and judgment involved in estimating the fair values of the level 3 unlisted investments; the various sources of external and internal data; the modelling techniques used to value the financial instruments and the material nature of level 3 unlisted investments. For the Group and Entity, significant judgment is applied by management in the valuation of unlisted investments in the mining category included in: • Investment securities. • Investment in subsidiaries. • Investment in associates. The significant judgments and assumptions applied by management in valuing these investments include the following: • Free cash flows of investees, specifically life of mine determination and commodity price forecasting; and • Discount rates (along with discounts and premiums) applied to valuations.	With the assistance of our valuation experts, we performed the following procedures over the valuation of unlisted mining investments: • Tested the design and implementation of the relevant controls over the valuation of unlisted investments. • Performed a risk assessment on key inputs of fair value, based on complexity, risk and sensitivity to direct our testing. • Evaluated the technical appropriateness and mathematical accuracy of valuation methodologies (including key assumptions made and modelling approaches adopted) applied by management with reference to industry practice, compliance with IFRS and for consistency with prior periods. • For a sample of unlisted mining investments, we independently recalculated the fair values and evaluated the significant assumptions used and the evidence on which these assumptions were based. • Assessed the appropriateness of the significant judgments and/or unobservable inputs used in valuations relating to free cash flows of investees, life of mine determination, commodity price forecasting and discount rates with reference to the best available independent information.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Key audit matter	How matter was addressed and outcomes or key observation
Due to the significant judgment applied by the Group and Entity, the valuation of unlisted mining investments is considered to be a matter of most significance in the current year audit of the consolidated and separate financial statements. The related disclosures in the consolidated and separate financial statements are included in: • Section 1.4, 1.5, 1.6, 1.25 and 1.26 – Accounting policies; • Note 1 – Financial assets and liabilities. • Note 2 – Financial risk management. • Note 3 – Fair value information. • Note 7 – Investments in subsidiaries. • Note 8 – Investments in associates. • Note 11 – Investment securities.	• Assessed the appropriateness of the fair value hierarchy disclosure due to lower levels of observability and liquidity with reference to the requirements of IFRS 13 Fair Value Measurement. • Assessed the completeness and appropriateness of the disclosure in the financial statements. • In particular, we assessed whether the disclosure adequately conveys the significant judgments and assumptions made by management in the current economic environment. Based on the audit procedures performed and the level of expertise and effort associated with the current year audit, we are satisfied that our audit procedures were sufficient to address the risk associated with significant judgmental nature of the valuation and disclosure of unlisted mining investments.
Valuation of expected credit losses	
This key audit matter applies to both consolidated and separate financial statements	
We considered the expected credit losses ("ECL") assessment of loans and advances to be a matter of most significance to the consolidated and separate financial statements due to: • the significant level of significant judgment applied by management in determining the value of ECL provision and the related disclosures. • the magnitude of the ECL provision in relation to the consolidated and separate financial statements. The determination of impairment allowance for expected credit losses requires significant management judgment, due to the following: • The evaluation of Significant Increase in Credit Risk ("SICR"). • Incorporation of macro-economic inputs and forward-looking information ("FLI") into the SICR assessment and ECL measurement. • Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement. • The evaluation of post model adjustments to address limitations not considered by the model. **Evaluation of SICR** Assessing whether there has been a SICR event since the origination date of the exposure to the reporting date (i.e., a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).	With the assistance of economic and credit experts, we performed the following procedures in respect of ECL assessment of loans and advances: • We evaluated how management have selected and applied key definitions in IFRS 9, Financial Instruments such as default and significant increase in credit risk, policy choices and key judgments. • We assessed whether key definitions, policy choices and judgments are updated to appropriately reflect current economic conditions. We assessed the impact of these key definitions on the staging migration of exposures. **Evaluation of SICR** We assessed the appropriateness of the Group and Entity's SICR methodology and calibrations of the ECL models and tested the stage allocations including SICR for a sample of individual exposures back to source data. • We independently recalculated the stage allocation and compared this to management's results to confirm the accuracy of the staging. **Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement** With the assistance of economic and credit experts, we performed the following procedures to address the risks relating to ECL for loans and advances: • We tested the design and implementation of relevant controls over the valuation of ECL, including those within governance processes. • We focused on substantively testing the completeness and accuracy of external and internal data inputs into the ECL calculation.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Key audit matter	How matter was addressed and outcomes or key observation
Incorporation of macro-economic inputs and forward-looking information into the ECL measurement • The incorporation of FLI and macroeconomic inputs into the SICR assessment and ECL calculations. • Determining and weighting of assumptions used in the forward-looking economic model to account for the forward-looking uncertainty. **Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement** Modelled ECL is calculated using statistical models which incorporate data on historical default and loss experience, as well as recent arrears, default and behavioural trends to estimate future ECL. This requires management to exercise judgment as to the application of appropriate modelling techniques, assumptions and relationships. **Assessment of post model adjustments** Where management has identified that the ECL model may not fully reflect underlying risk factors or loan portfolio behaviour, management adjustments are applied to adjust the ECL for these factors. These adjustments require the application of subjective management judgment. **Disclosure** Financial reporting requires inclusion of disclosures that provide an adequate level of transparency regarding uncertainties inherent in the judgments, assumptions and estimates applied in determining ECL. The related disclosures in the financial statements are included in: • Section 1.4, 1.16 and 1.26 – Accounting policies. • Note 1 – Financial assets and liabilities • Note 2 – Financial risk management • Note 10 – Loans and advances. • Note 22 – Financial guarantees.	• We performed a detailed risk assessment by portfolio, including assessing trends in impairment data and benchmarking against market information. • We reperformed the development of the model components (i.e. PD, LGD, EAD, SICR) and have also independently calculated specific model components. • We independently recalculated the ECL by reperforming management's ECL model methodology. • We assessed the application of forward-looking information in determining FLI-adjusted model components. • We performed loan file reviews and assessed transactional and behavioural data included in the model development, for completeness and accuracy. • Based on our understanding and knowledge, we performed an overall stand-back assessment to assess the reasonability of the ECL provisions. **Macro-economic inputs and forward-looking information ("FLI"):** • We considered the governance processes established to review and approve the economic scenarios used in the determination of the forward-looking information applied in the ECL process. • We involved our economic experts to evaluate the forward-looking model and assess the reasonableness of the macroeconomic scenario forecasts generated to independent industry data. • Together with our credit modelling experts, we evaluated management's forward-looking models to assess whether the macro-economic inputs were appropriately incorporated into the models. We assessed the linkage of the forecasted macroeconomic factors, based on weighted scenarios, to the ECL. **Assessment of post model adjustments** • We assessed the completeness of the post model adjustments against our own research and publicly available information including sector, lender and portfolio specific risk factors. • We evaluated the reasonableness of a sample of out-of-model adjustments. **Disclosure** • We assessed the appropriateness of the ECL related disclosures in the financial statements in accordance with IFRS Accounting Standards. Based on the audit procedures performed, we are satisfied that our audit procedures were sufficient to address the risk associated with significant management judgment and disclosure for ECL.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Emphasis of matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

As disclosed in Note 36 to the consolidated and separate financial statements, the corresponding figures for March 2025 were restated as a result of errors in the financial statements of the Group and Entity at, and for the year ended, 31 March 2026.

Responsibilities of the Accounting Authority for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the Accounting Authority is responsible for assessing the Group and the Entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group and Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditors' 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

A further description of our responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditors' report. This description, which is located at page 24, forms part of our auditors' report.

Report on the audit of the annual performance report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected perspectives presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.

We selected the following perspectives presented in the annual performance report for the year ended 31 March 2026 for auditing. We selected perspectives that measure the Entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Perspectives	Page numbers	Purpose
Development effectiveness	11	Facilitating investments, addressing unemployment and facilitating transformation
Financial sustainability	11–12	Supporting indicators that are included in IDC divisional, unit and individual performance KPIs and form part of the Corporation's ongoing reporting to the Shareholder.

We evaluated the reported performance information for the selected perspectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Entity's planning and delivery on its mandate and objectives.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the Entity's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the Entity's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report
- there is adequate supporting evidence for the achievements reported.

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information for the selected perspectives.

Other matter

We draw attention to the matter below.

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets.

Report on compliance with legislation

In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the Entity's compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditors' report.

The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

The financial statements submitted for auditing were not fully prepared in accordance with the prescribed reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of disclosures related to financial risk management, fair value information, loans and advances, borrowings and commitments in the consolidated and separate financial statements identified by the auditors in the submitted financial statements were corrected, resulting in the consolidated financial statements receiving an unqualified audit opinion.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Other information in the integrated report and annual financial statements

The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual financial statements, which includes the directors' report, and the board audit committee's report. The IDC's Integrated report is expected to be made available to us after this auditors' report date.

The other information does not include the consolidated and separate financial statements, the auditors' report and those selected perspectives presented in the annual performance report that have been specifically reported on in this auditors' report.

Our opinion on the consolidated and separate financial statements, and our reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the integrated report and we do not express an audit opinion or any form of assurance conclusion on it.

In connection with our audit, our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected perspectives presented in the annual performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we do receive and read the integrated report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the information is not corrected, we may have to retract this auditors' report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Management did not implement adequate internal controls to ensure the preparation of accurate financial statements was submitted for auditing to ensure that they were fully compliant with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements were identified that required correction. It is only after corrections were made that the consolidated financial statements received an unqualified audit opinion.

Other reports

We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the consolidated and separate financial statements or our findings on the reported performance information or compliance with legislation.

Audit-related services

A limited assurance engagement was performed, on selected sustainability key performance indicators (KPIs), as presented in the Integrated Report for the year ended 31 March 2026.

An agreed procedures engagement was performed on debt-to-equity ratio for the IDC Entity and IDC mini-group. The report covered the period 1 April 2024 to 31 March 2025 and was issued to the IDC on 31 October 2025.

A limited assurance engagement was performed, on the Industrial Development Corporation of South Africa Limited issued sustainability bonds, structured under the International Capital Market Association (ICMA) Sustainability Bond Guidelines as presented in the IDC's Sustainability Bond Impact Report 2026 for the year ended 31 March 2026.

INDEPENDENT AUDITOR'S REPORT **TO PARLIAMENT** CONTINUED

Matters under investigations

As at the date of this report there is an internal investigation being conducted in respect of Pro Roof Industrial Park (Pty) Ltd formerly known as SA Steel Mills (Pty) Ltd. The directors have employed the services of a forensic firm to assist in the investigation. As at the reporting date, the investigation remains ongoing, and we could not determine the extent of the impact of the outcomes of the investigation to the consolidated financial statements.

Audit tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche and BDO have been the auditors of the Industrial Development Corporation of South Africa Limited for four years and two years, respectively.

Signed by:
Deloitte & Touche
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BDO South Africa Inc.
BDO South Africa Inc. (Jul 31, 2026 19:48:00 GMT+2)

Deloitte & Touche
Registered Auditor

Per Vuyelwa Sangoni
Partner

31 July 2026

5 Magwa Crescent
Waterfall City
Waterfall
2090

BDO South Africa Inc.
Registered Auditor

Per Zakhele Nyandeni
Director

31 July 2026

Wanderers Office Park
52 Corlett Drive
Illovo
2196

ANNEXURE TO THE **AUDITORS' REPORT**

Annexure to the auditors’ report

The annexure includes the following:

- The auditors’ responsibility for the audit
- The selected legislative requirements for compliance testing.

Auditors’ responsibility for the audit

Professional judgment and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout our audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected perspectives and on the Group and Entity’s compliance with selected requirements in key legislation.

Consolidated and separate financial statements

In addition to our responsibility for the audit of the consolidated and separate financial statements as described in this auditors’ report, we also:

- identify and assess the risks of material misstatement of the consolidated and separate 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 Group and Entity’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Group and Entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate financial statements. Our conclusions are based on the information available to us at the date of this auditors’ report. However, future events or conditions may cause the Group and Entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

We communicate with the Accounting Authority 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.

We also provide the Accounting Authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. We describe these matters in this auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditors’ report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

ANNEXURE TO THE **AUDITORS' REPORT** CONTINUED

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); Section 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); Section 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); Section 57(d); 66(3)(a)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No.03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENTS OF **FINANCIAL POSITION**

		Group			Company		
Figures in R'm	Note(s)	2026	2025 restated[1]	2024 restated[1]	2026	2025 restated[1]	2024 restated[1]
Assets							
Cash and cash equivalents[1]	14	13 720	15 243	19 207	13 159	15 064	14 675
Short-dated investments	14.1	–	559	1 100	–	559	1 100
Derivative assets	9	5	1	3	–	–	–
Trade and other receivables	13	2 647	2 765	2 989	1 243	494	841
Inventories	12	2 286	2 429	2 249	2	2	2
Current tax receivable		92	16	734	86	16	677
Lease receivable		261	338	436	–	–	–
Loans and advances	10	48 270	43 546	41 329	53 099	48 538	46 596
Loans and advances on behalf of third parties[1]	38	2 394	2 267	2 041	2 394	2 267	2 041
Investment securities[1]	11	50 610	37 235	50 470	37 968	32 107	41 992
Non-current assets held for sale	8.2	2 089	2 176	–	2 089	724	–
Investments in subsidiaries	7	–	–	–	28 442	22 447	24 155
Investments in associates[1]	8.1	19 758	22 916	25 195	23 029	25 956	26 944
Deferred tax asset	29	4 874	7 902	8 036	5 034	5 683	5 665
Investment property	5	130	123	308	26	25	26
Property, plant and equipment	4	7 518	7 377	6 444	49	42	39
Right of use assets	30	69	25	60	179	222	272
Intangible assets	6	64	33	33	44	15	23
Total assets		**154 787**	**144 951**	**160 634**	**166 843**	**154 161**	**165 048**
Equity and liabilities							
Equity							
Equity attributable to equity holders of parent							
Share capital	16	1 393	1 393	1 393	1 393	1 393	1 393
Reserves		47 424	37 725	49 851	55 124	48 822	61 597
Retained income[1]		52 827	57 001	54 493	42 124	39 846	36 880
Non-controlling interest		**(576)**	**(96)**	**(136)**	**–**	**–**	**–**
Total equity		**101 068**	**96 023**	**105 601**	**98 641**	**90 061**	**99 870**
Liabilities							
Bank overdraft	14	234	169	202	–	–	–
Balances of third parties[1]	38	11 827	9 861	8 700	11 827	9 861	8 700
Derivative liabilities	9	6	7	6	–	–	–
Trade and other payables	32	2 544	2 576	8 005	408	595	819
Lease liabilities	30	106	39	76	278	324	370
Current tax payable		19	262	–	–	259	–
Borrowings	17	31 181	31 066	28 513	46 781	46 733	45 689
Retirement benefit obligation	33	390	349	330	228	199	186
Deferred tax liability	29	6 008	3 733	8 586	7 642	5 428	9 078
Financial guarantees	22	166	249	216	216	341	299
Provisions	25	1 238	617	399	822	360	37
Total liabilities		**53 719**	**48 928**	**55 033**	**68 202**	**64 100**	**65 178**
Total equity and liabilities		**154 787**	**144 951**	**160 634**	**166 843**	**154 161**	**165 048**

[1] *Restated, refer to Note 36.*

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
Figures in R'm	Note(s)	2026	2025	2026	2025
Continuing operations					
Revenue	18	14 671	14 215	4 654	4 303
Interest income	19	5 968	7 451	6 390	7 430
Total revenue		**20 639**	**21 666**	**11 044**	**11 733**
Finance costs	20	(2 863)	(4 095)	(2 722)	(3 359)
Other income		355	518	2	–
(Loss)/profit on financial assets classified as fair value through profit or loss (FVTPL)		(168)	184	(173)	734
Expected credit losses on financial assets	10	117	(3 171)	(994)	(3 303)
Financial assets written off	10	(1 445)	(728)	(1 089)	(508)
Operating expenses		(15 849)	(13 842)	(3 209)	(3 071)
Fair value adjustments on non-current assets held for sale	8.2	(402)	–	1 050	–
Operating profit/(loss)	**27**	**384**	**532**	**3 909**	**2 226**
Share of (loss)/income from associates	8	(1 879)	6	–	–
(Loss)/profit before taxation		**(1 495)**	**538**	**3 909**	**2 226**
Taxation	28	(3 159)	(363)	(1 631)	(432)
(Loss)/profit for the year from continuing operations		**(4 654)**	**175**	**2 278**	**1 794**
Profit from discontinued operations		–	154	–	–
(Loss)/profit for the year		**(4 654)**	**329**	**2 278**	**1 794**
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Retirement benefit obligation	35	(20)	7	(8)	10
Fair value movements on equity instruments	35	13 210	(13 583)	8 031	(14 293)
Share of comprehensive income/(losses) of equity accounted investments	35	15	7	–	–
Movements on property valuation	35	52	252	1	–
Income tax relating to items that will not be reclassified	35	(2 843)	2 688	(1 722)	2 730
Total items that will not be reclassified to profit or loss		**10 414**	**(10 629)**	**6 302**	**(11 553)**
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations	35	(715)	165	–	–
Total items that may be reclassified to profit or loss		**(715)**	**165**	**–**	**–**
Other comprehensive profit/(loss) for the year net of taxation	**35**	**9 699**	**(10 464)**	**6 302**	**(11 553)**
Total comprehensive income/(loss) for the year		**5 045**	**(10 135)**	**8 580**	**(9 759)**
Profit/(loss) for the year attributable to:					
Owners of the parent		**(4 174)**	**294**	**2 278**	**1 794**
Non-controlling interest		(480)	35	–	–
		(4 654)	**329**	**2 278**	**1 794**
Total comprehensive income/(loss) for the year attributable to:					
Owners of the parent		**5 525**	**(10 175)**	**8 580**	**(9 759)**
Non-controlling interest		(480)	40	–	–
		5 045	**(10 135)**	**8 580**	**(9 759)**

STATEMENTS OF **CHANGES IN EQUITY**

Group

Figures in R'm	Share capital	Foreign currency translation reserve	Associated entities reserves	Equity revaluation reserve	Common control reserve	Retirement obligations	Property revaluation reserve	Share-based payment reserve	Retained earnings[1]	Non-controlling interest	Total equity
Balance at 1 April 2024 as previously stated	**1 393**	**2 320**	**7 277**	**38 172**	**1 657**	**121**	**–**	**304**	**57 122**	**(136)**	**108 230**
Adjustment: Impairment on investment in associates[1]	–	–	–	–	–	–	–	–	(2 629)	–	(2 629)
Balance at 1 April 2024 restated	**1 393**	**2 320**	**7 277**	**38 172**	**1 657**	**121**	**–**	**304**	**54 493**	**(136)**	**105 601**
Adjustment: consolidation Adjustment[1]	–	–	–	–	–	–	–	–	3 212	–	3 212
Profit for the year	–	–	–	–	–	–	–	–	294	35	329
Other comprehensive income/(loss)	–	165	7	(10 895)	–	7	247	–	–	4	(10 465)
Dividend paid	–	–	–	–	–	–	–	–	(50)	–	(50)
Deemed distribution of sefa	–	–	–	–	–	–	–	–	(2 605)	–	(2 605)
Reclassification of common control	–	–	–	–	(1 657)	–	–	–	1 657	–	–
Balance at 1 April 2025 restated	**1 393**	**2 485**	**7 284**	**27 277**	**–**	**128**	**247**	**304**	**57 001**	**(96)**	**96 023**
Loss for the year	–	–	–	–	–	–	–	–	(4 174)	(480)	(4 654)
Other comprehensive income/(loss)	–	(715)	15	10 367	–	(20)	52	–	–	–	9 699
Balance at 31 March 2026	**1 393**	**1 770**	**7 299**	**37 644**	**–**	**108**	**299**	**304**	**52 827**	**(576)**	**101 068**

[1] *Restated, refer to Note 36.*

Company

Figures in R'm	Share capital	Associated entities reserves	Equity revaluation reserve	Common control reserve	Retirement obligations	Retained earnings	Total equity
Balance at 1 April 2024	**1 393**	**156**	**60 065**	**1 222**	**154**	**36 880**	**99 870**
Profit for the year	–	–	–	–	–	1 794	1 794
Other comprehensive income/(loss)	–	–	(11 563)	–	10	–	(11 553)
Dividend paid	–	–	–	–	–	(50)	(50)
Reclassification of common control	–	–	–	(1 222)	–	1 222	–
Balance at 1 April 2025	**1 393**	**156**	**48 502**	**–**	**164**	**39 846**	**90 061**
Profit for the year	–	–	–	–	–	2 278	2 278
Other comprehensive income/(loss)	–	–	6 309	–	(7)	–	6 302
Balance at 31 March 2026	**1 393**	**156**	**54 811**	**–**	**157**	**42 124**	**98 641**

STATEMENTS OF **CASHFLOWS**

		Group		Company	
Figures in R'm	Note(s)	2026	2025 Restated[1]	2026	2025 Restated[1]
Cash flows from operating activities					
Cash used in operations[1]	21	(4 092)	(2 905)	(5 404)	(3 253)
Interest received[1]		3 264	3 558	3 339	3 676
Dividend received		3 559	4 118	3 559	4 118
Interest paid		(2 587)	(2 471)	(2 545)	(2 437)
Tax paid	31	(837)	(523)	(820)	(565)
Net cash from operating activities[1]		**(693)**	**1 777**	**(1 871)**	**1 539**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(903)	(1 164)	(37)	(26)
Purchase of intangible assets	6	(48)	(19)	(38)	(5)
Purchase of financial assets		(3)	(1)	–	–
Acquisition of investments		(583)	(312)	(583)	(312)
Proceeds on realisation of investments		280	200	280	196
Deconsolidation due to loss of control		–	(4 911)	–	(1 477)
Acquisition of short-dated investments		–	(2 163)	–	(2 163)
Proceeds on realisation of short-dated investments	14.1	559	2 705	559	2 705
Net cash from investing activities		**(698)**	**(5 665)**	**181**	**(1 082)**
Cash flows from financing activities					
Repayments of lease liabilities	30	(34)	(41)	(55)	(10)
Dividend paid		–	(50)	–	(50)
Net cash from financing activities		**(34)**	**(91)**	**(55)**	**(60)**
Effects of exchange rate changes on cash and cash equivalents		(163)	50	(160)	(6)
Total cash movement for the year[1]		(1 588)	(3 929)	(1 905)	391
Cash at the beginning of the year[1]		15 074	19 005	15 064	14 675
Expected credit loss on cash and cash equivalents	14	–	(2)	–	(2)
Cash as disclosed per note[1]	**14**	**13 486**	**15 074**	**13 159**	**15 064**

[1] *Restated, refer to Note 36.*

REPORTABLE **SEGMENTS**

	Group					
	Industrial Development Corporation		Konoil, Findevco and Impofin		Foskor	
Figures in R'm	**2026**	2025	**2026**	2025	**2026**	2025
Income						
Interest received	6 390	7 430	–	2	–	103
Dividends received	3 880	4 002	–	–	–	–
Fee income	636	301	–	–	–	–
Mining income: phosphate rock and magnetite	–	–	–	–	3 634	3 668
Fertiliser and acid sales	–	–	–	–	5 369	5 891
Other revenue	138	–	–	–	–	1
Revenue	**11 044**	**11 733**	**–**	**2**	**9 003**	**9 663**
Share of profits/(loss) of associates	–	–	–	–	44	45
Other income	2	–	–	–	385	320
Expenses						
Financing costs	(2 722)	(3 359)	–	–	(601)	(743)
Cost of sales	–	–	–	–	(7 182)	(7 411)
Salaries, wages, bonuses and other benefits	(1 659)	(1 461)	–	–	(1 762)	(1 692)
Operating expenses	(1 464)	(1 528)	–	–	(808)	(4)
Taxation	(1 631)	(432)	–	–	(1 229)	125
Depreciation	(86)	(82)	–	–	(541)	(442)
Profit/(loss) on financial assets classified as FVTPL	(173)	734	–	–	(23)	–
Expected credit losses on financial assets	(994)	(3 303)	13	64	(114)	(138)
Financial assets written off	(1 089)	(508)	–	–	–	–
Profit/loss from discontinued operations	–	–	–	154	–	–
Fair value adjustments on non-current assets held for sale	1 050	–	–	–	–	–
Profit/(loss) for the year	**2 278**	**1 794**	**13**	**220**	**(2 828)**	**(277)**
Total assets[1,2]	166 843	154 161	27 750	19 805	10 137	12 908
Inventory	2	2	–	–	1 939	2 163
Investment in associates[1]	23 029	25 956	–	–	172	–
Non-current assets held for sale	2 089	724	–	–	–	–
Total liabilities[1,3]	68 202	64 100	1 773	59	9 303	9 440
Capital expenditure[4]	37	26	–	–	559	1 057
Commitments	–	–	–	–	–	211

[1] *Restated, refer to Note 36.*

[2] *Major line items include loans and advances, investments and investments in associates.*

[3] *Major line items include borrowings and deferred tax liability.*

[4] *Consists of property, plant and equipment additions.*

IDC Group reportable segments are subsidiaries that offer different products and services. These subsidiaries are managed as separate entities and require different managerial, technological and marketing strategies. The subsidiaries are aggregated based on the nature of the products and services produced, the production processes and the type of customers for each subsidiary. The IDC Group has four reportable segments: IDC; Konoil, Findevco and Impofin; Foskor; other. The IDC segment provides industrial funding to medium and large corporations. The Konoil, Findevco and Impofin segment also provides funding, however, focuses on small and medium enterprises (SMEs). The Foskor segment focuses on two divisions, the Mining Division that processes phosphate rock and magnetite and the Acid Division that manufactures granular fertiliser, phosphoric acid, sulphuric acid and sulphur, ammonia and gypsum for sale to mining and acid companies. Other refers to subsidiaries that operate in a range of various industries, as well as consolidation adjustments. The subsidiaries are as follows: Lodox Systems (Pty) Ltd which specialises in the development, manufacturing and distribution of innovative low dosage digital X-ray medical imaging equipment, Thelo Rolling Stock Leasing (Pty) Ltd which is involved in the leasing of rolling stock, Sheraton Textile (Pty) Ltd which is involved in the design and manufacture of fine household linen and accessories, and Prilla 2000 (Pty) Ltd whose main business is the spinning of cotton yarns for both knitting and weaving applications, and yarn trading.

REPORTABLE **SEGMENTS** CONTINUED

	Group			
	Other[1]		Total	
Figures in R'm	2026	2025	2026	2025
Income				
Interest received	(422)	(84)	5 968	7 451
Dividends received	(660)	(906)	3 220	3 096
Fee income	1	1	637	302
Mining income: phosphate rock and magnetite	–	–	3 634	3 668
Fertiliser and acid sales	–	–	5 369	5 891
Other revenue	1 673	1 257	1 811	1 258
Revenue	**592**	**268**	**20 639**	**21 666**
Share of profits/(loss) of associates	(1 923)	(39)	(1 879)	6
Other income	(34)	198	353	518
Expenses				
Financing costs	460	7	(2 863)	(4 095)
Cost of sales	(1 382)	(336)	(8 564)	(7 747)
Salaries, wages, bonuses and other benefits	(403)	(198)	(3 824)	(3 351)
Operating expenses	(395)	(382)	(2 667)	(1 913)
Taxation	(299)	(56)	(3 159)	(363)
Depreciation	(165)	(307)	(792)	(831)
Profit/(loss) on financial assets classified as FVTPL	28	(550)	(168)	184
Expected credit losses on financial assets	1 212	206	117	(3 171)
Financial assets written off	(356)	(221)	(1 445)	(728)
Profit/loss from discontinued operations	–	–	–	154
Fair value adjustments on non-current assets held for sale	(1 452)	–	(402)	–
Profit/(loss) for the year	**(4 117)**	**(1 409)**	**(4 654)**	**329**
Total assets[5, 2]	(49 943)	(42 506)	154 787	144 951
Inventory	345	264	2 286	2 429
Investment in associates[5]	(3 443)	(411)	19 758	22 916
Non-current assets held for sale	–	1 452	2 089	2 176
Total liabilities[3, 5]	(25 559)	(24 671)	53 719	48 928
Capital expenditure[4]	306	523	903	1 605
Commitments	–	–	–	211

[1] *These amounts relate to other immaterial subsidiaries.*

[2] *Major line items include loans and advances, investments and investments in associates.*

[3] *Major line items include borrowings and deferred tax liability.*

[4] *Consists of property, plant and equipment additions.*

[5] *Restated, refer to Note 36.*

GEOGRAPHICAL **SEGMENTS**

	Group					
	South Africa		Other[1]		Total	
Figures in R'm	**2026**	2025	**2026**	2025	**2026**	2025
Income						
Interest received	5 968	7 451	–	–	5 968	7 451
Dividends received	3 113	2 444	107	651	3 220	3 096
Fee income	637	302	–	–	637	302
Mining income: phosphate rock and magnetite	3 634	3 668	–	–	3 634	3 668
Fertiliser and acid sales	5 369	5 891	–	–	5 369	5 891
Other revenue	1 588	1 005	223	253	1 811	1 258
Revenue	**20 309**	**20 762**	**330**	**904**	**20 639**	**21 666**
Share of profits of associates	(1 879)	6	–	–	(1 879)	6
Other income	267	409	86	109	353	518
Expenses						
Financing expenses	(2 805)	(4 027)	(58)	(68)	(2 863)	(4 095)
Cost of sales	(8 564)	(7 747)	–	–	(8 564)	(7 747)
Salaries, wages, bonuses and other benefits	(3 797)	(3 351)	(27)	–	(3 824)	(3 351)
Operating expenses	(2 446)	(1 904)	(221)	(9)	(2 667)	(1 913)
Taxation	(3 138)	(329)	(21)	(34)	(3 159)	(363)
Depreciation	(744)	(577)	(48)	(254)	(792)	(831)
Profit/(loss) on financial assets classified as FVTPL	(168)	184	–	–	(168)	184
Expected credit losses on financial assets	136	(3 171)	(19)	–	117	(3 171)
Profit/loss from discontinued operations	–	154	–	–	–	154
Financial assets written off	(1 445)	(728)	–	–	(1 445)	(728)
Fair value adjustments on non-current assets held for sale	(402)	–	–	–	(402)	–
Profit/(loss) for the year	**(4 676)**	**(320)**	**22**	**649**	**(4 654)**	**329**
Total assets[5, 2]	153 909	143 984	878	967	154 787	144 951
Inventory	2 286	2 429	–	–	2 286	2 429
Investment in associates[5]	19 758	22 916	–	–	19 758	22 916
Non-current assets held for sale	2 089	2 176	–	–	2 089	2 176
Total liabilities[3, 5]	53 005	49 407	714	777	53 719	48 928
Capital expenditure[4]	903	1 605	–	–	903	1 605
Commitments	–	211	–	–	–	211

1 *Other relates to subsidiaries with operations outside South Africa.*

2 *Major line items include loans and advances, investments and investments in associates.*

3 *Major line items include borrowings and deferred tax liability.*

4 *Consists of property, plant and equipment additions.*

5 *Restated, refer to Note 36.*

MATERIAL **ACCOUNTING POLICIES**

The IDC is domiciled in South Africa. The consolidated annual financial statements for the year ended 31 March 2026 comprise the IDC, its subsidiaries and the Group's interests in associates and jointly controlled entities (referred to as the Group).

The consolidated annual financial statements were authorised for issue by the directors on 31 July 2026.

The material accounting policies applied in the presentation of the Group and Company's annual financial statements are set out below:

1. Material accounting policies

1.1 Statement of compliance

The consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the IASB, IFRIC® interpretations as issued by the IFRS® Interpretation Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Limited Debt and Specialists Securities Listings Requirements as well as the requirements of the PFMA.

1.2 Basis of preparation

The separate and consolidated annual financial statements are presented on a going concern basis and in South African rand, which is the Company's functional currency, rounded to the nearest million.

The Group's accounting policies apply to the company unless otherwise stated.

These consolidated annual financial statements are prepared on a historical cost basis, except for the following:

- Derivative financial instruments are measured at fair value;
- Financial instruments classified at fair value through profit or loss are measured at fair value;
- Investments in subsidiaries, associates and jointly controlled entities are carried at fair value through other comprehensive income in the separate financial statements of the Company;
- Investment properties are measured at fair value;
- Land and buildings are measured at revalued amount, being its fair value at the date of revaluation less subsequent accumulated depreciation and accumulated impairment losses; and
- Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell.

1.3 New standards, amendments and interpretations to existing standards

Certain new accounting standards and interpretations have been published that have been assessed to not have a material impact on the Group in the current reporting period. There are no standards and interpretations that are not yet effective and are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

1.4 Financial instruments

1.4.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument.

The Group derecognises a financial asset (or group of financial assets) or a part of a financial asset (or part of a group of financial assets) when, and only when:

- the contractual rights to the cash flows arising from the financial asset have expired; or
- the Group transfers the financial asset, including substantially all the risks and rewards of ownership of the asset; or
- the Group transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset but no longer retaining control of the asset.

Financial liabilities are derecognised when the obligation specified in the contract is extinguished or cancelled or has expired.

The difference between the carrying amount of a derecognised financial asset or financial liability (or part thereof) and the consideration paid or received, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss for the period.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.1 Recognition and derecognition *continued*

Classification and initial measurement of financial assets

Debt instruments

Financial assets are initially measured at fair value in accordance with IFRS 9, plus transaction costs in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset, such as raising fees and commitment fees. Transaction costs of financial assets or financial liabilities carried at FVTPL are recognised in profit or loss.

The fair value of a financial instrument is the amount that would be received on selling the asset or paid on transferring a liability in an orderly transaction between market participants on the measurement date.

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL;
- fair value through other comprehensive income (FVOCI).

Equity instruments

For equity investments that are neither held for trading nor for contingent consideration, the IDC Group has made an irrevocable election at initial recognition to classify investments in ordinary shares as financial assets at FVOCI, as these instruments are not considered part of the core operating assets. Where the equity investment is derecognised, the cumulative gain or loss previously recognised in other comprehensive income (OCI) is not reclassified from equity to profit or loss. It remains in reserves and is not reclassified to retained income.

The classification of debt instruments depends on both:

- the entity's business model for managing the financial asset; and
- characteristics of contractual cash flows.

The amortised cost of a financial instrument is the amount at which the financial instrument is measured on initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial contractual amount and the maturity amount, less any cumulative expected credit losses (ECL).

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for the following:

- purchased or originated credit-impaired financial assets for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset; and
- financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the ECL allowance).

The calculation of effective interest does not consider ECLs and includes transaction costs, premiums or discounts, fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cashflows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate, discounted using the original effective interest rate. Any changes are recognised in profit or loss.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.2 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding.

Financial assets with cash flows which do not pass the SPPI test are measured at FVTPL.

Funds administered on behalf of third parties

The IDC has been appointed by various third parties, primarily government departments, to manage funds on their behalf in terms of Memoranda of Agreement (MoA). These funds are held in bank accounts separate from those of IDC and are restricted for use only for the purposes specified in the respective agreements. IDC administers these funds in accordance with instructions received from the relevant sponsor or donor.

Loans and advances on behalf of third parties

Loans and advances disbursed by IDC as agent on behalf of third-party funds are recognised in the statement of financial position as loans and advances on behalf of third parties, with a corresponding liability recognised under balances of third parties. These balances are presented separately from IDC's own financial assets and liabilities.

Interest income and expenses

Income earned on funds administered on behalf of third parties accrues to the respective third parties and is recognised as part of the liability to third parties, unless contractually due to IDC.

Control assessment and recognition

In accordance with the IFRS Interpretations Committee agenda decision issued in April 2022 relating to demand deposits with restrictions on use arising from contracts with third parties, cash balances held on behalf of third parties are recognised in the statement of financial position where IDC has access to those funds. Accordingly, such balances are recognised as cash held on behalf of third parties, with a corresponding liability recognised as balances of third parties, reflecting IDC's obligation to utilise the funds in line with the terms of the MoA.

Initial and subsequent measurement

Cash held on behalf of third parties and loans and advances on behalf of third parties are measured at amortised cost. Any changes in the measurement of these loans, including impairments, repayments or recoveries, are recognised with a corresponding adjustment to the liability to third parties, as IDC does not bear the associated credit risk or rewards.

Trade and other receivables

Trade and other receivables include deposits, rental debtors, related party loans, study loans, finance lease receivables and interest receivables. These trade receivables are financial assets that comprise solely payments of principal and interest and are therefore accounted for at amortised cost. They are subject to the ECL model for impairment testing.

Other receivables also include value-added tax (VAT) receivables which are not financial instruments as they do not arise from a contractual relationship. They are measured at the value estimated to be received from tax authorities. The impairment of trade receivables is presented under expected credit losses on the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. These financial assets are mandatorily measured at FVTPL. There are no financial assets or liabilities which are designated at FVTPL. Furthermore, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except those designated and effective as hedging instruments. Assets in this category are measured at fair value, with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists (refer to accounting policy 1.26).

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.3 Impairment of financial assets

Impairments under IFRS 9 are determined based on an ECL model. The ECL model applies to loans and advances, cash and cash equivalents, trade receivables, contract assets recognised and measured under IFRS 15, loan commitments, and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

Measurement of impairment

The measurement of expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. ECLs are discounted at the effective interest rate of a financial asset. IDC considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Under IFRS 9, loss allowances are measured are measured using a three-stage model:

Stage 1: these are performing loans whereby credit risk has not increased significantly since initial recognition. 12 months ECLs are recognised.

Stage 2: these are under-performing loans whereby credit risk has increased significantly since initial recognition. Lifetime ECLs are recognised.

Stage 3: these are non-performing loans, that are credit-impaired. Lifetime ECLs are recognised.

Lifetime ECLs are the result of all possible default events over the expected life of the financial instrument, while 12-month ECL refers to default events that are within 12 months of the reporting date (or a shorter period if the expected life of the financial asset is less than 12 months).

The IDC also applies the three-stage impairment model to financial assets, including financial guarantees and loan commitments.

- The ECL is calculated by considering the probability of default (PD), exposure at default (EAD), loss given default (LGD) and macroeconomic condition forecasts. PD is the likelihood of an account defaulting within a specified period.
- EAD is the total value the IDC is exposed to when a loan defaults.
- LGD is the proportion of the exposure that is most likely not to be recovered, considering the capital security held against the exposure.

For trade receivables that do not contain a significant financing component, such as financial assets with a credit rating or trade receivables with a maturity of 12 months or less, a simplified impairment approach is used.

Definition of default

Exposures are considered to be in default when they are more than 90 days past due or, in the case of amortising products, are more than three instalments in arrears. The Group's definition of credit-impaired is aligned with its internal definition of 'default'.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on its estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and the amortised cost is presented on the face of the statement of financial position. ECLs are presented on the face of the statement of profit or loss and other comprehensive income.

Modification of financial instruments

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability, and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered the date of initial recognition for impairment calculation purposes. A substantial modification of the terms occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial asset.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.3 Impairment of financial assets *continued*

If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability, using the original effective interest rate. The difference between the new and original gross carrying amounts is recognised as a modification gain or loss within credit impairments.

The renegotiation of financial assets is often due to the financial difficulties of the borrower. As such, a significant number of renegotiated loans are in stage 3 which is characterised by NPLs.

The Group modifies the terms of loans provided to clients due to commercial renegotiations or, in cases of distressed loans, to maximise recovery. Such restructuring activities include extended payment terms, payment holidays and payment forgiveness. Restructuring is based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. The Group monitors the subsequent performance of modified assets and may determine that the credit risk has significantly improved where assets have performed well for three consecutive months or more. Please refer to Note 10 for further details. These policies are continuously reviewed.

The Group may determine that the credit risk has improved significantly after restructuring, and the assets are then moved from lifetime ECL (stage 2 and stage 3) to 12-month ECL (stage 1), after the cure period. The Group continues to monitor whether there is a subsequent significant increase in credit risk (SICR) in relation to such assets which may necessitate a change in the relevant stage of ECL.

The Group holds collateral against loans and advances to clients in the form of mortgage bonds over property, other registered securities over assets and guarantees. The fair values of underlying assets are based on the value of collateral assessed at the time of borrowing and subsequent valuations by the IDC Fixed Asset Valuation department. Mortgage bonds over fixed property are the strongest form/quality of collateral, followed by special notarial bonds (SNBs). SNBs are registered over specific assets, usually plant and equipment. General notarial bonds are registered over other unencumbered movable assets; hence, the quality of this type of bond is generally lower than that of the other two collateral types.

Reclassification of financial assets and financial liabilities

The Group reclassifies debt instruments when, and only when, its business model for managing those assets changes. Reclassification occurs from the start of the first reporting period following the change. Such changes are expected to be infrequent, and none occurred during the period.

The Group does not reclassify any financial liabilities.

Write-off policy

The gross carrying amount of a financial asset is directly reduced or written off when the Group has no reasonable expectations of recovering it in its entirety or a portion thereof, and it does not make sense from a cost perspective to endeavour any further collection efforts. The IDC has internal policies which govern the write-off process. Such loans are written off after all the necessary procedures are completed and the amount of the loss is determined. Subsequent recoveries of amounts previously written off are credited to the write-off line on the statement of comprehensive income. A write-off constitutes a derecognition event for accounting purposes.

1.4.4 Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, and derivative financial instruments. Financial liabilities are initially measured at fair value and, where applicable, minus transaction costs unless the Group classifies a financial liability at FVTPL.

Financial liabilities are classified as subsequently measured at amortised cost, except for the following:

- Financial liabilities arising from the transfer of financial assets that did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expenses incurred on financial liabilities.
- Financial guarantee contracts and loan commitments.

1.4.5 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL. For the reporting period, the IDC has not classified forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain highly probable transactions denominated in foreign currencies.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.5 Investments in subsidiaries

Subsidiaries are entities controlled by the IDC. The Group controls an investee when it has power over the investee, is exposed to or has rights to variable returns from its involvement with the investee and can affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated annual financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries in the company's separate financial statements are measured through OCI in accordance with IFRS 9. Where equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it should be reclassified in equity.

Non-controlling interests

Non-controlling interests (NCIs) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCIs and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

1.6 Investments in associates

Investments in associates are all entities over which the Group has significant influence but not control, generally accompanied by voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits and losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains and losses arising from transactions with equity-accounted investments are eliminated against the investment to the extent of the Group's interest in the investment. Unrealised losses are eliminated only to the extent that there is no evidence of impairment. Given that the IDC has no control over the performance of its associates, the share of profits and losses is represented below the operating profit line on the statement of profit or loss and other comprehensive income. Investments in associates in the Company's separate financial statements are measured at FVOCI in accordance with IFRS 9. Where an equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not recycled from equity to profit or loss.

At each reporting date the Group determines whether there is objective evidence that the investments in associates are impaired. Objective evidence of impairment for an associate investment includes information about significant changes with an adverse effect, that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the associate investment may not be recovered. The carrying amounts of such investments are then reduced to recognise any impairment, by applying the impairment methodology in accounting policy 1.8.

1.7 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured at initial recognition at cost and are subsequently carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged on a straight-line basis over the estimated useful lives of the intangible assets which do not exceed four years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes being accounted for on a prospective basis. All intangible assets of the Group have finite useful lives. The average useful life of an intangible asset is four years.

The average amortisation rate to depreciate the intangible assets is five years as of 31 March 2026 (six years: 31 March 2025).

The carrying amount of intangible asset items is derecognised on disposal or when no future economic benefits are expected from their use or disposal.

Gains or losses arising from derecognition are determined as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are included in profit or loss when the items are derecognised.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets (other than land and buildings, deferred tax assets and investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Any impairment loss of valued assets is treated as a revaluation decrease.

1.9 Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated into South African rand at the foreign exchange rate prevailing at the date of the transaction.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the reporting period, if applicable.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been translated into South African rand at the rates ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to South African rand at foreign exchange rates ruling at the dates the fair value was determined. Foreign currency differences are recognised in profit and loss, except for FVOCI investments.

Financial statements of foreign operations

All foreign operations have been accounted for as foreign operations. Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated into South African rand at foreign exchange rates ruling at the reporting date. Income and expenses are translated at the average foreign exchange rates, provided that these rates approximate the actual rates for the year. Exchange differences arising from the translation of foreign operations are recognised in OCI. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

1.10 Investment property

Investment property is property held either to earn rental income or for capital appreciation, or both.

Measurement

Investment property is initially measured at cost, including transaction costs and directly attributable expenditure in preparing the asset for its intended use. Subsequently, all investment properties are measured at fair value. Valuation takes place annually, based on the aggregate of the net annual rental receivable from the properties, considering and analysing rentals received on similar properties in the neighbourhood, less associated costs (insurance, maintenance, repairs and management fees). A capitalisation rate which reflects the specific risks inherent in the net cash flows, is applied to the net annual rentals to arrive at the property valuations. Gains or losses arising from changes in fair value are recognised in profit or loss.

External independent valuers having appropriate, recognised professional qualifications and recent experience in the location and category of the property being valued, are used to value the portfolio. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.11 Property, plant and equipment

Measurement

All items of property, plant and equipment recognised as assets are initially measured at cost. Costs include expenditures directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other cost directly attributable to bringing the asset to a working condition for its intended use, as well as the cost of dismantling and removing the items and restoring the site on which they are located.

Except for land and buildings, all other items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are subsequently measured at fair value, less accumulated depreciation and any accumulated impairment losses. Land and buildings are revalued by external independent valuers. The portfolio is valued by valuers with appropriate recognised professional qualifications and recent experience in the relevant location and property category.

Any surplus in excess of the carrying amount is transferred to a revaluation reserve, net of deferred tax. Surpluses on revaluation are recognised in profit or loss to the extent that they reverse revaluation decreases of the same assets recognised as expenses in previous periods. Decreases in revaluation are charged directly against the revaluation reserves only to the extent that the decrease does not exceed the amount held in the revaluation reserves for that same asset; otherwise, they are recognised in profit or loss. Where parts of an item of property, plant and equipment have significantly different useful lives, they are accounted for as separate items of property, plant and equipment. Although the individual components are accounted for separately, financial statements continue to disclose a single asset.

Subsequent cost

The Group recognises the cost of replacing part of an item of property, plant and equipment in the carrying amount when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as expenses when incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis based on the estimated useful lives of the underlying assets. Depreciation is calculated on the cost less any impairment and expected residual value of the asset. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Items	Average useful life
Buildings and infrastructure	
Building structure	50 years
Elevators	10 years
Plant and machinery	
Heavy plant and machinery	10–20 years
Equipment	8–10 years
Other property, plant and equipment	
Motor vehicles	1–6 years
Office furniture and equipment	1–6 years

The residual values, useful lives and depreciation method are reassessed at each financial year-end and adjusted if appropriate.

Derecognition

The carrying amount of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal.

Gains or losses arising from derecognition are determined as the difference between the net disposal proceeds and the carrying amount of the item of property, plant and equipment and included in profit or loss when the items are derecognised. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained income.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.12 Leases

Identifying lease arrangements

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use an asset if it conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other considerations required by such an arrangement into those for the lease and those for other elements based on their relative fair values.

Subsequently, the liability is reduced as payments are made, and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate. The Group recognises a right-of-use asset and a lease liability at commencement of the lease.

Right-of-use asset

Right-of-use assets are initially measured at cost. Cost comprises the present value of the lease liability at commencement date of the lease, plus any payments already made.

Right-of-use assets are subsequently depreciated on a straight-line basis from the commencement of the lease to the end of the lease term. The average depreciation rate to depreciate the right-of-use assets is five years as of 31 March 2026 (six years: 31 March 2025).

Lease liability

Lease liabilities are initially measured at the present value of the remaining lease payments at commencement date, discounted at the incremental borrowing rate in the lease.

Measurement of the lease liability considers those fixed lease payments stipulated in the lease including annual lease increases. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.14 Inventories

Spares and consumables

Spares and consumables are valued at the lower of cost and net realisable value, using a weighted average method. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to the present location and condition.

Obsolete, redundant and slow-moving items of spares and consumable stores are identified regularly and written down to their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Raw materials, finished goods and phosphate rock

Raw materials, finished goods and phosphate rock are valued at the lower of cost of production and net realisable value.

Cost of production is calculated on a standard cost basis, which approximates the actual cost and includes the production overheads. Production overheads are allocated based on normal capacity to finished goods. The valuation of inventory held by agents or in transit includes forwarding costs, where applicable.

1.15 Provisions

Provisions are recognised when:

- The Group has a present obligation because of past events;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost. Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. Reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.15 Provisions *continued*

Decommissioning provision

The decommissioning provision includes estimated costs for the rehabilitation or restoration of any site, land or location because of prior business activity. An obligation to remediate environmental or other damage arising from the installation of an asset is recognised in full when incurred, as it results from past events.

If an obligation to restore the environment or dismantle an asset arises on the initial recognition of the asset, the cost is capitalised to the asset and amortised over the useful life of the asset. The cost of an item of property, plant and equipment includes both the initial estimate of the costs of dismantling, removing and restoring the asset at the time of installation and amounts recognised during the asset's period of use for purposes other than producing inventory. If an obligation to restore the environment or dismantle an asset arises after the initial recognition of the asset, then a provision is recognised at the time that the obligation arises.

1.16 Contingent liabilities and commitments

Contingent liabilities

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

Contingent liabilities are not recognised in the Group's statement of financial position but are disclosed in the notes.

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; or
- The amount initially recognised less cumulative amortisation.

Commitments

Items are classified as commitments where the Group has committed to future transactions. Commitments are not recognised in the Group's statement of financial position but are disclosed in the notes. ECL is determined in accordance with IFRS 9.

1.17 Taxation

Current tax assets and liabilities

The current tax for current and prior periods is recognised as a liability to the extent that it is unpaid. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) tax authorities using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- A transaction or event which is recognised, in the same or a different period, to OCI.
- A business combination.
- Current tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity or other comprehensive income, in which case the current tax is also recognised in equity or other comprehensive income.

Current tax also includes any adjustment to the tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax deductions can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax will be realised.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.17 Taxation *continued*

Deferred tax *continued*

Deferred tax is not recognised if temporary differences arise on the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting income. Deferred tax is also not recognised in respect of temporary differences relating to investments in associates, subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future and the timing of the reversal of the temporary difference is controlled.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity or OCI, in which case the deferred tax is also recognised in equity or OCI.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets. They relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

1.18 Revenue

Revenue not from contracts with customers comprises dividends and interest income.

Revenue from contracts with customers comprises sales to customers and fee income. To determine whether to recognise revenue with contracts with customers, IDC follows a five-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when performance obligation(s) are satisfied.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income; and
- interest expense.

Sales to customers

IDC Group revenue from sale of goods comprises vast categories of products, such as phosphate rocks and acids, grinding media balls, cast steel products and others, due to the different industries the subsidiaries operate in. Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of such goods. The IDC enters these contracts with customers as the principal and applies the five steps identified by IFRS 15 to identify the revenue to be recognised (stated above) for each contract.

Dividends

Dividend income is recognised when the right to receive payment is established on the ex-dividend date for equity instruments and is included in dividend income.

Interest

Interest income is recognised in profit or loss using the effective interest method, taking into account the contractual expected timing and amount of cash flows.

Fees

The IDC earns fees and commissions from a range of services it provides to clients, which are accounted for as follows:

- Income earned from the provision of services is recognised as the service is rendered (i.e. over time) by reference to the stage of completion of the service, measured using an output method.
- Fees charged for servicing a loan are recognised in revenue as the service is provided.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.18 Revenue *continued*

Mining Division revenue

Revenue source	Performance obligations	Recognition	Measurement and terms of sale	Critical estimates and judgments applied
Sales of phosphate, rock and magnetite	Sale of phosphate, rock and magnetite products per metric tonne sold to local and export customers. Local customers include all customers within the borders of South Africa, while export includes all customers outside of South Africa	Recognised at the point of transfer of control which is generally at the point of loading at Foskor's mine for local sales and at loading point for export shipments	Measured at the price per tonne as per Foskor's standard selling price, less any discounts or rebates for which the customer qualifies. Payment terms are generally 30–60 days	Management have assessed the point of transfer of control based on their understanding of the critical terms and conditions of sale, this assessment has concluded that control is transferred at the Foskor mine or loading points at harbours in Maputo and Richards Bay. This is due to management being of the view that at this point the customer has obtained physical possession of the product and accepted the risks and rewards associated with them. The estimated potential rebate/discount amount is only refunded to customers on a periodic basis. Management have estimated the potential effects of these arrangements and constrained revenue accordingly

Acid Division revenue

Revenue source	Performance obligations	Recognition	Measurement and terms of sale	Critical estimates and judgments applied
Sale of granular fertiliser	Sale of granulation fertiliser products per metric tonne sold to local and export customers. Local customers include all customers within the borders of South Africa, while export includes all customers outside of South Africa	Recognised at the point of transfer of control which is generally at the point of loading at Foskor's acid plant for local sales and at Richards Bay harbour loading point for export shipments	Measured at the price per tonne as per Foskor's standard selling price, less any discounts or rebates for which the customer qualifies. Payment terms are generally 30–60 days	Management have assessed the point of transfer of control based on their understanding of the critical terms and conditions of sale; this assessment has concluded that control is transferred at the Foskor acid plant or loading point at harbour in Richards Bay. This is due to management being of the view that at this point the customer has obtained physical possession of the product and accepted the risks and rewards associated therewith. The estimated potential rebate/discount amount is only refunded to customers on a periodic basis. Management have estimated the potential effects of these arrangements and constrained revenue accordingly

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.18 Revenue *continued*

Acid Division revenue

Revenue source	Performance obligations	Recognition	Measurement and terms of sale	Critical estimates and judgments applied
Phosphoric and sulphuric acid sales	The manufacture and supply of phosphoric acid and sulphuric acid products per metric tonne for local and export customers. Local customers include all customers within the borders of South Africa, while export includes all customers outside of South Africa	Recognised at the point of transfer of control which is generally at the point of loading at Foskor's acid plant for local sales and at Richards Bay harbour loading point for export shipments	Measured at the price per tonne as per Foskor's standard selling price, less any discounts or rebates for which the customer qualifies. Payment terms are generally 30–60 days	Management have assessed the point of transfer of control based on their understanding of the critical terms and conditions of sale; this assessment has concluded that control is transferred at the Foskor acid plant or loading point at harbour in Richards Bay. This is due to management being of the view that at this point the customer has obtained physical possession of the product and accepted the risks and rewards associated with them. The estimated potential rebate/discount amount is only refunded to customers on a periodic basis
Sulphur, ammonia and gypsum sales	The manufacture and supply of sulphur, ammonia and gypsum products per metric tonne for sale to customers	Recognised at the point of transfer of control which is generally at the point of loading for local sales and at Richards Bay harbour loading point for export shipments	Measured at the price per tonne as per Foskor's standard selling price, less any discounts or rebates for which the customer qualifies. Payment terms are generally 30–60 days	Management have estimated the potential effects of these arrangements and constrained revenue accordingly

Other income

Revenue source	Performance obligations	Recognition	Measurement and terms of sale	Critical estimates and judgments applied
Sundry/other revenue	Other revenue is income earned from customers within South Africa and customers outside South Africa	Recognised when the right to receive payment is established	Measured at the agreed price and payment terms are generally 30–60 days	Management have assessed the manner of service and agreed price based on the understanding of the terms and conditions of service rendered
Royalties	Royalties are earned in accordance with substance of agreement	Recognised on an accrual basis in accordance with the substance of the relevant agreements	Measured at the agreed performance declaration and payment terms are generally 30–60 days	Management have assessed the manner in which royalties are declared based on the understanding of the terms and conditions of the agreement

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.19 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred, except to the extent that they are capitalised when directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to prepare for their intended use or sale.

Capitalisation of borrowing costs continues up to the date on which the assets are complete. All other borrowing costs are expensed in the period in which they are incurred.

1.20 Employee benefits

Post-retirement medical benefits

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using the projected unit of credit method. Valuations of these obligations are carried out annually by independent qualified actuaries.

Defined contribution plans

The majority of the Group's employees are members of defined contribution plans and contributions to these plans are recognised in profit or loss in the year they relate to. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and under which the Group will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and previous periods.

The Group operates a defined benefit plan, the assets of which are held in separate trustee-administered funds. The schemes are generally funded through payments to insurance companies or trustee-administered funds as determined by periodic actuarial valuations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service and compensation.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments and the effects of changes in actuarial assumptions to the defined benefit plans are recognised fully in OCI. Past service costs are recognised immediately in profit or loss when they occur.

Defined benefit plans

Group has a present obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

1.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the executive committee (Exco) to make decisions about resources allocated to each segment and assess its performance, and for which discreet financial information is available.

The IDC group is split into reportable and geographical segments. The IDC Group has four reportable segments consisting of:

- IDC
- Konoil, Findevco and Impofin
- Foskor
- Other reporting segments.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.21 Segment reporting *continued*

IFRS 8 allows a company to aggregate two or more operating segments into a single operating segment if aggregation is consistent with the core principle of IFRS, the segments have similar economic characteristics and the segments are similar in each of the following respects:

- The nature of the production and services;
- The nature of the production process;
- The type or class of customers for their products and services;
- The methods used to distribute their products or provide their services; and
- If applicable, the nature of the regulatory environment, for example banking, insurance or public entities.

Konoil, Findevco and Impofin are within the financial sector industry and as such it is appropriate to group them together.

1.22 Non-current assets held for sale

Non-current assets held for sale

Non-current assets and disposal Groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than continuing use. This classification is only met if the sale is highly probable, and the assets are available for immediate sale.

Measurement

Immediately before classification as held-for-sale, the measurement of the assets (and all assets and liabilities in a disposal Group) is brought up to date in accordance with the applicable IFRS® Accounting Standards. Then, on initial classification as held-for-sale, the non-current assets and disposal Groups are recognised at the lower of carrying amount and fair value less costs to sell. Any impairment loss on a disposal Group is first allocated to goodwill (if applicable) and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held-for-sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent measurement.

Reclassification

The non-current assets held-for-sale are reclassified immediately when there is a change in intention to sell. At that date, it will be measured at the lower of its carrying value before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held-for-sale and its recoverable amount at the date of the subsequent decision not to sell.

1.23 Related parties

The IDC operates in an economic environment together with other entities directly or indirectly owned by the South African government.

IDC's shareholder is the government of South Africa through the Department of Trade, Industry and Competition (**the dtic**). The entity is classified as a schedule 2 public entity in terms of PFMA. The IDC is part of the national sphere of government and its related parties in that sphere include national departments and public entities.

Related parties include subsidiaries, associates and joint ventures of the Group. It also includes key management personnel and close family members of these related parties. Key management personnel include the group's Board of Directors and Exco.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of executive management up to the Board of Directors are regarded as key management per the definition of the standard. Close family members of key management personnel are those family members who may be expected to influence or be influenced by key management individuals in their dealings with the entity.

Other related party transactions are also disclosed in terms of the requirements of IAS 24.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.24 Share-based payments

A Group company, Foskor, operates an equity-settled share-based plan.

The equity settled plan was entered into with strategic business partners (SBPs) and special black groups (SBGs), under which Foskor will receive services (black economic empowerment (BEE) credentials) as consideration for its own equity instruments. The equity-settled share-based payments vest immediately; the reserve was recognised in equity at grant date.

The fair value of the services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions; and
- Including the impact of any non-vesting conditions.

The services received by the Group company are recognised as they are received, and the liability is measured at fair value. The fair value of the liability is remeasured at each reporting date and at the date of settlement. Any changes in the fair value are recognised in profit or loss for the period.

1.25 Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider when pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability, nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument, but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Property, plant and equipment

The fair value of land and buildings is the estimated amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment property

The valuation methods and assumptions used to determine the fair value of investment properties are as follows:

Capitalisation method

The value of the property reflects the present value of the sum of the future benefits which an owner may expect to derive from the property. These benefits are expressed in monetary terms and are based upon the estimated rentals for the property in an orderly transaction between market participants. The usual property outgoings are deducted to achieve a net rental, which is then capitalised at a rate an investor, would require receiving the income.

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.25 Determination of fair values *continued*

Investment property *continued*

Comparative method

The method involves identifying comparable properties sold in the area or in a comparable location within a reasonable time. The selected comparable properties are analysed and compared with the subject property. Adjustments are then made to their values to reflect any differences that may exist. This method assumes that a purchaser will pay an amount equal to what others have paid or are willing to pay.

Residual land valuation method

This method determines the residual value which is the result of the present value of expected inflows less all outflows (including income tax) less the developer's required profits. This is the maximum amount that the developer can afford to pay for the real estate. This residual value is, in theory, also the market value of the land.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

1.26 Use of estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Income taxes

Significant judgment is required to determine the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to make assumptions that are mainly based on market conditions existing at each reporting date.

Listed equities are valued based on their listed value (fair value) at the end of the financial year.

Unlisted equities are valued based on various valuation methods, including free cash flow (FCF), price earnings (PE) and net asset value (NAV) bases.

Judgments and assumptions in the valuations and impairments include determining the:

- FCF of investees
- Replacement values
- Discount or premium applied to the IDC's stake in investees
- Sector/subsector betas
- Debt weighting – this is the target interest bearing debt level
- Realisable value of assets
- Probabilities of failure in using the NAV-model.

Loans with no repayment terms

Certain shareholder loans have no explicit repayment terms. Management has concluded that such loans should be subsequently measured at amortised cost as the contractual cashflows are not equity like, leveraged, or performance linked returns. The classification of debt financial assets is based on the nature of contractual cash flows rather than the existence of maturity dates. Shareholder loans meet the definition of SPPI under IFRS 9 and are thus classified at amortised cost

MATERIAL **ACCOUNTING POLICIES** CONTINUED

1. Material accounting policies *continued*

1.26 Use of estimates and judgments *continued*

Post-employment obligations

Significant judgment and actuarial assumptions are required to determine the fair value of post-employment obligations. More details on these actuarial assumptions are provided in the notes to the financial statements.

Environmental rehabilitation liability

In determining the environmental rehabilitation liability, an inflation rate of 5.05% (2024: 7.25%) was assumed to increase the rehabilitation liability for the next 10 years, and a rate of 11.49% (2024: 13.11%) was used to discount that amount to the present value. The assumed discount rate of 11.49% (2024: 10.82%) is a risk-free rate.

Fair value of share-based payments

The valuation technique applied to determine the simulated company value is part of the Black Scholes Option Pricing methodology. The market conditions relating to the growth in the market value of the Foskor shares were considered in estimating the fair value of the equity instruments granted. The key assumptions used in the calculation are included in Note 26 of these financial statements.

Impairment of non-financial assets

The Group follows the guidance of IAS 36, Impairment of Assets, to determine when an asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates the impairment indicators that could exist at year end, such as significant decreases in the selling prices of finished goods, significant decreases in sales volumes and changes in the international export regulatory environment. Foskor, one of the Group's material components, uses significant judgment in determining the value-in-use of their CGU. More information on the inputs and judgments can be found in Note 4: Property, plant and equipment.

Transfer of function

The transfer of function does not fall within the scope of IFRS; therefore, management used judgment to formulate the accounting treatment of these transactions. At the time of transfer, all assets and liabilities were deemed to be of the same quality and value to the receiving entity as they were to the transferring entity. Both entities applied similar Group accounting policies (i.e. book value method); therefore, the values of the assets and liabilities would be similar.

Expected credit losses

The determination of ECL's involves forward-looking information which involves areas of significant judgment. Refer to Note 2 for more information on the key inputs and factors used to determine ECL.

1.27 Transfer of functions

Transfers between entities under common control

Recognition

The receiving entity recognises the assets and liabilities acquired through a transfer of functions on the effective date of the transfer. All income and expenses related to the functions transferred are also recognised from the effective date of the transfer. The recognition of these income and expenses is governed by the accounting policies related to those specific income and expenses; accordingly, this policy does not provide further guidance thereon.

Measurement

Assets and liabilities acquired by the receiving entity through a transfer of functions are measured at initial recognition at the carrying value at which they were transferred. The difference between the carrying values of the transferred assets and liabilities and any consideration paid for the transferred assets and liabilities is recognised in equity. The carrying value at which assets and liabilities are initially recognised is deemed as the cost. These financial assets and liabilities are subsequently measured based on their applicable accounting policies. Accordingly, this accounting policy does not provide additional guidance on the subsequent measurement of transferred assets and liabilities.

Derecognition

The transferring entity derecognises the assets and liabilities on the effective date of the transfer. The resulting difference between the carrying value of the transferred assets and liabilities and any consideration received for the transferred assets and liabilities is recognised in equity.

NOTES TO **THE FINANCIAL STATEMENTS**

1. Financial assets and liabilities

The table below sets out the Group's classification of each class of financial assets and liabilities.

	Group – 2026			
Figures in R'm	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	13 720	13 720
Short dated investments	–	–	–	–
Derivative assets	5	–	–	5
Trade and other receivables	–	–	2 647	2 647
Loans and advances[2]	2 360	–	45 910	48 270
Loans and advances on behalf of third parties			2 394	2 394
Investment securities – listed equities	–	44 339	–	44 339
Investment securities – unlisted equities	–	6 271	–	6 271
Investments in associates[3]	–	–	19 758	19 758
Total financial assets	**2 365**	**50 610**	**84 429**	**137 404**
Financial liabilities				
Bank overdrafts	–	–	(234)	(234)
Balances of third parties	–	–	(11 827)	(11 827)
Derivative liabilities	(6)	–	–	(6)
Trade and other payables	–	–	(2 544)	(2 544)
Lease liabilities	–	–	(106)	(106)
Borrowings[4]	–	–	(31 181)	(31 181)
Financial guarantees	–	–	(166)	(166)
Total financial liabilities	**(6)**	**–**	**(46 058)**	**(46 064)**

	Group – 2025			
Figures in R'm	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	15 243	15 243
Short dated investments	–	–	559	559
Derivative assets	1	–	–	1
Trade and other receivables	–	–	2 765	2 765
Loans and advances[2]	2 684	–	40 862	43 546
Loans and advances on behalf of third parties[1]	–	–	2 267	2 267
Investment securities – listed equities	–	28 236	–	28 236
Investment securities – unlisted equities	–	8 999	–	8 999
Investments in associates[1,3]	–	–	22 916	22 916
Total financial assets	**2 685**	**37 235**	**84 612**	**124 532**
Financial liabilities				
Bank overdrafts	–	–	(169)	(169)
Balances of third parties[1]	–	–	(9 861)	(9 861)
Derivative liabilities	(7)	–	–	(7)
Trade and other payables	–	–	(2 576)	(2 576)
Borrowings[4]	–	–	(31 066)	(31 066)
Total financial liabilities	**(7)**	**–**	**(43 672)**	**(43 679)**

[1] *Restated refer to Note 36.*

[2] *The fair value of loans and advances measured at amortised cost that is shown for disclosure purposes was calculated using the discounted cash flow method. The fair value of loans and advances as well as preference shares is obtained by reducing from the exposure, the probability-weighted difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the risk-free rate (8.4%) adjusted by operational expenses and profit margin. The fair value for company as at 31 March 2026 was R48.9 billion (31 March 2025: R43.0 billion) and for Group as at 31 March 2026 was R43.8 billion (31 March 2025: R41.1 billion). The valuation technique used is classified as level 3 in terms of the fair value hierarchy to determine fair value.*

[3] *The investment in associates at Group level are measured using equity accounting method. The valuation technique used is classified as level 3 in terms of the fair value hierarchy to determine fair value.*

[4] *Borrowings principally comprise variable-rate liabilities. The carrying amounts of these borrowings approximate their fair values, as the instruments are repriced to current market rates at frequent intervals. The Group also has fixed-rate borrowings, the carrying amounts of which approximate fair value, except for the loan from the Unemployment Insurance Fund (UIF). Due to its below-market fixed interest rate of 2.7%, the UIF loan does not approximate fair value. The fair value of this loan was determined using a discounted cash flow method, applying discount rates ranging from 9.84% to 10.29%, derived from the swap curve and a credit spread based on a comparable listed IDC bond, and amounted to R1.8 billion as at 31 March 2026. The valuation technique applied is classified within Level 2 of the fair value hierarchy, as it is based on observable market inputs.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

1. Financial assets and liabilities *continued*

	Company – 2026			
Figures in R'm	**FVTPL**	**FVOCI**	**Amortised cost**	**Total**
Financial assets				
Cash and cash equivalents	–	–	13 159	13 159
Short dated investments	–	–	–	–
Trade and other receivables	–	–	1 243	1 243
Loans and advances[2]	2 360	–	50 739	53 099
Loans and advances on behalf of third parties	–	–	2 394	2 394
Investment securities – listed equities	–	32 289	–	32 289
Investment securities – unlisted equities	–	5 679	–	5 679
Investment in subsidiaries	–	28 442	–	28 442
Investments in associates	–	23 029	–	23 029
Total financial assets	**2 360**	**89 439**	**67 535**	**159 334**
Financial liabilities				
Balances of third parties[1]	–	–	(11 827)	(11 827)
Trade and other payables	–	–	(408)	(408)
Lease liabilities	–	–	(278)	(278)
Borrowings[4]	–	–	(46 781)	(46 781)
Financial guarantees	–	–	(216)	(216)
Total financial liabilities	**–**	**–**	**(59 510)**	**(59 510)**

	Company – 2025			
Figures in R'm	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	15 064	15 064
Short dated investments	–	–	559	559
Trade and other receivables	–	–	494	494
Loans and advances[2]	2 695	–	45 843	48 538
Loans and advances on behalf of third parties[1]	–	–	2 267	2 267
Investment securities – listed equities	–	27 577	–	27 577
Investment securities – unlisted equities	–	4 530	–	4 530
Investment in subsidiaries	–	22 447	–	22 447
Investments in associates	–	25 956	–	25 956
Total financial assets	**2 695**	**80 510**	**64 227**	**147 432**
Financial liabilities				
Balances of third parties[1]	–	–	(9 861)	(9 861)
Trade and other payables	–	–	(595)	(595)
Borrowings[4]	–	–	(46 733)	(46 733)
Total financial liabilities	**–**	**–**	**(57 189)**	**(57 189)**

[1] *Restated refer to Note 36.*

[2] *The fair value of loans and advances measured at amortised cost that is shown for disclosure purposes was calculated using the discounted cash flow method. The fair value of loans and advances as well as preference shares is obtained by reducing from the exposure, the probability-weighted difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the risk-free rate (8.4%) adjusted by operational expenses and profit margin. The fair value for company as at 31 March 2026 was R48.9 billion (31 March 2025: R43.0 billion) and for Group as at 31 March 2026 was R43.8 billion (31 March 2025: R41.1 billion). The valuation technique used is classified as level 3 in terms of the fair value hierarchy to determine fair value.*

[3] *The investment in associates at Group level are measured using equity accounting method. The valuation technique used is classified as level 3 in terms of the fair value hierarchy to determine fair value.*

[4] *Borrowings principally comprise variable-rate liabilities. The carrying amounts of these borrowings approximate their fair values, as the instruments are repriced to current market rates at frequent intervals. The Group also has fixed-rate borrowings, the carrying amounts of which approximate fair value, except for the loan from the UIF. Due to its below-market fixed interest rate of 2.7%, the UIF loan does not approximate fair value. The fair value of this loan was determined using a discounted cash flow method, applying discount rates ranging from 9.84% to 10.29%, derived from the swap curve and a credit spread based on a comparable listed IDC bond, and amounted to R1.8 billion as at 31 March 2026. The valuation technique applied is classified within Level 2 of the fair value hierarchy, as it is based on observable market inputs.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management

This risk category relates to potential losses that may arise from its financing and investment activities. Financial risk includes credit and settlement risk arising from counterparty default, market risk related to volatility in interest rates, exchange rates, commodity and equity prices, liquidity/funding risk related to the cost of maintaining various financial positions. It also includes financial compliance risk.

Other financial risks faced by the Corporation include concentration risk, which arises from excessive exposure to particular economic sectors, geographic regions or counterparties, as well as the risk of overdependence on income from a limited number of counterparties or financial products.

Risk management plan

Risk management is a core function of the Corporation that ensures risk management policies, processes, procedures and practices are implemented and adhered to across all levels of business activity. The Corporation remains committed to continuously enhancing its governance and risk management capability, including improvements in risk identification, assessment, monitoring and optimisation. To support this commitment, a risk management plan detailing the proposed activities, priorities and enhancements to IDC's enterprise risk management (ERM) activities is prepared on an annual basis.

Risk appetite statement

The risk appetite statement articulates the Corporation's stance on risk and its overarching commitment to sound risk management. It is a qualitative statement about level and types of risk the Corporation is willing to accept in pursuit of its mandate. The risk appetite statement is informed by, inter alia, the Corporation's risk profile, risk appetite thresholds, risk tolerance levels, sustainability and development objectives.

Financial: Credit risk

This refers to the risk that a counterparty to a financial transaction will fail to meet its obligations in accordance with the contractual terms and conditions, thereby causing the asset holder to suffer a financial loss. Credit risk at the IDC encompasses the potential loss on loans, advances, guarantees, quasi-equity and equity investments due to counterparty default. Credit risk arises because of the Corporation's lending and investment activities.

Approach to managing credit risk

The IDC endeavours to maintain its credit risk exposure within acceptable parameters, by managing both the overall portfolio risk as well as the risk associated with individual clients or transactions. Effective management of credit risk is a critical component of a broader risk management framework and is essential to ensuring the long-term sustainability of the Corporation. Credit risk is the dominant risk within IDC as the provision of loans, advances, quasi equity, equity investments and guarantees forms the core of its business activities.

Managing credit concentration risk

Credit concentration risk can arise in a financial organisation's assets, liabilities or off-balance sheet exposures, through the execution or processing of transactions (either product or service), or from a combination of exposures across these broad categories.

Investment or credit concentrations represent large groups of exposures that are sensitive to the same underlying stresses. These stresses include:

- Sensitivity to a certain industry or economic factors, where exposures respond similarly to shifts in sector conditions or macroeconomic factors;
- Sensitivity to geographical factors, arising from exposures concentrated in a single country or region of interlinked countries; and/or
- Sensitivity to the performance of a single obligor or a related group of companies (counterparty).

The potential for loss reflects the size of the position and the extent of loss given a particular adverse circumstance. The IDC can be exposed to various forms of credit risk concentration which, if not properly managed, may cause significant losses that could threaten its financial health. Accordingly, the IDC considers the management (including measurement and control) of its credit concentrations to be of vital importance. The importance of managing credit concentration risk is well recognised in the Basel Accords, which emphasises the need for prudent oversight and management of concentration risks as a core component of effective credit risk management. However, despite its recognised importance, there is no generally accepted approach or methodology for dealing with the measurement of concentration.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Managing credit concentration risk *continued*

The IDC has established methodologies for the management of the credit concentrations it is exposed to and has established risk concentration limits, thresholds and policies for:

- Exposure to a single obligor;
- Exposure to a group of related parties (group counterparty);
- Exposure to geographical location outside of South Africa; and
- Exposure to specific industries.

The concentration limits and thresholds are reviewed on a regular basis. The status of the IDC's credit and investment book, including credit concentration risk, is reported to IDC executive management.

The Group measures ECLs predominantly on a collective basis, by segmenting financial assets into homogeneous portfolios that share similar credit risk characteristics, in line with IFRS 9 requirements. All key credit risk input parameters are derived using risk group-based segmentation which reflect ways credit risk is managed and monitored.

The final ECL allowance is calculated at an individual contract level.

Exposures are grouped using a combination of the following credit risk characteristics:

- Arrears status;
- Business partner (BP) risk characteristics (i.e. exposure size and risk rating);
- Instrument type (i.e. general loans, trade finance, export finance, guarantees, bullet repayment facilities, preference shares);
- Contractual and repayment structure;
- Collateral characteristics; and
- Behavioural characteristics.

Macroeconomic sensitivity, with exposures segmented to reflect differing responses to economic conditions. These groupings are reviewed periodically to ensure continued homogeneity and to reflect changes in portfolio composition or underlying risk drivers.

Single obligor and group counterparty limits

The Basel principles for the management of credit risk indicate that an important element of credit risk management is the establishment of exposure limits on a single obligor and group counterparty basis. In determining the recommended limits for the IDC, consideration is given to the Corporation's strategic objectives while ensuring the protection of its financial position and long-term profitability. A single obligor is defined as a single IDC client whereas a group counterparty refers to an 'economic group' of related entities, meeting the following criteria:

- Shareholding of more than 50%; and/or
- Management control; and/or
- Revenue or expense reliance of 51% or more; and/or
- Provision of security for 51% or more of the IDC's exposure.

These definitions support the IDC's ability to identify and manage potential concentration risks, ensuring that exposures to individual clients or related groups remain within prudent and sustainable limits.

Africa portfolio and regional limits and country thresholds

Country risk refers to risk(s) associated with investing or lending in a country, arising from possible changes in the business environment that may adversely affect operating profits or the value of assets in the host country. These risks include political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, and the risks an investment's returns could suffer as a result of these above-mentioned risks. The focus of the IDC's activities in the rest of the African continent is determined by its mandate and is managed through the Corporation's investment criteria and regional investment limits.

Country limits enable effective risk management of country concentration risk. The IDC's objectives are to contribute to the economic integration and industrial development in the Southern African Development Community (SADC) and the rest of Africa. The IDC views Africa in terms of South Africa, the SADC region and the rest of Africa. The IDC strives to achieve its mandate in the SADC region as well as the rest of Africa by focusing on being a catalyst for sustainable economic growth.

Given the importance of the IDC's mandate and its objectives, in conjunction with the consistent improvement of the African economic landscape, both in performance and risk profile, portfolio and regional limits, including country limits are reviewed regularly to support and enhance the developmental objectives of the IDC. Should approval of a transaction result in breach of this limit explicit approval is required from the Board Investment Committee (BIC).

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Risk appetite and risk tolerance

One of the key practices in risk management is the determination and quantification of an organisation's risk appetite based on what is of strategic importance. The IDC undertakes an annual review of its risk appetite and continuously seeks to enhance the methodology and underlying processes to ensure that it remains relevant to the Corporation and its strategic intent.

The setting of an effective risk appetite framework is considered one of the key building blocks to establishing a sound ERMF. Risk appetite is defined as the amount and type of risk that an organisation is willing to accept. The determination of risk appetite plays an important role in an organisation's enterprise-wide risk management processes/framework, guiding decision-making and portfolio management. It is also considered by the IDC to be best practice assisting the Corporation in achieving its strategic objectives while maintaining a sound platform for future viability and continued growth.

Defining risk appetite enables the IDC to:

- Strengthen and embed a risk culture across the organisation, supporting consistent decision-making aligned to the Corporation's mandate;
- Make better informed business decisions;
- Focus on those risks that exceed the defined appetite for risk; and
- Strike an appropriate balance between taking on risk and exercising prudence, ensuring that developmental impact is achieved without compromising financial sustainability.

The IDC's risk appetite is linked and aligned to its mandate and business objectives and is an agreement between the Corporation's strategic goals and the level of related risk it is willing to assume in pursuing those goals.

Risk tolerance is considered an integral part of the process and indicates an organisation's readiness to bear the risk after mitigation, in the pursuit of its strategic objectives. The setting of risk appetite and tolerance levels aids operational decision-making and strategic planning and provides management with the information to determine whether the risk profiles of current and potential activities are either financially acceptable or require additional risk mitigation. Hence, it helps management to allocate resources to the most significant risks. The amortised cost best represents the maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements.

Concentration by location of financial assets:

	Loans and advances						Investment securities	
	Group – 2026			Group– 2025			Group – 2026	Group – 2025
Figures in R'm	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
South Africa	57 052	(13 621)	43 431	55 406	(17 601)	37 805	46 347	33 333
SADC	3 988	(884)	3 104	3 962	(1 350)	2 612	1 702	1 794
Rest of Africa	2 427	(692)	1 735	3 674	(545)	3 129	365	–
Outside Africa	–	–	–	–	–	–	2 196	2 108
	63 467	**(15 197)**	**48 270**	**63 042**	**(19 496)**	**43 546**	**50 610**	**37 235**

	Loans and advances						Investment securities	
	Company – 2026			Company – 2025			Company – 2026	Company – 2025
Figures in R'm	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
South Africa	63 885	(15 705)	48 180	61 356	(18 391)	42 965	33 704	28 425
SADC	4 038	(884)	3 154	3 871	(1 349)	2 522	1 702	1 693
Rest of Africa	2 457	(692)	1 765	3 596	(545)	3 051	366	–
Outside Africa	–	–	–	–	–	–	2 196	1 989
	70 380	**(17 281)**	**53 099**	**68 823**	**(20 285)**	**48 538**	**37 968**	**32 107**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Industry limits

Managing industry concentration remains a key strategic priority. Concentration risk in the context of industries generally results from an uneven distribution of an institution's exposure to specific industries which can generate losses large enough to compromise its solvency or profitability. Concentrations of credit exposures in industries can pose risks to the earnings and capital of any financial institution in the form of unexpected losses. One of the risk management techniques to manage industry concentration risk entails the establishment of concentration limits and the monitoring thereof.

The monitoring and limiting of the concentration of exposures in a specific industry is necessary to reduce the risk of exposure to a significant downturn in a particular industry timeously, and thus to be able to avoid losses, as far as possible, by implementing counter measures (e.g. withdrawing from, reducing or hedging certain exposures). Experience has shown that the risks detected early can be mitigated more effectively.

Managing and monitoring such concentrations to limit downside risk is therefore an integral part of an effective risk management process. To avoid undue losses due to associated exposures, the IDC strives to identify potential common risk factors and minimise its aggregate exposure to these risk factors.

The purpose of setting industry limits is for the IDC to attempt to diversify its portfolio and to identify its portfolio concentrations based on exposures to industries and concentrations of exposures that could become closely related, especially during periods of stress or crisis. This provides an important mechanism to protect the long-term financial sustainability of the IDC. The key challenge to establishing an industry limit methodology is to ensure that it is effective in protecting the institution from credit events and is practical in its enforcement without restricting credit and investment activities. The establishment of industry limits is aligned with the overall strategy of the IDC (including its risk appetite).

Concentration by industry of financial assets:

	Loans and advances						Investment securities	
	Group – 2026			Group– 2025			**Group – 2026**	**Group – 2025**
Figures in R'm	**Gross carrying amount**	**ECL**	**Amortised cost**	Gross carrying amount	ECL	Amortised cost	**Fair value**	Fair value
Agriculture and food	6 370	(1 681)	4 689	5 614	(1 251)	4 363	–	10
Chemicals and petroleum	5 006	(1 556)	3 450	3 249	(1 967)	1 282	12 585	3 497
Finance and insurance	721	(46)	675	879	(25)	854	721	–
Metals and machinery	10 866	(2 740)	8 126	14 483	(4 862)	9 621	16 611	13 394
Mining	16 348	(5 688)	10 660	16 687	(6 167)	10 520	17 021	16 785
Other manufacturing	1 944	(688)	1 256	2 352	(1 027)	1 325	151	61
Other services	2 476	(780)	1 696	2 435	(920)	1 515	2 978	2 923
Trade, catering and accommodation	3 922	(1 143)	2 779	3 881	(1 126)	2 755	250	268
Transport, communication and utilities	15 814	(875)	14 939	13 462	(2 151)	11 311	293	298
	63 467	**(15 197)**	**48 270**	**63 042**	**(19 496)**	**43 546**	**50 610**	**37 235**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Industry limits *continued*

	Loans and advances						Investment securities	
	Company – 2026			Company – 2025			**Company – 2026**	**Company – 2025**
Figures in R'm	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	**Fair value**	Fair value
Agriculture and food	6 450	(1 681)	4 769	5 485	(1 249)	4 236	–	9
Chemicals and petroleum	9 180	(2 594)	6 586	8 528	(2 166)	6 362	328	268
Finance and insurance	730	(46)	684	982	(31)	952	335	–
Metals and machinery	11 499	(2 892)	8 607	14 722	(4 888)	9 834	16 612	12 639
Mining	16 554	(5 688)	10 866	16 313	(6 160)	10 152	17 021	15 842
Other manufacturing	3 327	(1 573)	1 754	3 329	(1 598)	1 732	151	57
Other services	2 507	(780)	1 727	2 386	(919)	1 468	2 978	2 759
Trade, catering and accommodation	4 061	(1 152)	2 909	3 869	(1 125)	2 744	250	252
Transport, communication and utilities	16 072	(875)	15 197	13 209	(2 149)	11 060	293	281
	70 380	**(17 281)**	**53 099**	**68 823**	**(20 285)**	**48 538**	**37 968**	**32 107**

Internal rating model and pricing

The evolving banking regulatory requirements and increased focus by international and local DFIs to incorporate Basel principles in risk management makes it increasingly important for the IDC to regularly measure credit risk and ensure that risk costs are transparent and appropriately accounted for. Our rating and pricing models are Basel compliant, and the Corporation ensures they are reviewed, validated and enhanced on a regular basis.

The IDC applies differentiated risk rating models and pricing methodologies tailored for the SME/middle market (MM), project finance and financial institutions (FI) counterparties. The IDC manages and assesses credit risk exposures within its approved risk appetite and in terms of internally developed risk tendency. Risk tendency is the measurement of the quality of a counterparty based on the PD, which is translated into an internal IDC Risk Grade (IRG). The scale was developed to distinguish differences in the default risk across the credit scale. The IRG is a key input into the Pricing and IFRS 9 ECL models used to determine ECL. The IDC rating model is calibrated to reflect the Corporation's risk appetite and is subject to ongoing validation, back-testing and refinement based on historical portfolio performance and observed default experience. The master-scale is comparable and has been approximately benchmarked to rating agencies as well as similar financial institutions.

The IDC Risk Rating and Pricing models offer among others, the following key value-added features:

- Calculation of an expected loss (EL), where EL = (PD*EAD*LGD), which is included as a risk margin in the price of a facility based on the client's riskiness;
- Customised qualitative factors based on consultation with industry specialists in the business units to reflect specific IDC industry focus, when rating a client;
- Objectively determine the credit quality of individual clients as well as the portfolio; and
- Quantification of the development score impact into a ZAR amount.

The key objectives of internal rating methodologies and related rating models are:

- To assess the overall credit or investment risk on a quantitative and objective basis;
- To objectively determine the credit quality of individual clients as well as the portfolio;
- To aid in portfolio analysis;
- To allow migration analysis of individual clients as well as the portfolio; and
- To assist in identifying which clients are due for review.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Internal rating model and pricing *continued*

The IDC loan book is reviewed on a regular basis by the Investment Monitoring Committee (IMC), which monitors and manages the quality and arrears on a proactive basis. IFRS 9 requires an assessment to be performed of the credit risk of a financial asset at the valuation date, compared to the credit risk as at inception to determine whether a SICR has occurred. As such, all financial assets that meet SPPI are assessed for SICR at each reporting period. The SICR assessment is done at business partner level.

A business partner is considered to have experienced a SICR and will transition to stage 2 when:

- Amounts past due (arrears), exceed 30 days (rebuttable presumption); and
- The BP is on the IDC's watch list and is:
  - categorised as a 'high' risk; or
  - a deterioration in PD has occurred.

The SICR assessment is done at BP level with reference to the stages described in accounting policy 1.4.3. The rebuttable presumption has not been rebutted in either of the reporting periods. A financial asset is considered in default when the amount in arrears for more than 90 days.

BPs may transition from stage 3 to stage 2 if there are indications that the BP has cured, provided the predetermined cure rules are met:

- The cure period for exposures below R100 million is six months;
- A 12-month cure period applies to exposures exceeding R100 million and to clients in business advisory, turnaround and business rescue, and insolvency.

Watch list

As part of the watch list identification process, early warning signals are used to identify events or situations that could potentially lead to a deterioration in the credit risk of a BP. It is important that early warning signals be disclosed and that an appropriate intervention plan is implemented to mitigate the deterioration in credit risk.

The following categories of qualitative factors are considered in determining the watchlist risk category:

- Business risk – those operational risks that expose a client to factors that will lead to lower profits and/or failure.
- Financial risk – those risks that would prevent a client from being able to meet debt obligations, similar to credit risk.
- Economic risk – those macroeconomic risks that are outside of the client's control.
- Legal/environmental risk – risks arising from non-compliance with the regulatory and environmental framework that may potentially impact business operations.
- Other material breaches – risks that were not identified in the preceding four risk categories.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Watch list *continued*

Credit quality of loan commitments

The tables below show the ECL and staging of the Group and Company's loan commitments:

Group

Figures in R'm	Stage 1 12 months ECL IRG1 – IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1 – IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1 – IRG24	Total
31 March 2026	150	271	231	652
31 March 2025	78	229	316	623

Company

Figures in R'm	Stage 1 12 months ECL IRG1 – IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1 – IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1 – IRG24	Total
31 March 2026	150	364	231	745
31 March 2025	83	229	316	628

Credit quality of financial guarantees:

The tables below show the ECL per stage of the Group and Company's financial guarantees:

Group

Figures in R'm	Stage 1 12 months ECL IRG1 – IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1 – IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1 – IRG24	Total
31 March 2026	38	91	37	166
31 March 2025	15	49	185	249

Company

Figures in R'm	Stage 1 12 months ECL IRG1 – IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1 – IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1 – IRG24	Total
31 March 2026	38	110	68	216
31 March 2025	15	74	252	341

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Forward-looking information incorporated in the ECL models

A reasonable and supportable forecast of future events and economic conditions at the reporting date is incorporated in the calculation of expected credit losses/loss allowances. Loss allowances are automatically adjusted in response to forward-looking macroeconomic information. Macroeconomic information for three scenarios, base case, adverse and optimistic views, are taken into consideration.

The correlation between the IDC's historical default experience and a range of macroeconomic indicators were assessed and indicators that are most likely to impact on the default propensity of IDC BPs were selected to be applied in the calculation of loss allowances:

- Repo rate
- GDP
- Exports
- Producer Price Index (PPI)
- IDC commodity index (calculated by ZAR based on the IDC's commodity mix).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and, therefore, the actual outcomes may differ to those projected. The Group considers these forecasts to represent their best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios. The forecast ranges for the key macroeconomic variables utilised are shown below by using the annual average forecast over the four-year period per scenario.

Key macroeconomic variables in the ECL model – forecast per IDC financial year (% change: year- on-year)

Scenario	Probability weighting (%)	Economic measure	2027	2028	2029	2030	2031e
Base case	**70**	Household consumption expenditure	2.11	2.36	2.44	2.54	2.66
		Gross fixed capital formation	2.81	2.07	2.42	3.80	3.63
		Exports	2.90	3.34	2.47	2.83	3.44
		PPI	2.80	3.52	2.92	2.82	3.26
		Commodity price index	7.68	(2.17)	(1.87)	(0.67)	(0.90)
Adverse scenario	**20**	Household consumption expenditure	1.91	2.17	2.26	2.10	2.22
		Gross fixed capital formation	2.37	0.78	2.18	2.77	2.95
		Exports	2.42	1.60	2.51	2.47	2.79
		PPI	5.12	4.96	3.78	3.69	4.44
		Commodity price index	2.08	(4.90)	(1.63)	2.76	1.77
Optimistic scenario	**10**	Household consumption expenditure	2.56	3.13	2.64	2.94	2.95
		Gross fixed capital formation	3.64	3.47	3.25	4.69	4.03
		Exports	2.61	3.81	2.86	3.90	4.00
		PPI	2.34	2.97	2.51	2.48	3.22
		Commodity price index	12.63	1.80	(2.59)	(3.43)	(2.34)

The base case scenario represents the best estimate view of expected future macroeconomic conditions; the adverse scenario represents a view of expected future macroeconomic conditions during a downturn period; and the optimistic scenario represents a view of expected future macroeconomic conditions during a period of good economic conditions.

[1] *2031e – based on data up to Q4 2030, with Q1 2031 data not available from the current set of forecasts.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Collateral held

The Group holds collateral against loans and advances to clients in the form of mortgage bonds over property, other registered securities over assets and guarantees. The fair values of underlying assets are based on the value of collateral assessed at the time of borrowing and subsequent valuations by the IDC Fixed Asset Valuation department. Mortgage bonds over fixed property are the strongest form/quality of collateral, followed by SNBs.

SNBs are registered over specific assets, usually plant and equipment. General notarial bonds are registered over other unencumbered movable assets; hence the quality of this type of bond is generally lower than the other two collateral types. The fair values of collateral held against financial assets is shown below.

Collateral held against stage 3 loans and advances

	Group		Company	
Figures in R'm	2026	2025	2026	2025
General notarial bond	2 006	2 274	2 051	2 320
Special notarial bonds	3 319	2 667	3 940	2 670
Mortgage bond	11 933	14 217	12 217	14 509
Other	94	87	94	87
	17 352	**19 245**	**18 302**	**19 586**

Collateral held against stage 1 and stage 2 loans and advances

	Group		Company	
Figures in R'm	2026	2025	2026	2025
General notarial bond	7 545	4 736	10 302	5 775
Special notarial bonds	5 504	9 076	9 987	14 851
Mortgage bond	6 743	5 286	6 785	5 331
Other	24	60	24	60
	19 816	**19 158**	**27 098**	**26 017**

The quality of the collateral held has not significantly changed from FY2025. The fair value of the collateral at the reporting date amounts to R45.4 billion (2025: R45.6 billion). The IDC does not sell or repledge collateral other than when it exits the contract (i.e. during a default or write off, etc).

Market risk

Market risk is the risk that the value of a financial position or portfolio will decline due to adverse movements in market rates. In respect of market risk, the Corporation is exposed to interest rate risk, exchange rate risk and equity price risk. Market risk is governed by the Asset and Liability Management policy. The Asset and Liability Management Committee (ALCo) provide objective oversight and makes delegated decisions related to market risk exposures.

Interest rate risk management

Interest rate risk is the risk that adverse changes in market interest rates may cause a reduction in the Corporation's future net interest income and/or economic value of its shareholder's equity.

The Corporation's interest rate risk is a function of its interest-bearing assets and liabilities. The primary sources of interest rate risk include:

- Repricing risk: which results from interest-bearing assets and liabilities which are repriced within different periods. This also includes the endowment effect caused by an overall quantum difference between interest-bearing assets and liabilities;
- Basis risk: due to the imperfect correlation between interest rate changes (spread volatility) on interest-bearing assets and liabilities which reprice within the same period;
- Yield curve risk: arising from unanticipated yield curve shifts (i.e. twists and pivots); and
- Optionality: due to the presence of embedded options in assets (i.e. prepayment) and liabilities (i.e. early settlement) which may be exercised based on interest rate considerations.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Interest rate risk management *continued*

The sensitivity to interest rate shocks and/or changes in interest-bearing balances is measured by means of earnings and economic value approaches. The former focuses on quantifying the impact on net interest income over the next 12 months whereas the latter is used to gauge the impact on the fair market values of assets, liabilities and equity.

Figures in R'm	0–3 months	4–6 months	7–12 months
Interest rate sensitivity mismatch – March 2026			
Cumulative repricing gaps			
SA rand	14 922	14 904	9 841
US dollar	23	(70)	(65)
Euro	0.13	(0.02)	(1.00)
Interest rate sensitivity mismatch – March 2025			
Cumulative repricing gaps			
SA rand	13 705	13 947	14 621
US dollar	152	43	42
Euro	0.10	(0.10)	(0.20)

Interest rate risk management is monitored through the sensitivity analysis done to the financial assets and liabilities. A 200 basis points (bps) increase/(decrease) in market interest rates resulted in the following sensitivities. The impact on profit/(loss) and on equity is as follows:

Figures in R'm	Rand	US dollar
2026		
+ 200 bps rate shock	276	(0.63)
– 200 bps rate shock	(276)	0.63
2025		
+ 200 bps rate shock	292	1.46
– 200 bps rate shock	(292)	(1.46)

South African benchmark reform

In December 2025, the South African Reserve Bank (SARB) announced that the Johannesburg Interbank Agreed Rate (JIBAR) will stop being published on 31 December 2026. After this date, all JIBAR rates will not be valid. This announcement completes the changes to the South African JIBAR system. From FY2027, the focus will be on using the new rate, called the South African Rand Overnight Index Average (ZARONIA), and updating contracts that use JIBAR. The announcement also set the Credit Adjustment Spread (CAS) to a fixed value, as shown on Bloomberg, from the date of the announcement. To oversee the successful implementation of benchmark reform, the Group created a steering committee comprising all impacted stakeholders and relevant personnel. The Group is impacted by this transition across a range of products.

For FY2026, the Group has disclosed the expected quantitative impact of this reference rate reform.

Below are the balances of the financial assets and financial liabilities impacted by the reference rate reform:

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Financial assets				
Loans and advances	13 586	9 117	13 586	9 117
Total financial assets	**13 586**	**9 117**	**13 586**	**9 117**
Financial liabilities				
Borrowings	5 056	5 604	5 056	5 604
Bonds	10 661	5 006	10 661	5 006
Total financial liabilities	**15 717**	**10 610**	**15 717**	**10 610**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Exchange rate risk

Exchange rate risk is the risk that adverse changes in exchange rates may adversely affect the Corporation's future earnings and/or shareholders' equity.

In the normal course of business, the Corporation is exposed to exchange rate risk through its trade finance book and exposure to investments in and outside of Africa. The risk is divided into:

- Translation risk: refers to the exchange rate risk associated with the consolidation of offshore assets and liabilities or the financial statements of foreign subsidiaries for financial reporting purposes; and
- Transaction risk: arises where the Corporation has cash flows/transactions (i.e. a monetary asset or liability, off-balance sheet commitment or forecasted exposure) denominated in foreign currencies whose values are subject to unanticipated changes in exchange rates.

Any open (unhedged) position in a specific currency gives rise to exchange rate risk. Open positions can be either short (i.e. the Corporation will need to buy foreign currency to close the position) or long (i.e. the Group will need to sell foreign currency to close the position) with the net open foreign currency position referring to the sum of all open positions (spot and forward) in a specific currency. For purposes of hedging, net open foreign currency positions are segmented into the following components:

- All exposures related to foreign currency denominated lending and borrowing; and
- All foreign currency denominated payables in the form of operating and capital expenditure, as well as foreign currency denominated receivables in the form of dividends and fees.

The Corporation does not hedge its exchange rate risk on foreign currency denominated shareholder loans, equity and quasi equity investments.

Figures in million	US dollar	Euro
Net open foreign currency positions – 2026		
Foreign currency lending and borrowing		
– Loans (assets)	240	4
– Borrowings (liabilities)	(206)	(13)
Other net (payables)/receivables	115	–
Net open foreign currency positions – 2026	**149**	**(9)**

Figures in million	US dollar	Euro
Net open foreign currency positions – 2025		
Foreign currency lending and borrowing		
– Loans (assets)	268	–
– Borrowings (liabilities)	(240)	(14)
Other net (payables)/receivables	137	3
Net open foreign currency positions – 2025	**165**	**(10)**

Figures in million	US dollar	Euro
2026		
10% appreciation	166	(10)
(10%) depreciation	135	(9)
2025		
10% appreciation	182	(11)
(10%) depreciation	149	(9)

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Maturity analysis

The Group's undiscounted maturity profile of financial assets and liabilities:

	Group – 2026					
Figures in R'm	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Assets						
Cash and cash equivalents	13 386	334	–	–	–	13 720
Short dated investments	–	–	–	–	–	–
Loans and advances	–	7 309	16 056	21 528	–	44 893
Loans and advances on behalf of third parties	–	900	1 301	523		2 724
Derivative assets	–	5	–	–	–	5
Investments – listed equities	–	–	–	–	44 339	44 339
Investments – unlisted equities	–	–	–	–	6 271	6 271
Investments – preference shares	–	–	–	–	–	–
Investments in associates	–	–	–	–	19 758	19 758
Trade receivables	–	1 211	–	–	–	1 211
Total assets	**13 386**	**9 759**	**17 357**	**22 051**	**70 368**	**132 921**
Liabilities						
Bank overdraft	–	(234)	–	–	–	(234)
Balances of third parties	(11 827)	–	–	–	–	(11 827)
Derivative liabilities	–	(6)	–	–	–	(6)
Trade payables	–	(2 109)	–	–	–	(2 109)
Lease liabilities	–	(73)	(45)	(45)	–	(163)
Borrowings	(66)	(12 500)	(11 212)	(17 555)	–	(41 333)
Financial guarantees	–	(1 587)	(508)	(761)	–	(2 856)
Total liabilities	**(11 893)**	**(16 509)**	**(11 765)**	**(18 361)**	**–**	**(58 528)**
Net liquidity	**1 493**	**(6 750)**	**5 592**	**3 690**	**70 368**	**74 393**

	Group – 2025					
Figures in R'm	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Financial assets						
Cash and cash equivalents[1]	13 005	2 238	–	–	–	15 243
Short dated investments	–	559	–	–	–	559
Loans and advances	–	10 397	15 446	21 966	–	47 809
Loans and advances on behalf of third parties[1]	–	794	1 504	640		2 938
Derivative assets	–	1	–	–	–	1
Investments – listed equities	–	–	–	–	28 236	28 236
Investments – unlisted equities	–	–	–	–	8 999	8 999
Investments in associates	–	–	–	–	22 916	22 916
Trade and other receivables	–	2 765	–	–	–	2 765
Total assets	**13 005**	**16 754**	**16 950**	**22 606**	**60 515**	**129 466**
Financial liabilities						
Bank overdraft	–	(169)	–	–	–	(169)
Balances of third parties[1]	(9 861)					(9 861)
Derivative liabilities	–	(7)	–	–	–	(7)
Trade and other payables	–	(2 576)	–	–	–	(2 576)
Lease liabilities	–	(16)	(24)	(1)	–	(41)
Borrowings	(533)	(8 587)	(15 337)	(14 838)	–	(39 294)
Financial guarantees	–	(817)	(115)	(630)	–	(1 563)
Total liabilities	**(10 394)**	**(12 172)**	**(15 476)**	**(15 469)**	**–**	**(53 511)**
Net liquidity	**2 611**	**4 582**	**1 474**	**7 137**	**60 151**	**75 955**

[1] *Restated refer to Note 36*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Maturity analysis *continued*

The Company's undiscounted maturity profile of financial assets and liabilities:

Company – 2026

Figures in R'm	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Financial assets						
Cash and cash equivalents	12 825	334	–	–	–	13 159
Short dated investments	–	–	–	–	–	–
Loans and advances	–	8 522	17 143	27 261	–	52 926
Loans and advances on behalf of third parties	–	900	1 301	523	–	2 724
Investments – listed equities	–	–	–	–	32 289	32 289
Investments – unlisted equities	–	–	–	–	5 679	5 679
Investments in subsidiaries	–	–	–	–	28 442	28 442
Investments in associates	–	–	–	–	23 029	23 029
Trade receivables	–	601	–	–	–	601
Total assets	**12 825**	**10 357**	**18 444**	**27 784**	**89 439**	**158 849**
Financial liabilities						
Balances of third parties	(11 827)	–	–	–	–	(11 827)
Trade payables	–	(96)	–	–	–	(96)
Lease liabilities	–	(111)	(86)	(128)	–	(325)
Borrowings[2]	(16 313)	(11 614)	(11 158)	(17 134)	–	(56 219)
Financial guarantees	–	(1 652)	(613)	(54)	–	(2 319)
Total liabilities	**(28 140)**	**(13 473)**	**(11 857)**	**(17 316)**	**–**	**(70 786)**
Net liquidity	**(15 315)**	**(3 116)**	**6 587**	**10 468**	**89 439**	**88 063**

[2] *A R5 billion debt maturity falls due in FY2027. Management has proactively engaged the lender and obtained a refinancing proposal consisting of R1 billion amortised over three years and R4 billion over ten years. The transaction is at an advanced stage and is expected to be concluded on time, ensuring continued funding stability and adequate liquidity.*

Company – 2025

Figures in R'm	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Financial assets						
Cash and cash equivalents[1]	12 826	2 238	–	–	–	15 064
Short dated investments	–	559	–	–	–	559
Loans and advances	–	11 020	16 810	27 777	–	55 607
Loans and advances on behalf of third parties[1]	–	794	1 504	640	–	2 938
Investments – listed equities	–	–	–	–	27 577	27 577
Investments – unlisted equities	–	–	–	–	4 530	4 530
Investments in subsidiaries	–	–	–	–	22 447	22 447
Investments in associates	–	–	–	–	25 956	25 956
Trade and other receivables	–	494	–	–	–	494
Total assets	**12 826**	**15 105**	**18 314**	**28 417**	**80 510**	**155 172**
Financial liabilities						
Balances of third parties[1]	(9 861)	–	–	–	–	(9 861)
Trade and other payables	–	(595)	–	–	–	(595)
Lease liabilities	–	(123)	(237)	(29)	–	(388)
Borrowings	(16 427)	(8 385)	(15 347)	(14 803)	–	(54 962)
Financial guarantees	–	(927)	(180)	(54)	–	(1 162)
Total liabilities	**(26 288)**	**(10 030)**	**(15 764)**	**(14 886)**	**–**	**(66 968)**
Net liquidity	**(13 462)**	**5 075**	**2 550**	**13 531**	**80 510**	**88 204**

[1] *Restated refer to Note 36.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Equity price risk

Equity price risk is the risk that adverse movements in equity prices may cause a reduction in the value of the Corporation's investments in listed and/or unlisted equity investments also its future earnings and/or value of its shareholder's equity.

Sources of equity price risk include:

- Systematic risk or volatility in relation to the market; and
- Unsystematic risk or company-specific risk factors.

The investment portfolio's beta is used as an indication of systematic risk, which is not diversifiable. Considering the long-term nature of the Group's investments, unsystematic risk is managed by means of diversification.

Equity price risk is governed by a board-approved policy that covers management, identification, measurement and reporting.

Value at Risk (VaR) and expected shortfall (ES)

In pursuit of its mandate, the IDC holds equity stakes in several entities. The equity exposure is prone to financial losses and gains because of market movements. To manage the risk of financial losses that its balance sheet can absorb, the IDC uses a set of approved financial risk metrics (tools) to calculate the inherent risk profile and make management decisions accordingly. These tools include the VaR and ES. The VaR quantifies the quantum of a possible loss from equity investments; given normal market conditions in a specified period. Whereas the ES is a statistic that quantifies the magnitude of equity portfolio risk given that the loss exceeds the VaR level. The ES statistics measure the risk during abnormal market conditions. The IDC has approved trigger levels for each of the two measures which are reviewed periodically, but at least annually.

The VaR approach of choice is the parametric VaR methodology. In this methodology, five-year monthly share price data is used to estimate the parameters of the model. Below are the calculated amounts for the IDC-listed equity portfolio in the financial year as reported.

The confidence interval used is 99%, with a monthly estimate. The VaR metric can be interpreted as follows:

- The Corporation is 99% confident that the equity portfolio will not make financial losses exceeding the reported VaR amount within a month.
- Alternatively, it can be read as a 1% chance that the portfolio will lose more than the calculated VaR amount within a month.

All equity price risk models are subjected to periodic independent review. The calculated amount for the IDC-listed equity portfolio is R8 927 million as at 31 March 2026 (31 March 2025: R6 736 million), whilst ES is R14 559 million as at 31 March 2026 (31 March 2025: R10 646 million).

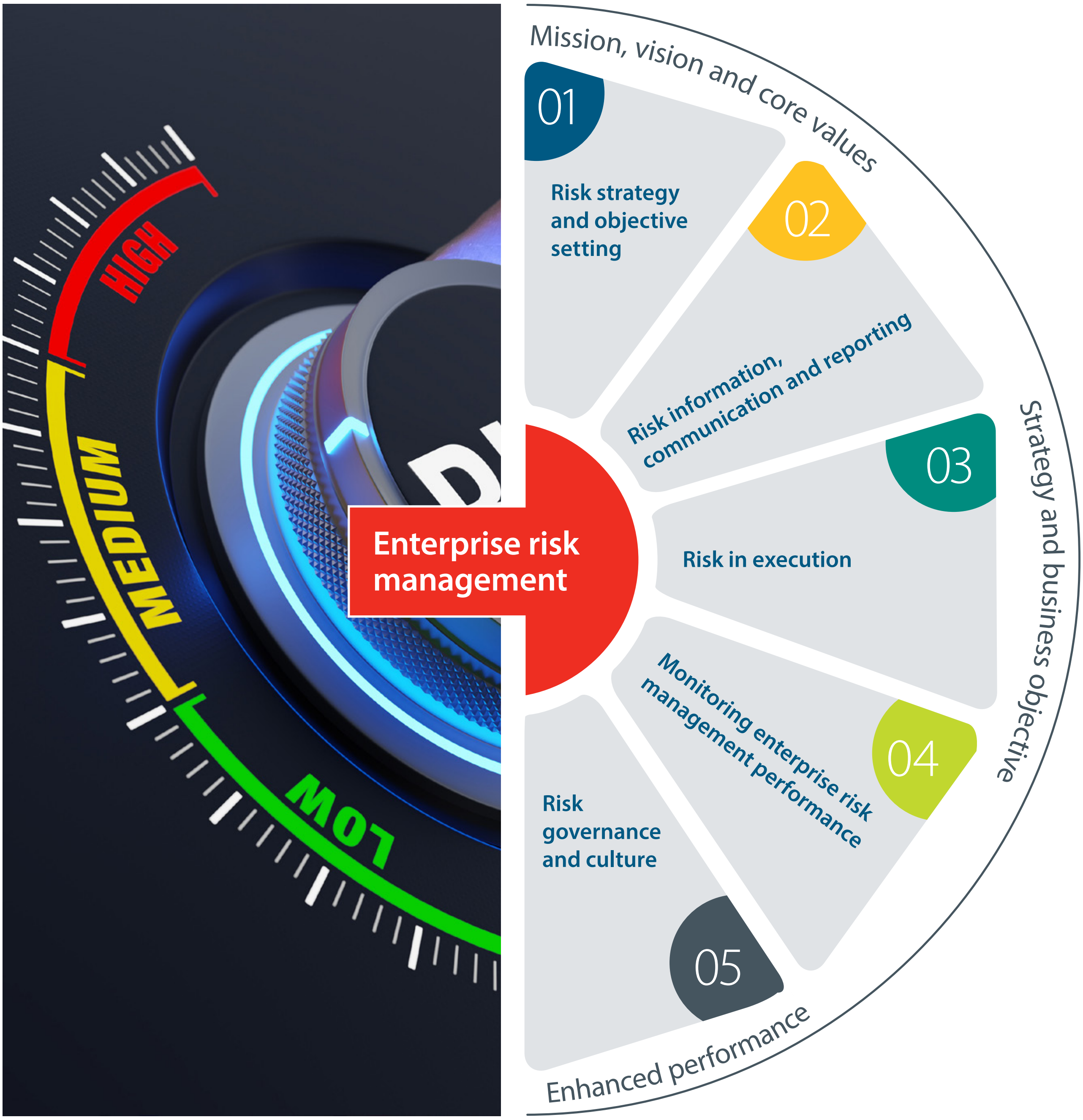
NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

ERM

The IDC has adopted an ERMF to ensure a structured approach to managing a wide range of risks IDC faces. The framework encompasses a universe of risks key risk types which are categorised into strategic, financial and operational risk. This approach ensures that risk management is integrated into the overall management process enabling the IDC to achieve its objectives, sustain long-term success and resilience. The risk management executed through a risk lifecycle, which includes risk identification, risk assessments and measurement, risk treatment and monitoring through key indicators and combined assurance.

The graphic below illustrates the high-level approach to ERM:



NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

ERM *continued*

Strategic risks management

The Board and Board committees promote a common approach to governance and risk management based on the IDC's integrated risk management framework, which supports the Corporation's strategy and sets strategic risk management standards. The IDC strategic risks are integrated into the strategic planning process to ensure the alignment of the risk profile to the organisation strategic objectives and corporate plans. Assurance is provided through a coordinated combined assurance plan prepared and executed by IDC's second and third lines of defence teams and is approved annually by the BAC. Below are the IDC strategic risks that were approved by the Board:

Risk type

- **Development impact risk:** Risks of failure to create jobs, invest in rural areas and support black industrialists resulting in the IDC not meeting its strategic objectives and having the desired developmental impact.
- **Macroeconomic conditions and developments:** Adverse macroeconomic conditions (domestically and/or globally) and/or credit downgrades impacting the IDC's business and its ability to achieve strategic targets.
- **Credit risk and portfolio management risk:** The risk of financial loss resulting from non-payment by the IDC's BPs and non-recoverability of investments.
- **Concentration risk:** Concentration in the investment portfolio to a single or group of clients/investments/industry or country with potential to produce losses or loss of income significant enough to threaten the health of the Corporation's balance sheet and financial sustainability.
- **Liquidity and funding risk:** The risk where the IDC is to maintain or generate sufficient cash resources to meet its payment obligations when they become due and fund transactions. It also refers to being unable to meet obligations at a sustainable cost.
- **Significant investment risk:** Financial viability of significant investments and their ability to deliver effectively on their required strategy.
- **People risk and organisational culture:** Failure to recruit, develop and retain the best talent and create a conducive working environment that enables high performance and client service culture, balancing diversity in demographics and age mix.
- **Governance, ethical conduct and behaviour risk:** Non-adherence to good corporate governance standards and the risk of internal/external financial crime including unethical business practices and behaviour.
- **Legal and regulatory compliance risk:** Risk of IDC enforcing their legal/contractual agreements and/or non-compliance with regulatory requirements.
- **Business resilience and technology risk (including cyber security):** Failure resulting from potential cyber threats and vulnerabilities that can disrupt business operations, compromise data security and impede the integration and effectiveness of digital technologies.
- **Environmental, social, resilience and governance (ESRG) risk:** The risk that the IDC cannot identify, evaluate, manage and report on emerging ESRG and sustainability impact risks, or to grow new industries and value-chain opportunities at a pace sufficient to drive low-carbon growth and a just transition.
- **Reputation risk:** The risk of potential or actual damage to the IDC image due to factors (negative media reports, stakeholders, trade unions) which may impair the profitability and sustainability of the business.

Operational risks management ensures that risks resulting from inadequate internal processes, systems, people and external events are consistently and comprehensively identified, assessed, mitigated and controlled. In addition, operational risks are managed through a structured categorisation of key operational risk types, which enables clearer ownership, targeted controls and focused monitoring. These risk types include transaction processing and execution risk, information security and data management risk, and financial reporting, third-party and supplier risk, and tax risk. These are managed through implementation of the following tools:

- Risk and control self-assessments for all departments and business units, with annual reviews. These assessments are a key component of the operational risk management framework and ensure a dynamic and iterative process for consistently and comprehensively identifying, assessing, mitigating, monitoring and reporting key operational risks.
- Key indicators which are developed and monitored for material risks and key controls.
- Operational risk incident management to ensure incidents and losses are identified, responded to and remediated to minimise impact.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

ERM *continued*

Operational resilience and business continuity management

Operational resilience and business continuity are critical components of IDC risk management approach to ensure sustained operations and ability to withstand and recover from disruptions. Management of programmes is guided by the Business Continuity Management Policy and Disaster Management Plan, which are aligned to good practice. The function safeguards the interests of the IDC by ensuring that it continues to deliver key products and services at an acceptable level following severe disruption or incident by:

- Conducting business impact analysis organisation wide ensuring that recovery priorities are aligned resources are allocated effectively.
- Prioritising critical business processes and implementing agreed recovery strategies to minimise the effect of business disruptions.
- Technology and infrastructure.
- Annual testing and validation of business continuity plans to ensure they are fit-for-purpose and increase the Corporation's recovery capability.
- Communication and training.

Financial Crime Prevention and Protected Disclosure Plan

The financial crime prevention plan includes the detection, prevention, investigation and reporting programmes. The role players in the implementation of the plan are Financial, Risk, Operations, Human Capital, Information Technology, Procurement, Corporate Secretariat and Facilities Management departments. However, employees have a duty to report (to Internal Audit, through Tip Offs Anonymous or using any prescribed channel) knowledge or suspicion that a financial crime has been or is about to be committed. All reports are made in terms of Protected Disclosure Act 26 of 2000, as amended by Act 5 of 2017.

IT governance risk

IT governance risk is defined as the risk of loss resulting from inadequate or failed IT processes. The risk includes the failure of monitoring and evaluation processes resulting in non-compliance with legislation or internal processes and breach of security, business disruption and systems failure resulting in the inability to recover data and non-availability of IT applications. Other risks include poor service delivery from IT systems and failure of acquisition and implementation processes resulting in the non-alignment between business needs and IT solutions.

Recovery of IT is addressed in the Disaster Recovery Plan and other risks are addressed by:

- The IT security policy;
- Prudent and scrupulous recruitment policies; and
- Internal audit reviews of all IT aspects, e.g. strategy, systems development, change management, hardware and software contracts and security policy.

Approach to managing IT governance risk

The Corporation accepts that technology has a fundamental impact on the way in which business is conducted, and businesses are measured. Therefore, IDC ensures that:

- Risks associated with the IT environment and projects are continuously evaluated and appropriate plans are in place and implemented to mitigate these risks to an acceptable level;
- IT expenditure is motivated by sound commercial principles rather than strategic instinct only, i.e. that the business strategies and IT strategies are aligned;
- A long-term IT plan is developed, and the appropriateness thereof is reviewed to ensure that it supports and does not inhibit the long-term strategy of the Corporation;
- Developments in the IT industry are continuously monitored and the potential impact thereof on the Corporation's long-term strategy is evaluated; and
- The necessary skills are in place to ensure that the internal control systems are adequately applied across the entire IT environment.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

2. Financial risk management *continued*

Capital management

The IDC is accountable to its sole shareholder, **the dtic**. The performance and the management of IDC capital is supported by the agreement between the Corporation and the shareholder through the Shareholder's Compact which outlines the agreements between the two parties.

The objective of the IDC is to maximise development impact through job-rich industrialisation, while contributing to an inclusive economy by, among others, funding black-owned and empowered companies, black industrialists, women and youth-owned, and empowered enterprises. Simultaneously, the IDC aims to ensure its long-term sustainability through prudent financial and human resource management, safeguarding the natural environment, as well as increasingly positioning itself as a centre of excellence for development finance.

The Group has diversified sources of funding, from private and public bonds, lines of credit, etc. from other DFIs, commercial banks and other sources. The Group is always in the market in search of cheaper sources of funding. The Group has a mixture of bullet loans and amortising loans. The amortising loans are paid overtime (both interest and capital). The Corporate Funding department in the IDC has a profile of all maturing loans. Although the IDC can technically renew the loans that are maturing, the strategy is to repay some of these loans such that the company does not borrow unsustainably.

The Treasury department within the IDC monitors the IDC's liquidity position on a regular basis. Any need to raise new debt funding is driven by the need to meet debt funding requirement (pipeline). However, there are various strategies adopted to ensure prudent liquidity management. These includes converting a guarantee call payment into a loan and refinancing of maturing loans.

Regulatory capital

IDC is not required by law to keep any level of capital but must utilise its capital to achieve the shareholder's mandate. The IDC Act, as amended, dictates that IDC can be geared up to a 100% of its capital.

The IDC is subject to certain contractual debt covenants, which are monitored by its Corporate Funding department, and it remained fully compliant throughout the period. The contractual debt covenant limit ranges between 65% to 70%, compared with the IDC's limit of 100%. During the period, no debt covenants were breached or triggered, and the Corporation maintained a comfortable buffer against breaching any of these covenants.

In addition to this, as a DFI, the IDC does not have minimum capital requirements from a regulatory perspective or a minimum required capital base. It is governed by the IDC Act which restricts debt at 100% of equity (i.e. debt-equity ratio of up to 100%). During the year, the gearing levels were at some of their lowest in recent history and management and the Board are satisfied that the debt levels do not put the Corporation at risk of breaching any of the contractual covenants.

Risk appetite

The Board approved risk appetite limit serves as a monitoring tool to ensure that the impact of investment activities in the Corporation does not have a negative impact on the Corporation's financial position.

The IDC capital is managed through achieving positive retained earnings on a sustainable basis. The Corporation has also set an internal threshold of the debt-to-equity ratio of up to 60% plus 5% buffer (65%) to ensure it is not negatively geared and reduce over reliance on its capital providers.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information

Group – 2026

Figures in R'm	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	130	–	–	–	–	130
Land and buildings	–	–	–	–	–	–	2 130	2 130
Loans and advances	–	–	2 360	–	–	–	–	2 360
Derivative assets	–	5	–	–	–	–	–	5
Investment securities – listed shares	–	–	–	44 339	–	–	–	44 339
Investment securities – unlisted shares	–	–	–	–	–	6 271	–	6 271
Total	**–**	**5**	**2 490**	**44 339**	**–**	**6 271**	**2 130**	**55 235**
Financial liabilities								
Derivative liabilities	–	6	–	–	–	–	–	6
Total	**–**	**6**	**–**	**–**	**–**	**–**	**–**	**6**

Group – 2025

Figures in R'm	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	123	–	–	–	–	123
Land and buildings	–	–	–	–	–	–	1 980	1 980
Loans and advances	–	–	2 684	–	–	–	–	2 684
Derivative assets	1	–	–	–	–	–	–	1
Investment securities – listed shares	–	–	–	28 236	–	–	–	28 236
Investment securities – unlisted shares	–	–	–	–	–	8 999	–	8 999
Total	**1**	**–**	**2 807**	**28 236**	**–**	**8 999**	**1 980**	**42 023**
Financial liabilities								
Derivative liabilities	–	7	–	–	–	–	–	7
Total	**–**	**7**	**–**	**–**	**–**	**–**	**–**	**7**

Company – 2026

Figures in R'm	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	26	–	–	–	–	26
Loans and advances	–	–	2 360	–	–	–	–	2 360
Investment securities – listed shares	–	–	–	32 289	–	–	–	32 289
Investment securities – unlisted shares	–	–	–	–	–	5 679	–	5 679
Investments in subsidiaries	–	–	–	–	–	28 442	–	28 442
Investments in associates	–	–	–	977	–	22 052	–	23 029
Total	**–**	**–**	**2 386**	**33 266**	**–**	**56 173**	**–**	**91 825**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

Company – 2025								
	FVTPL			FVOCI			Revaluation surplus	
Figures in R'm	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 3	Fair value
Fair value assets								
Investment property	–	–	25	–	–	–	–	25
Loans and advances	–	–	2 695	–	–	–	–	2 695
Investment securities – listed shares	–	–	–	27 577	–	–	–	27 577
Investment securities – unlisted shares	–	–	–	–	–	4 530	–	4 530
Investments in subsidiaries	–	–	–	–	–	22 447	–	22 447
Investments in associates	–	–	–	1 036	–	24 920	–	25 956
Total	**–**	**–**	**2 720**	**28 613**	**–**	**51 897**	**–**	**83 230**

Reconciliation of assets measured at level 3

Group – 2026							
Figures in R'm	Note(s)	**Opening balance**	**Gains/losses recognised in profit or loss**	**Gains/losses recognised in OCI**	**Purchases/ additions**	**Sales**	**Closing balance**
Assets							
Investment property	5	123	7	–	–	–	130
Land and buildings	4	1 980	–	61	95	(6)	2 130
Loans and advances	10	2 684	(461)	–	188	(51)	2 360
Investment securities – unlisted shares	11	8 999	–	(2 699)	6	(35)	6 271
Preference shares	11	–	–	–	–	–	–
		13 786	**(454)**	**(2 638)**	**289**	**(92)**	**10 892**

There were no transfers in and out of level 3. Gains or losses recognised in profit or loss are included on the statement of comprehensive income under (loss)/profit on financial assets classified as FVTPL line item; while gains or losses recognised in OCI are included in the statement of comprehensive income under share of comprehensive income/(losses) of equity accounted investments and fair value movements on equity instruments line items.

Group – 2025							
Figures in R'm	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Gains/losses recognised in OCI	Purchases/ additions	Sales	Closing balance
Assets							
Investment property	5	308	(185)	–	–	–	123
Land and buildings	4	1 651	–	157	387	(215)	1 980
Loans and advances	10	2 307	323	–	220	(166)	2 684
Investment securities – unlisted shares	11	6 105	–	2 399	1 427	(932)	8 999
Preference shares	11	73	(73)	–	–	–	–
		10 444	**65**	**2 556**	**2 034**	**(1 313)**	**13 786**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

Company – 2026

Figures in R'm	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Gains/losses recognised in OCI	Purchases/ additions	Sales	Closing balance
Assets							
Investment property	5	25	1	–	–	–	26
Investment securities – unlisted shares	11	4 530	–	1 178	6	(35)	5 679
Loans and advances	10	2 695	(487)	–	207	(55)	2 360
Preference shares	11	–	11	–	–	(11)	–
Investments in subsidiaries	7	22 447		5 995	–	–	28 442
Investments in associates	8	25 956	–	(3 195)	433	(165)	23 029
		55 653	**(475)**	**3 978**	**646**	**(266)**	**59 536**

There were no transfers in and out of level 3. All financial assets are mandatorily measured at FVTPL. Gains or losses recognised in profit or loss are included on the statement of comprehensive income under (loss)/profit on financial assets classified as FVTPL line item; while gains or losses recognised in OCI are included in the statement of comprehensive income under share of comprehensive income/(losses) of equity accounted investments and fair value movements on equity instruments line items.

There were no transfers in and out of level 3. All financial assets are mandatorily measured at FVTPL.

Company – 2025

Figures in R'm	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Gains/losses recognised in OCI	Purchases/ additions	Sales	Closing balance
Assets							
Investment property	5	26	(1)	–	–	–	25
Investment securities – unlisted shares	11	5 487	–	(1 452)	1 427	(932)	4 530
Loans and advances	10	2 319	3 460	–	259	(3 343)	2 695
Preference shares	11	11	(11)	–	–	–	–
Investments in subsidiaries	7	24 155	–	(1 708)	–	–	22 447
Investments in associates	8	26 944	–	(514)	72	(546)	25 956
		58 942	3 448	(3 674)	1 758	(4 821)	55 653

Day one gain or loss

The Group enters into transactions where the fair value of the financial instruments is determined using valuation models for which certain inputs are not based on market-observable prices or rates. Such financial instruments are initially recognised at the transaction price, which is the best indicator of fair value. The transaction price may differ from the valuation amount obtained, giving rise to a day one gain or loss. The difference between the transaction price and the valuation amount, commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances.

The following table represents the aggregate difference between transaction price and fair value based on a valuation technique yet to be recognised in profit or loss:

	Group		**Company**	
Figures in R'm	**2026**	2025	**2026**	2025
Opening balance	473	384	473	384
Subsequent movement	197	89	197	89
Closing balance	**670**	**473**	**670**	**473**
Amortisation of the day one gain/(loss)	(134)	(109)	(134)	(109)

Valuation processes applied by Group

The Group's main instruments of monitoring the performance of its investee companies are through quarterly IMC meetings, including but not limited to the payment and collection system or PACS, regular client review visits, as well as by way of analysis of management accounts and audited financial statements.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

Valuation processes applied by Group *continued*

The Client Support and Growth (CSG) department creates a focused approach to the monitoring of IDC investments. One of the key monitoring activities is the IMC Equity Meetings, wherein the calculations of fair values and impairments are assessed and approved by the committee. The IMC Equity Meetings are normally held three times per financial year in April, August and December for reporting periods of February, June and September respectively. There were no changes to the valuation techniques in the current year.

Valuation techniques using observable inputs

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1

Instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. These include listed shares.

The Group's listed share portfolio includes listed shares mostly listed on the JSE Limited but there are also certain holdings of investments listed on the Bolsa da Madrid, the Australian Stock Exchange and the Toronto Stock Exchange.

There were no transfers between level 1 and level 2.

Level 2

Instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the instrument, either directly or indirectly, such as:

- Quoted price for similar assets or liabilities in an active market;
- Quoted price for identical or similar assets or liabilities in inactive markets;
- Valuation model using observable inputs; and
- Valuation model using inputs derived from/corroborated by observable market data. These include derivative financial instruments.

There were no transfers between level 1 and level 2.

Valuation techniques using unobservable inputs

Level 3

Land and buildings are valued using one of three approaches including the capitalisation method, the comparative method and the residual land valuation method. The capitalisation method values a property based on the discounted future cashflows derived from market-related rentals. The comparative method refers to sales prices in a similar area and open market. Where necessary, adjustments are made to values to reflect any differences that may exist. The residual land valuation method is the present value of cash flows less the developer's required profits. Land and building are revalued every three years by qualified independent experts. The valuation reports from the external valuers are reviewed by IDC's Technical Services department.

Equity instruments valued using inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include PEs, net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. These include land and buildings, investment property, preference shares and unlisted shares.

PE valuation

The PE valuation method is the first valuation option, but has only been used in respect of companies with:

- At least two years profit history;
- Forecast/budgeted steady growth in profits;
- Is low risk;
- Has a good year on year performance; and
- A long history of consistent return – operating in an industry that is not prone to fluctuations.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

FCF valuation

FCF is the most widely used valuation method by the Group on its level 3 financial instruments. The approach below is followed:

- All inputs are substantiated, especially in instances where there are prior year losses.
- This method is used without exception for valuing all projects and start-ups unless the going concern principle is in doubt.

In the case where a project has a limited remaining life (e.g. mining operations or single contract with a determined end), a separate "Limited Life" FCF model is used.

NAV valuation

NAV – going concern

The Group uses NAV where it can be motivated that no other model is appropriate based on the following conditions:

- An entity is consistently making losses and not meeting budgets (excluding start-up operations);
- An entity has material variances between actual and budgeted figures;
- An entity operates in high volatile sector making it almost impossible to budget;
- An entity has completed all studies necessary to implement a project but has however not yet secured the necessary capital to fully fund the implementation of the project; and
- An entity is not fully funded and there is no clear indication that it will obtain the necessary funding to complete the project/expansion/continue operations.

Quantitative information about fair value measurements using significant unobservable inputs (level 3).

Equity instruments and preference shares held at fair value

Description	Valuation techniques	Unobservable input	Range
All sectors	Discounted cash flow	Risk-free rate	8.3%
		Expected long-term growth	3.0%
	NAV	Forced sale value	10%–80%
Agro-processing	Discounted cash flow	Cost of debt	2%–3.6%
		Discount rate	11.5%–23.8%
		Sector beta	0.73–1.25
Automotive transport	Discounted cash flow	Cost of debt	2.4%–3.8%
		Discount rate	19%–21.7%
		Sector beta	0.96–1.01
Chemicals and medicals	Discounted cash flow	Cost of Debt	1.9%–5%
		Discount rate	16.9%–22.2%
		Sector beta	0.76–1.02
Energy	Discounted cash flow	Discount rate	15.8%–18.8%
		Sector beta	0.76- 0.76
Machinery and equipment	Discounted cash flow	Cost of debt	3.2%–3.3%
		Discount rate	18.5%–21.3%
		Sector beta	0.9–0.92
Mining and metals	Discounted cash flow	Cost of debt	3.2%–3.8%
		Discount rate	18.3%–23.7%
		Sector beta	0.9–1.07
Tourism	Discounted cash flow	Cost of debt	1.3%–4.6%
		Discount rate	17.5%–22.6%
		Sector beta	0.76–1.08

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

NAV valuation *continued*

Discounted cash flow method valuation

Significant increases in any of the inputs in isolation would result in lower fair values. Significant decreases in any of the inputs in isolation would result in higher fair values.

PE valuation

The fair value would increase (decrease) if:

- The risk-adjusted PE ratio was higher (lower); or
- The expected long-term growth was higher (lower).

Information about the sensitivity to changes in significant unobservable inputs

As part of the IDC's risk management processes, a sensitivity analysis is performed on the significant unobservable parameters, to determine the impact of reasonably possible alternative assumptions on the valuation of level 3 financial assets. The alternative assumptions are applied independently and do not take account of any cross correlation between assumptions that would reduce the overall effect on the valuations. The following table reflects the reasonable possible variances applied to significant parameters utilised in our valuations. All changes to inputs would impact both equity (ordinary shares) and profit and loss (equity instruments other than ordinary shares).

	Increase in the risk-free rate by 10%	Decrease in the risk-free rate by 10%	Increase in the sector beta by 10%	Decrease in the sector beta by 10%
Relative change in fair value	(3.7%)	3.7%	(3.4%)	3.4%
Absolute change in fair value (R'm)	(899)	891	(820)	819

	Decrease in FCFs by 10%	Increase in FCFs by 10%	Increase in the discount factor by 10%	Decrease in the discount factor by 10%
Relative change in fair value	(9.6%)	10.5%	(9.2%)	10.2%
Absolute change in fair value (R'm)	(2 521)	2 314	(2 216)	2 447

Commodity prices

The IDC's commodity price forecasting process, which is undertaken by the Research and Information department on quarterly basis, entails fundamental analysis of international markets in selected commodities, including demand-and-supply-side trends, complemented by technical analysis to provide a degree of price guidance especially in the short- to medium-term. The forecasts emanating from this process are tested for reasonableness through a comparison with those put forward by other market analysts, the Bloomberg consensus projections as well as the market high to low range. The resultant set of forecasts are then presented to and discussed at each of the quarterly meetings of the Macro-Economic Sub-Committee (MESC) of ALCo. The set of commodity price forecasts agreed upon at MESC are subsequently submitted to the ensuing ALCo meeting for consideration and final approval.

Commodity	2026	2027	2028	2029	2030
Gold (USD/oz)	4 337	4 166	3 902	3 626	3 474
Platinum (USD/oz)	2 272	2 128	1 963	1 810	1 670
Brent crude oil (USD/barrel)	65	69	71	73	73
Coal (USD/metric tonne)	91	95	97	99	99
Iron ore (USD/metric tonne)	102	99	97	96	95
Copper (USD/metric tonne)	12 885	12 239	11 416	11 147	10 925
Aluminium (USD/metric tonne)	3 006	2 965	2 915	2 900	2 888
Palladium (USD/oz)	1 635	1 583	1 483	1 368	1 262
Manganese (USD/metric tonne)	5.69	5.46	5.46	5.84	5.88

At the reporting date, the key assumptions used by the Group in determining the fair value were in the following ranges for the Group's investment properties, and land and buildings.

Description	Range
Capitalisation rate (%)	12–13
Expenditure/income ratio R/m^2 per month	2.18–720.20
Operating expenses (%)	27.4–59.7
Vacancy factor (%)	4–10

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

3. Fair value information *continued*

NAV valuation *continued*

Key assumptions	Change in fair value – Increase	Change in fair value – Decrease
Relative change in fair value (%)	6	(6)
Absolute change in fair value (R'm)	7	(7)

4. Property, plant and equipment

Group

Figures in R'm	2026 Cost/ revaluation	2026 Accumulated depreciation	2026 Closing balance	2025 Cost/ revaluation	2025 Accumulated depreciation	2025 Closing balance
Land and buildings	2 841	(711)	2 130	2 647	(667)	1 980
Plant and machinery	11 279	(6 679)	4 600	10 549	(6 060)	4 488
Furniture and fixtures	145	(132)	13	119	(109)	10
Motor vehicles	16	(10)	6	14	(12)	2
Gym equipment	2	(2)	–	2	(2)	–
Computer equipment and software	171	(127)	44	147	(115)	32
Asset under construction	725	–	725	791	–	791
Spare parts[1]	–	–	–	100	(28)	73
Total	**15 179**	**(7 661)**	**7 518**	**14 368**	**(6 992)**	**7 377**

[1] *This relates to transfer of spare parts from inventory to property, plant and equipment*

Company

Figures in R'm	2026 Cost/ revaluation	2026 Accumulated depreciation	2026 Closing balance	2025 Cost/ revaluation	2025 Accumulated depreciation	2025 Closing balance
Plant and machinery	134	(134)	–	134	(133)	1
Furniture and fixtures	14	(13)	1	13	(12)	1
Motor vehicles	12	(7)	5	12	(11)	1
Computer equipment and software	168	(125)	43	147	(117)	30
Asset under construction	–	–	–	9	–	9
Total	**328**	**(279)**	**49**	**315**	**(273)**	**42**

Reconciliation of property, plant and equipment for Group

Group – 2026

Figures in R'm	Opening balance	Disposals	Additions	Transfers	Revaluations	Other	Depreciation	Closing balance
Land and buildings	1 980	(6)	95	–	55	41	(35)	2 130
Plant and machinery	4 488	(44)	732	103	–	11	(690)	4 600
Furniture and fixtures	10	(5)	15	–	–	11	(18)	13
Motor vehicles	2	–	6	–	–	(1)	(1)	6
Computer equipment and software	32	–	38	9	–	(15)	(20)	44
Asset under construction	791	–	17	(39)	–	(44)	–	725
Spare parts[1]	73	–	–	(73)	–	–	–	–
Total	**7 377**	**(55)**	**903**	**–**	**55**	**3**	**(764)**	**7 518**

[1] *This relates to transfer of spare parts from inventory to property, plant and equipment*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

4. Property, plant and equipment *continued*

Reconciliation of property, plant and equipment for Group *continued*

	Group – 2025							
Figures in R'm	Opening balance	Disposals	Additions	Transfers	Revaluations	Other	Depreciation	Closing balance
Land and buildings	1 651	(215)	387	–	267	(49)	(60)	1 980
Plant and machinery	3 753	(1)	1 193	–	(20)	69	(506)	4 488
Furniture and fixtures	20	(11)	11	–	–	(6)	(3)	10
Motor vehicles	3	–	–	–	–	–	(1)	2
Computer equipment and software	39	–	14	–	–	–	(21)	32
Asset under construction	978	(176)	–	–	–	(11)	–	791
Spare parts[1]	–	–	–	100	–	–	(28)	73
Total	**6 444**	**(403)**	**1 605**	**100**	**247**	**3**	**(619)**	**7 377**

[1] *This relates to transfer of spare parts from inventory to property, plant and equipment*

Reconciliation of property, plant and equipment for Company

	Company – 2026					
Figures in R'm	**Opening balance**	**Disposals**	**Additions**	**Transfers**	**Depreciation**	**Closing balance**
Plant and machinery	1	–	–	–	(1)	–
Furniture and fixtures	1	–	1	–	(1)	1
Motor vehicles	1	–	5	–	(1)	5
Computer equipment and software	30	–	31	–	(18)	43
Asset under construction	9	–	–	(9)	–	–
	42	**–**	**37**	**(9)**	**(21)**	**49**

	Company – 2025					
Figures in R'm	Opening balance	Disposals	Additions	Transfers	Depreciation	Closing balance
Plant and machinery	1	–	1	–	(1)	1
Furniture and fixtures	–	–	2	–	(1)	1
Motor vehicles	2	(1)	–	–	–	1
Computer equipment and software	36	(2)	14	–	(18)	30
Asset under construction	–	–	9	–	–	9
	39	**(3)**	**26**	**–**	**(20)**	**42**

The IDC has a policy of donating computer equipment with its software after three years through corporate social investment initiatives, which is a disposal of an asset. This treatment applies to furniture and fixtures as well.

The historical carrying amount of land that was revalued would have been R68 million had the cost model been adopted. In determining the value-in-use of the mining asset, Foskor makes use of significant judgments. Management projects cashflows over a period of 100 years (current year plus 99 years). While the majority of mining licences are currently valid until 2043, the Directors expect the licences will be renewed beyond 2070. The forecasted gross margins are estimated at 26%, which is driven by the increase in production output. The current year's gross margin was 10%. In arriving at the value-in-use, cash flows expressed in real terms have been estimated and discounted using a discount rate of 12.29% (2025: 14.58%), considering the specific amount and timing of future cash flows as well as the risks specific to the operations. The risk-free rate decreased from 12.20% in 2025 to 9.86% in 2026 and the average cost of debt decreased from 9.13% in 2025 to 8.58% in 2026.

In preparing the financial statements, management has made comparisons on the weighted average cost of capital (WACC) of 12.29% in 2026 as compared to 14.58% in 2025. The WACC was lower due to the decrease in cost of equity as well as a decrease in cost of debt.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

5. Investment property

	Group					
	2026			2025		
Figures in R'm	Cost/ valuation	Movements	Closing balance	Cost/ valuation	Movements	Closing balance
Land and buildings leased to industrialists	106	10	116	109	(3)	106
Land held for development	17	(3)	14	199	(182)	17
Total	**123**	**7**	**130**	**308**	**(185)**	**123**

	Group					
	2026			2025		
Figures in R'm	Cost/ valuation	Movements	Closing balance	Cost/ valuation	Movements	Closing balance
Land and buildings leased to industrialists	25	1	26	26	(1)	25
Total	**25**	**1**	**26**	**26**	**(1)**	**25**

Reconciliation of investment property – Group

	Group – 2026				
Figures in R'm	Opening balance	Disposals	Additions	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	106	(3)	–	13	116
Land held for development	17	–	–	(3)	14
	123	**(3)**	**–**	**10**	**130**

	Group – 2025				
Figures in R'm	Opening balance	Disposals	Additions	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	109	–	–	(3)	106
Land held for development	199	(182)	–	–	17
	308	**(182)**	**–**	**(3)**	**123**

Reconciliation of investment property – Company

	Company – 2026		
Figures in R'm	Opening balance	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	25	1	26
	25	**1**	**26**

	Company – 2025		
Figures in R'm	Opening balance	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	26	(1)	25
	26	**(1)**	**25**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Investment property *continued*

Details of valuation

Valuations take place annually, based on the aggregate of the net annual rental receivable from the properties, considering and analysing rentals received on similar properties in the neighbourhood less associated costs (insurance, maintenance, repairs and management fees). A capitalisation rate which reflects the specific risk inherent in the net cash flows is applied to the net annual rentals to arrive at the property valuations.

The fair value of undeveloped land held as investment property is based on comparative market prices after intensive market surveys. Gains and losses arising from a change in fair value are recognised in profit or loss. The external independent valuers have appropriate qualifications, skills and experience in the location and category of the property being valued are used to value the portfolio.

6. Intangible assets

Group

	2026			2025		
Figures in R'm	Cost	Accumulated amortisation	Closing balance	Cost	Accumulated amortisation	Closing balance
Intellectual property	–	–	–	12	(10)	2
Computer software	201	(137)	64	157	(126)	31
	201	**(137)**	**64**	**169**	**(136)**	**33**

Company

	2026			2025		
Figures in R'm	Cost	Accumulated amortisation	Closing balance	Cost	Accumulated amortisation	Closing balance
Computer software	97	(53)	44	55	(39)	15
	97	**(53)**	**44**	**55**	**(39)**	**15**

Reconciliation of intangible assets – Group

Group – 2026

Figures in R'm	Opening balance	Additions	Disposal	Amortisation	Transfers	Closing balance
Intellectual property	2	–	(2)	–	–	–
Computer software	31	48	(6)	(18)	9	64
	33	**48**	**(8)**	**(18)**	**9**	**64**

Group – 2025

Figures in R'm	Opening balance	Additions	Disposal	Amortisation	Transfers	Closing balance
Intellectual property	4	3	–	(4)	–	2
Computer software	29	16	(1)	(14)	–	31
Total	**33**	**19**	**(1)**	**(18)**	**–**	**33**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

6. Intangible assets *continued*

Reconciliation of intangible assets – Company

Company – 2026						
Figures in R'm	Opening balance	Additions	Amortisation	Disposal	Transfers	Closing balance
Computer software	15	38	(14)	(5)	10	44
	15	**38**	**(14)**	**(5)**	**10**	**44**

Company – 2025						
Figures in R'm	Opening balance	Additions	Amortisation	Disposal	Transfers	Closing balance
Computer software	23	5	(12)	(1)	–	15
	23	**5**	**(12)**	**(1)**	**–**	**15**

7. Investments in subsidiaries

	Company	
Figures in R'm	2026	2025
Opening balance	22 447	24 155
Fair value movement	5 995	(1 708)
	28 442	22 447

IDC subsidiaries	Share class		Shares at fair value (R'm) 2026	Shares at fair value (R'm) 2025	IDC net indebtedness from subsidiaries (R'm) 2026	IDC net indebtedness from subsidiaries (R'm) 2025	IDC net indebtedness to subsidiaries (R'm) 2026	IDC net indebtedness to subsidiaries (R'm) 2025
Findevco	Ordinary	100%	–	–	–	–	(374)	(374)
Foskor[1, 2]	Ordinary	59%	–	2 995	4 977	3 528	–	–
Konoil	Ordinary	100%	–	–	–	–	(15 251)	(15 251)
Prilla	Ordinary	100%	438	438	345	275	–	–
Sheraton Textiles	Ordinary	100%	–	–	224	162	–	–
Thelo Rolling Stock	Ordinary	10%	–	–	479	541	–	–
Other subsidiaries	Various	93.4%-100%	3	2	2 121	699	(149)	(149)
Total			**441**	**3 435**	**8 146**	**5 205**	**(15 774)**	**(15 774)**
Accumulated fair value adjustment			**28 001**	**19 012**	**–**	**–**	**–**	**–**
			28 442	**22 447**	**8 146**	**5 205**	**(15 774)**	**(15 774)**

[1] *Legally IDC owns 59% of Foskor, but for accounting purposes an effective 85% of Foskor is consolidated by virtue of IDC holding shares on behalf of B-BBEE participants until repayment of IDC funding is effected.*

[2] *During FY2025, IDC restructured a loan with repayment terms to non-repayment terms which resulted in the loan being presented on the statement of financial position of Foskor under equity. This led to IDC recognising the loan as additional investment in subsidiary.*

A register of investments is available and is open for inspection at the IDC's registered office.

Subsidiaries with less than 50% stake

Although the Company holds 10% shareholding in Thelo Rolling Stock Leasing, the investment is considered a subsidiary because of the voting powers granted to the IDC through its right to appoint three out of the five directors to the board of directors of Thelo Rolling Stock Leasing.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

7. Investments in subsidiaries *continued*

Profits and losses

The aggregate net profits and losses after taxation of subsidiaries attributable to the IDC were as follows:

	IDC subsidiaries	
Figures in R'm	**2026**	2025
Profits	2 849	3 051
Losses	(1 588)	(1 857)
	1 261	**1 194**

Included in financing are the following investments which have been made in terms of section 3 (a) of the IDC Act with the approval of the President:

	Foskor	
Figures in R'm	**2026**	2025
Foskor – at fair value	–	2 995
	–	**2 995**

Subsidiaries with material NCIs

The following information is provided for subsidiaries with NCIs which are material to the reporting company. The summarised financial information is provided prior to inter-company elimination:

Subsidiary	Country of incorporation	% ownership interest held by non-controlling interest	
		2026	2025
Foskor	**RSA**	**15%**	**15%**

The percentage ownership interest and the percentage voting rights of the NCIs were the same in all cases except for Foskor where the voting rights were 15% (2025: 15%).

Foskor summarised statement of financial position

	Foskor	
Figures in R'm	**2026**	2025
Assets		
Non-current assets	6 455	7 322
Current assets	3 411	4 113
Total assets	**9 866**	**11 435**
Liabilities		
Non-current liabilities	557	3 445
Current liabilities	6 633	2 481
Total liabilities	**7 190**	**5 926**
Total net assets/(liabilities)	**2 676**	**5 509**
Carrying amount of non-controlling interest	**401**	**826**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

7. Investments in subsidiaries *continued*

Foskor summarised statement of profit or loss and other comprehensive income

	Foskor	
Figures in R'm	2026	2025
Revenue	**9 003**	**9 560**
Other income and expenses	(10 598)	(9 959)
Profit/(loss)before tax	(1 595)	(399)
Tax expense	(1 233)	125
Profit/(loss)	**(2 828)**	**(274)**
Other comprehensive income/(loss)	–	(3)
Total comprehensive income	**(2 828)**	**(277)**
Profit/(loss) allocated to non-controlling interest	**(426)**	**–**

Summarised statement of cash flows

	Foskor	
Figures in R'm	2026	2025
Cash flows from operating activities	(57)	841
Cash flows from investing activities	(560)	(952)
Cash flows from financing activities	453	297
Total cash movements for the year	**(164)**	**186**

There are no significant restrictions on ability of the Group to access or use assets and settle liabilities.

Discontinued operations – sefa merger

On 23 July 2024, the President signed the National Small Enterprise Amendment Act 21 of 2024 which amends the National Small Enterprise Act 102 of 1996 to establish a new entity, the Small Enterprise Development Finance Agency (sedfa), which will incorporate the Small Enterprise Finance Agency (sefa), the Small Enterprise Development Agency (seda) and the Cooperative Banks Development Agency (cbda). Subsequent to that, on 10 September 2024 the President and Minister of Cabinet signed a proclamation stating that from 1 October 2024 and 1 December 2024, the proclamation shall come into operation. sefa transferred its assets and liabilities to sedfa from 1 October 2024 resulting in IDC declaring deemed distribution to the shareholder (**the dtic**).

Figures in R'm	2026	2025
Interest income from loans and advances	–	74
Grant income	–	269
Other income	–	200
Net expenses	–	(43)
Operating expenses	–	(339)
Profit/(loss) before tax	**–**	**160**
Income tax expense	–	(6)
Profit from discontinued operations	**–**	**154**
Assets		
Cash and cash equivalents	–	4 911
Loans and advances	–	1 177
Equity investments	–	1 063
Other	–	545
Total assets	**–**	**7 697**
Liabilities		
Grants received in advance	–	4 777
Other	–	316
Total liabilities	**–**	**5 093**
Deemed distribution of sefa to the dtic		**2 604**
Operating activities	–	356
Investing activities	–	87
Financing activities	–	121
Total cash movements for the year	**–**	**565**
The amount of income/(loss) from sefa attributable to owners of the parent	**–**	**154**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates

8.1 Investment in associates

	Group			Company	
Figures in R'm	2026	2025 restated[1]	2024 restated[1]	2026	2025
Fair value of investments – listed shares in associates	–	–	–	977	1 036
Fair value of investments – unlisted shares in associates	–	–	–	22 052	24 920
NAV at acquisition	11 822	11 421	11 438	–	–
Accumulated income in associates	36 912	36 839	38 165	–	–
Accumulated losses and impairments in associates[1]	(28 976)	(25 344)	(24 408)	–	–
	19 758	**22 916**	**25 195**	**23 029**	**25 956**

[1] *Restated, refer to Note 36.*

Investments accounted for using the equity method – all associates on consolidation level – 2026

Figures in R'm	Industry	Financial year-ends[1]	Country of incorporation	% shareholding	Total exposure 2026
Adelaide Ruiters Mining and Exploration (Pty) Ltd	Exploration of sedimentary phosphates and limestone	28.02.2026	RSA	25.00	101
Aerosud Holdings (Pty) Ltd	Aircraft and Airbus manufacturer	31.03.2026	RSA	26.00	155
Aquarius MOGS Saldanha (Pty) Ltd	Petrol, lubricating oils and greases from crude oil	31.12.2025	RSA	26.00	373
BAIC Automobile SA (Pty) Ltd	Automotive	31.12.2025	RSA	35.00	431
BEECO (Eyesizwe RF (Pty) Ltd)	Mining	31.12.2025	RSA	22.95	4 020
Columbus Stainless (Pty) Ltd	Steel manufacturer	31.12.2025	RSA	24.00	726
Consolidated Wire Industries (Pty) Ltd	Producer of mild steel wire and wire products	31.03.2026	RSA	50.00	65
Dimako Holdings (Pty) Ltd	Holds investment in machinery equipment and electronics	28.02.2026	RSA	25.00	124
Duferco Steel Processing (Pty) Ltd	Processes steel coil	30.09.2025	RSA	50.00	521
Grinding Media (Pty) Ltd	Supplier of high chrome and forged grinding media	31.12.2025	RSA	23.00	1 134
Hans Merensky Holdings (Pty) Ltd	Holds investments in timber and agricultural industries	31.12.2025	RSA	29.70	2 188
Hulamin Limited	Asset leasing	31.12.2025	RSA	29.17	1 048
Karoshoek Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31.12.2025	RSA	20.00	64
Karsten Group Holdings (Pty) Ltd	Farms table grapes and dates	30.09.2025	RSA	42.30	1 059
Merafe Resources Limited	Operates chrome and alloys plant	31.12.2025	RSA	21.88	1 069
MOZAL S.A.R.L.	Produces primary aluminium metal	30.06.2025	Mozambique	32.49	332
Scaw South Africa (Pty) Ltd	Steel manufacturer	31.10.2025	RSA	26.00	592
Smart Union Resources South Africa (Pty) Ltd	Mining of various minerals	31.12.2025	RSA	20.00	3 525
Xina Solar one (RF) Pty Ltd	Parabolic through solar energy farm	31.12.2025	RSA	20.00	923
York Timber Holdings Limited	Sawmilling	30.06.2025	RSA	20.07	465
Other associates	Various	Various	Various	Various	843
					19 758

[1] *The financial year ends for which the audited/reviewed financial statements of the associated entities have been prepared, where they are different from that of the investor, are disclosed above.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Investments accounted for using the equity method – all associates on consolidation level – 2025

Figures in R'm	Industry	Financial year-ends[1]	Country of incorporation	% shareholding	Total exposure 2025
Adelaide Ruiters Mining and Exploration (Pty) Ltd	Exploration of sedimentary phosphates and limestone	28.02.2025	RSA	25.00	105
BAIC Automobile SA (Pty) Ltd	Automotive	31.12.2024	RSA	35.00	266
BEECO (Eyesizwe RF (Pty) Ltd)	Mining	31.12.2024	RSA	22.95	3 620
Cast Products South Africa (Pty) Ltd	Supplier of wheels and locomotive frames	31.12.2024	RSA	93.50	154
Columbus Stainless (Pty) Ltd	Steel manufacturer	31.12.2024	RSA	24.00	1 357
Consolidated Wire Industries (Pty) Ltd	Producer of mild steel wire and wire products	31.03.2025	RSA	50.00	104
Dimako Holdings (Pty) Ltd	Holds investment in machinery equipment and electronics	28.02.2024	RSA	25.00	100
Duferco Steel Processing (Pty) Ltd	Processes steel coil	30.09.2024	RSA	50.00	849
Grinding Media (Pty) Ltd	Supplier of high chrome and forged grinding media	31.12.2024	RSA	23.00	1 128
Hans Merensky Holdings (Pty) Ltd	Holds investments in timber and agricultural industries	31.12.2024	RSA	29.70	2 367
Hulamin Limited	Asset leasing	31.12.2024	RSA	29.17	1 087
Karoshoek Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31.12.2024	RSA	20.00	72
Karsten Group Holdings (Pty) Ltd	Farms table grapes and dates	30.09.2024	RSA	42.30	1 017
Merafe Resources Limited	Operates chrome and alloys plant	31.12.2024	RSA	21.88	1 060
MOZAL S.A.R.L.	Produces primary aluminium metal	30.06.2024	Mozambique	32.49	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	Petrol, lubricating oils and greases from crude oil	31.12.2024	RSA	26.00	94
Scaw South Africa (Pty) Ltd	Steel manufacturer	31.10.2024	RSA	26.00	586
Smart Union Resources South Africa (Pty) Ltd	Mining of various minerals	31.03.2024	RSA	20.00	3 444
Xina Solar one (RF) Pty Ltd	Parabolic through solar energy farm	31.12.2024	RSA	20.00	946
York Timber Holdings Limited	Sawmilling	30.06.2024	RSA	20.07	418
Other associates	Various	Various	Various	Various	697
					22 916

[1] *The financial year ends for which the audited/reviewed financial statements of the associated entities have been prepared, where they are different from that of the investor, are disclosed above.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Investments accounted for using the equity method – all associates on consolidation level – 2024

Figures in R'm	Industry	Financial year-ends[1]	Country of incorporation	% shareholding	Total exposure 2024
Adelaide Ruiters and Explorations	Exploration of sedimentary phosphates and limestone	28.02.2024	RSA	25.00	109
BAIC Automobile SA (Pty) Ltd	Automotive	31.12.2023	RSA	35.00	396
BEECO (Eyesizwe (Pty) Ltd)	Mining	31.12.2023	RSA	23.00	4 514
Cast Products South Africa (Pty) Ltd	Supplier of wheels and locomotive frames	31.03.2024	RSA	85.00	408
Columbus Stainless (Pty) Ltd	Steel manufacturer	31.12.2023	RSA	24.00	1 099
Consolidated Wire Industries (Pty) Ltd	Producer of mild steel wire and wire products	31.03.2024	RSA	50.00	105
Duferco Steel Processing (Pty) Ltd	Processes steel coil	30.09.2023	RSA	50.00	248
Grinding Media (Pty) Ltd	Supplier of high chrome and forged grinding media	31.12.2023	RSA	23.00	1 142
Hans Merensky (Pty) Ltd	Holds investments in timber and agricultural industries	31.12.2023	RSA	30.00	2 394
Hulamin Limited	Asset leasing	31.12.2023	RSA	29.17	1 018
Incwala Resources (Pty) Ltd	Platinum mining	31.12.2023	RSA	23.56	1 888
Kaxu Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31.12.2023	RSA	29.00	107
Karsten Group Holdings (Pty) Ltd	Farms table grapes and dates	30.09.2023	RSA	42.31	959
Merafe Resources Limited	Operates chrome and alloys plant	31.12.2023	RSA	21.88	1 144
MOZAL S.A.R.L.	Produces primary aluminium metal	30.06.2023	Mozambique	32.49	3 652
Scaw South Africa (Pty) Ltd	Steel manufacturer	31.10.2023	RSA	26.00	466
Smart Union Resources South Africa (Pty) Ltd	Mining of various minerals	31.03.2023	RSA	20.00	3 635
Umicore Catalyst South Africa (Pty) Ltd	Materials technology and recycling	31.12.2023	RSA	35.00	320
Xina Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31.12.2023	RSA	20.00	170
York Timber Holdings Limited	Sawmilling	30.06.2023	RSA	20.07	381
Other associates	Various	Various	Various	Various	1 040
					25 195

[1] *The financial year ends for which the audited/reviewed financial statements of the associated entities have been prepared, where they are different from that of the investor,are disclosed above.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Carrying amount of material associates – 2026

Figures in R'm	Opening balance[1]	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year	Share of associate companies' OCI for the year	Impairment movement	FCTR and other movements	Closing balance
Adelaide Ruiters Mining and Exploration (Pty) Ltd[1]	105	–	(4)	–	–	–	101
Aerosud Holdings (Pty) Ltd	77	–	6	–	72	–	155
Aquarius MOGS Saldanha (Pty) Ltd[2]	94	–	13	–	267	–	373
BAIC Automobile SA (Pty) Ltd	266	–	(46)	–	211	–	431
BEECO (Eyesizwe RF (Pty) Ltd)	3 620	(422)	822	–		–	4 020
Cast Products South Africa (Pty) Ltd[3]	154	–	(154)	–	–	–	–
Columbus Stainless (Pty) Ltd	1 357	–	(282)	–	(349)	–	726
Consolidated Wire Industries (Pty) Ltd	105	–	1	1	(42)	–	65
Dimako Holdings (Pty) Ltd	100	–	23	–	–	–	124
Duferco Steel Processing (Pty) Ltd	849	–	(89)	18	92	(349)	521
Grinding Media (Pty) Ltd	1 128	(13)	19	–	–	–	1 134
Hans Merensky Holdings (Pty) Ltd	2 367	–	(217)	–	–	38	2 188
Hulamin Limited	1 087	–	(43)	4	–	–	1 048
Karoshoek Solar One (RF) (Pty) Ltd	72	–	(8)	–	–	–	64
Karsten Group Holdings (Pty) Ltd	1 017	(2)	45	–	–	–	1 059
Merafe Resources Limited	1 060	(22)	31	–			1 069
MOZAL S.A.R.L.	3 446	–	(2 656)	–	(103)	(355)	332
Scaw South Africa (Pty) Ltd	586	–	6	–	–		592
Smart Union Resources South Africa (Pty) Ltd	3 444	(200)	291	(10)	–	–	3 525
Xina Solar one (RF) Pty Ltd	946	–	(23)	–	–	–	923
York Timber Holdings Limited	418	–	48	–	–	–	465
Total material associates[4]	**22 296**	**(660)**	**(2 217)**	**12**	**148**	**(666)**	**18 915**
Total – other associates	**620**	**–**	**(378)**	**3**	**568**	**30**	**843**
Total	**22 916**	**(660)**	**(2 595)**	**15**	**716**	**(636)**	**19 758**

[1] *Restated, refer to Note 36.*

[2] *Oiltanking MOGS Saldahna (RF) (Pty) Ltd was renamed to Aquarius MOGS Saldanha (Pty) Ltd.*

[3] *Cast Products South Africa has a share of loss of R379 million for the year. The balance had to be limited to R0 as per IAS 28; however it is still an investment in associate.*

[4] *Total material associates refers to the top 20 associates balance at year-end.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Carrying amount of material associates – 2025

Figures in R'm	Opening balance[1]	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year	Share of associate companies' OCI for the year	Impairment loss	Reclassified as non-current assets held for sale[2]	FCTR and other movements	Closing balance
Adelaide Ruiters Mining and Exploration (Pty) Ltd[1]	109	–	(4)	–	–	–	–	105
BAIC Automobile SA (Pty) Ltd	396	–	(130)	–	–	–	–	266
BEECO (Eyesizwe RF (Pty) Ltd)	4 514	(578)	(316)	–	–	–	–	3 620
Cast Products South Africa (Pty) Ltd	408	–	(254)	–	–	–	–	154
Columbus Stainless (Pty) Ltd	1 098	–	258	–	–	–	–	1 357
Consolidated Wire Industries (Pty) Ltd	105	–	–	–	–	–	–	105
Dimako Holdings (Pty) Ltd	83	(3)	20	–	–	–	–	100
Duferco Steel Processing (Pty) Ltd	248	–	(330)	–	–	–	931	849
Grinding Media (Pty) Ltd	1 142	(11)	(3)	–	–	–	–	1 128
Hans Merensky Holdings (Pty) Ltd	2 367	(54)	(41)	–	–	–	95	2 367
Hulamin Limited	1 017	–	74	(5)	–	–	–	1 087
Incwala Resources (Pty) Ltd	1 888	–	(4)	–	–	(1 884)		–
Karoshoek Solar One (RF) (Pty) Ltd	69	–	2	–	–	–	–	72
Karsten Group Holdings (Pty) Ltd	959	–	57	–	–	–	–	1 017
Merafe Resources Limited	1 144	(230)	146	–	–	–	–	1 060
MOZAL S.A.R.L.	3 652	–	12	–	–	–	(218)	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	100	–	(6)	–	–	–	–	94
Scaw South Africa (Pty) Ltd	466	–	120	–	–	–	–	586
Smart Union Resources South Africa (Pty) Ltd	3 635	(5)	(199)	13	–	–	–	3 444
Umicore Catalyst South Africa (Pty) Ltd	320	(26)	(2)	–	–	(292)	–	–
Xina Solar one (RF) Pty Ltd	170	–	776	–	–	–	–	946
York Timber Holdings Limited	381	–	37	–	–	–	–	418
Total material associates[3]	**24 271**	**(907)**	**214**	**8**	**–**	**(2 176)**	**808**	**22 218**
Total – other associates	**924**	**–**	**(209)**	**–**	**–**	**–**	**(17)**	**698**
Total	**25 195**	**(907)**	**6**	**8**	**–**	**(2 176)**	**791**	**22 916**

[1] *Restated, refer to Note 36.*

[2] *Refer to Note 8.2.*

[3] *Total material associates refers to the top 20 associates balance at year-end.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Carrying amount of material associates – 2024

Figures in R'm	Opening balance	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year	Share of associate companies' OCI for the year	Impairment loss[1]	FCTR and other movements	Closing balance
Adelaide Ruiters and Explorations (Pty) Ltd[1]	3 801	–	(3)	(1 059)	(2 629)	(1)	109
BAIC Automobile SA (Pty) Ltd	102	–	(90)	–	–	384	396
BEECO (Eyesizwe RF (Pty) Ltd)	4 760	(559)	313	–	–	–	4 514
Cast Products South Africa (Pty) Ltd	(327)	–	(351)	–	–	1 086	408
Columbus Stainless (Pty) Ltd	1 276	–	(178)	(172)	–	172	1 098
Consolidated Wire Industries (Pty) Ltd	107	–	(5)	3	–	–	105
Duferco Steel Processing (Pty) Ltd	333	–	(17)	–	–	(68)	248
Grinding Media (Pty) Ltd[1]	–	(15)	30	–	–	1 127	1 143
Hans Merensky Holdings (Pty) Ltd	2 854	(69)	(385)	(38)	–	5	2 367
Hulamin Limited	928	–	79	6	–	4	1 017
Incwala Resources (Pty) Ltd	2 131	–	–	–	–	(243)	1 888
Ka Xu Solar (RF) (Pty) Ltd	147	(13)	(27)	–	–	–	107
Karsten Group Holdings (Pty) Ltd	914	–	39	–	–	6	959
Merafe Resources Ltd	940	(180)	384	–	–	–	1 143
MOZAL S.A.R.L.	5 102	(894)	(899)	–	–	343	3 652
Scaw Metals (Pty) Ltd	347	–	120	7	–	(8)	466
Smart Union Res	3 154	(104)	503	–	–	82	3 635
Umicore Catalyst South Africa (Pty) Ltd	317	(53)	53	–	–	3	321
Xina Solar one (RF) Pty Ltd	199	–	(31)	2	–	–	170
York Timber Holdings Limited	458	–	(49)	3	–	(31)	381
Total material associates[2]	**27 543**	**(1 887)**	**(513)**	**(1 248)**	**(2 629)**	**2 861**	**24 127**
Total – other associates	**1 397**	**(22)**	**(377)**	**28**	**–**	**42**	**1 068**
Total	**28 940**	**(1 909)**	**(890)**	**(1 220)**	**(2 629)**	**2 903**	**25 195**

[1] *Restated, refer to Note 36.*

[2] *Total material associates refers to the top 20 associates balance at year-end.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. Investments in associates *continued*

Summarised financial information of immaterial investment in associate – 2026

Figures in R'm	Profit or loss from continuing operations	Other comprehensive income	Total comprehensive income
Total immaterial investment in associate	**(378)**	**3**	**(375)**

Summarised financial information of immaterial investment in associate – 2025

Figures in R'm	Profit or loss from continuing operations	Other comprehensive income	Total comprehensive income
Total immaterial investment in associate	**(209)**	**–**	**(209)**

Carrying amount of individually immaterial investment in associate

	Group		
Figures in R'm	2026	2025	2024
Opening balance	396	622	953
Dividends received from equity-accounted associate company	–	–	(22)
Share of associate companies' profit after taxation for the year	(378)	(209)	(379)
Share of associate companies' OCI for the year	3	–	28
Impairment gain/(loss)	568	–	–
Foreign currency translation and other movements	30	(17)	42
Closing balance	**619**	**396**	**622**

Summarised financial information of material associates – 2026

Figures in R'm	Revenue	Profit/(loss) from continuing operations	Other comprehensive income	Total comprehensive income	Dividend declared
Adelaide Ruiters Mining and Exploration (Pty) Ltd	–	(15)	–	(15)	–
Aerosud Holdings (Pty) Ltd	1 057	21	–	21	–
Aquarius MOGS Saldanha (Pty) Ltd	379	–	–	–	–
BAIC Automobile SA (Pty) Ltd	1 244	(132)	–	(132)	–
BEECO (Eyesizwe RF (Pty) Ltd)	1 841	3 582	–	3 582	1 839
Columbus Stainless (Pty) Ltd	8 302	(1 173)	–	(1 173)	–
Consolidated Wire Industries (Pty) Ltd	935	3	1	4	–
Dimako Holdings (Pty) Ltd	410	94	–	94	–
Duferco Steel Processing (Pty) Ltd	1 727	(177)	35	(142)	–
Grinding Media (Pty) Ltd	2 683	82	–	82	58
Hans Merensky Holdings (Pty) Ltd	23 098	(731)	–	(731)	–
Hulamin Limited	13 049	(148)	15	(133)	–
Karoshoek Solar One (RF) (Pty) Ltd	1 629	(40)	–	(40)	–
Karsten Group Holdings (Pty) Ltd	2 860	106	–	106	6
Merafe Resources Limited	5 835	143	–	143	100
MOZAL S.A.R.L.	26 755	(8 175)	–	(8 175)	–
Scaw South Africa (Pty) Ltd	9 234	22	–	22	–
Smart Union Resources South Africa (Pty) Ltd	14 219	1 457	(50)	1 407	1 000
Xina Solar one (RF) Pty Ltd	1 034	(116)	–	(116)	–
York Timber Holdings Limited	1 966	238	(1)	237	–
Other associates	9 326	(714)	–	(714)	–
	127 583	**(5 673)**	**–**	**(5 673)**	**3 003**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Reconciliation of summarised information to carrying amount – 2026

Figures in R'm	Total net assets	IDC % shareholding	IDC share of net assets	Net carrying amount
Adelaide Ruiters Mining and Exploration (Pty) Ltd	326	25	82	101
Aerosud Holdings (Pty) Ltd	363	26	94	155
Aquarius MOGS Saldanha (Pty) Ltd	979	26	254	373
BAIC Automobile SA (Pty) Ltd	2 032	35	711	431
BEECO (Eyesizwe RF (Pty) Ltd)	17 515	23	4 020	4 020
Columbus Stainless (Pty) Ltd	2 727	24	654	726
Consolidated Wire Industries (Pty) Ltd	315	50	158	65
Dimako Holdings (Pty) Ltd	412	25	103	124
Duferco Steel Processing (Pty) Ltd	371	50	185	521
Grinding Media (Pty) Ltd	634	23	146	1 134
Hans Merensky Holdings (Pty) Ltd	4 481	30	1 331	2 188
Hulamin Limited	3 668	29	1 070	1 048
Karoshoek Solar One (RF) (Pty) Ltd	238	20	48	64
Karsten Group Holdings (Pty) Ltd	2 832	42	1 198	1 059
Merafe Resources Limited	4 719	22	1 032	1 069
MOZAL S.A.R.L.	6 407	32	2 082	332
Scaw South Africa (Pty) Ltd	3 904	26	1 015	592
Smart Union Resources South Africa (Pty) Ltd	20 363	20	4 073	3 525
Xina Solar one (RF) Pty Ltd	4 636	20	927	923
York Timber Holdings Limited	3 130	20	628	465
Other associates	6 473	Various	1 406	843
	86 525		**21 217**	**19 758**

Summarised statement of financial position – 2026

Figures in R'm	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Adelaide Ruiters Mining and Exploration (Pty) Ltd	440	–	83	32	325
Aerosud Holdings (Pty) Ltd	288	526	265	186	363
Aquarius MOGS Saldanha (Pty) Ltd	2 471	164	1 654	2	979
BAIC Automobile SA (Pty) Ltd	2 852	2 082	186	2 717	2 032
BEECO (Eyesizwe RF (Pty) Ltd)	19 263	14	1 758	3	17 515
Columbus Stainless (Pty) Ltd	3 443	4 590	203	5 103	2 727
Consolidated Wire Industries (Pty) Ltd	213	289	66	120	315
Dimako Holdings (Pty) Ltd	278	272	83	55	412
Duferco Steel Processing (Pty) Ltd	1 027	1 357	1 428	586	371
Grinding Media (Pty) Ltd	326	845	125	412	634
Hans Merensky Holdings (Pty) Ltd	8 638	6 085	3 519	6 724	4 481
Hulamin Limited	2 412	5 041	1 902	1 882	3 668
Karoshoek Solar One (RF) (Pty) Ltd	7 351	961	7 800	273	238
Karsten Group Holdings (Pty) Ltd	3 426	1 594	1 303	885	2 832
Merafe Resources Limited	1 316	4 740	370	967	4 719
MOZAL S.A.R.L.	870	9 889	3 348	1 004	6 407
Scaw South Africa (Pty) Ltd	8 262	3 407	3 310	4 455	3 904
Smart Union Resources South Africa (Pty) Ltd	25 553	7 096	8 490	3 796	20 363
Xina Solar one (RF) Pty Ltd	10 473	1 480	1 608	5 708	4 636
York Timber Holdings Limited	3 956	1 035	1 390	471	3 130
Other associates	34 259	4 217	24 877	7 126	6 473
	137 116	**55 681**	**63 768**	**42 505**	**86 524**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

Summarised financial information of material associates – 2025

Figures in R'm	Revenue	Profit/(loss) from continuing operations	Other comprehensive income	Total comprehensive income	Dividend declared
Adelaide Ruiters Mining and Exploration (Pty) Ltd	–	(15)	–	(15)	–
BAIC Automobile SA (Pty) Ltd	743	(241)	–	(241)	–
BEECO (Eyesizwe RF (Pty) Ltd)	2 561	(1 379)	–	(1 379)	2 519
Cast Products South Africa (Pty) Ltd	815	(271)	–	(271)	–
Columbus Stainless (Pty) Ltd	12 477	(846)	–	(846)	–
Consolidated Wire Industries (Pty) Ltd	1 067	1	(2)	(1)	–
Dimako Holdings (Pty) Ltd	401	99	–	99	10
Duferco Steel Processing (Pty) Ltd	1 375	13	–	13	–
Grinding Media (Pty) Ltd	2 888	110	–	110	47
Hans Merensky Holdings (Pty) Ltd	22 633	(87)	–	(87)	182
Hulamin Limited	13 635	246	(15)	231	–
Karoshoek Solar One (RF) (Pty) Ltd	340	(22)	–	(22)	–
Karsten Group Holdings (Pty) Ltd	2 684	86	–	86	–
Merafe Resources Limited	8 443	667	–	667	–
MOZAL S.A.R.L.	26 331	1 584	–	1 584	–
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	369	(24)	–	(24)	–
Scaw South Africa (Pty) Ltd	2 438	(52)	–	(52)	–
Smart Union Resources South Africa (Pty) Ltd	13 549	1 287	64	1 350	27
Xina Solar one (RF) Pty Ltd	1 097	(22)	–	(22)	–
York Timber Holdings Limited	1 901	184	–	184	–
Other associates	6 103	(711)	–	(711)	–
	121 851	**608**	**47**	**654**	**2 784**

Reconciliation of summarised information to carrying amount – 2025

Figures in R'm	Total net assets	IDC % shareholding	IDC share of net assets	Net carrying amount
Adelaide Ruiters Mining and Exploration (Pty) Ltd[1]	342	25	86	105
BAIC Automobile SA (Pty) Ltd	1 451	35	508	266
BEECO (Eyesizwe RF (Pty) Ltd)	15 772	23	3 620	3 620
Cast Products South Africa (Pty) Ltd	(293)	94	(274)	154
Columbus Stainless (Pty) Ltd	3 896	24	935	1 357
Consolidated Wire Industries (Pty) Ltd	311	50	156	104
Dimako Holdings (Pty) Ltd	402	25	100	100
Duferco Steel Processing (Pty) Ltd	595	50	298	849
Grinding Media (Pty) Ltd	727	23	167	1 128
Hans Merensky Holdings (Pty) Ltd	4 955	30	1 472	2 367
Hulamin Limited	3 788	29	1 105	1 087
Karoshoek Solar One (RF) (Pty) Ltd	326	20	65	72
Karsten Group Holdings (Pty) Ltd	2 400	42	1 015	1 017
Merafe Resources Limited	4 876	22	1 067	1 060
MOZAL S.A.R.L.	11 675	32	3 793	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	1 386	26	360	94
Scaw South Africa (Pty) Ltd	3 971	26	1 032	586
Smart Union Resources South Africa (Pty) Ltd	18 965	20	3 793	3 444
Xina Solar one (RF) Pty Ltd	4 743	20	949	946
York Timber Holdings Limited	2 893	20	581	418
Other associates	671	Various	245	697
	83 852		**21 072**	**22 916**

[1] *Restated, refer to Note 36.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. Investments in associates *continued*

Summarised statement of financial position – 2025

Figures in R'm	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Adelaide Ruiters Mining and Exploration (Pty) Ltd[1]	440	1	77	22	342
BAIC Automobile SA (Pty) Ltd	2 741	745	243	1 792	1 451
BEECO (Eyesizwe RF (Pty) Ltd)	16 997	47	1 269	3	15 772
Cast Products South Africa (Pty) Ltd	643	286	769	453	(293)
Columbus Stainless (Pty) Ltd	2 968	5 422	190	4 305	3 896
Consolidated Wire Industries (Pty) Ltd	202	297	35	153	311
Dimako Holdings (Pty) Ltd	256	255	57	53	402
Duferco Steel Processing (Pty) Ltd	1 151	1 686	1 454	788	595
Grinding Media (Pty) Ltd	314	983	113	458	727
Hans Merensky Holdings (Pty) Ltd	7 701	9 872	4 376	8 242	4 955
Hulamin Limited	2 035	5 257	229	3 274	3 788
Karoshoek Solar One (RF) (Pty) Ltd	7 709	1 094	8 146	331	326
Karsten Group Holdings (Pty) Ltd	3 296	1 383	1 218	1 061	2 400
Merafe Resources Limited	1 261	4 882	340	926	4 876
MOZAL S.A.R.L.	5 757	10 055	1 778	2 359	11 675
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	3 138	357	2 082	26	1 386
Scaw South Africa (Pty) Ltd	8 421	3 338	3 095	4 693	3 971
Smart Union Resources South Africa (Pty) Ltd	22 535	7 214	7 106	3 678	18 965
Xina Solar one (RF) Pty Ltd	10 773	1 703	1 540	6 193	4 743
York Timber Holdings Limited	3 629	1 022	1 265	493	2 893
Other associates	13 213	3 032	9 906	5 670	671
	115 179	**58 932**	**45 289**	**44 972**	**83 852**

[1] *Restated, refer to Note 36.*

8.2 Non-current assets held for sale

Eastern Produce South Africa (Pty) Ltd

Eastern Produce South Africa (Pty) Ltd (EPSA) is a macadamia producing company situated in Makhado, north of South Africa. The IDC has a 26.8% equity interest in the company with the balance of the shares (73.2%) held by Camellia PLC a United Kingdom company listed on the London Stock Exchange. As of July 2025, the IDC Exco has approved a mandate to dispose IDC's equity interest in the company. EPSA is currently loss-making, and the latest forecasts indicate that it is likely to remain so, as macadamia prices continue to be low while production costs remain high. Consequently, the fair value has remained at R0. At present, the process to dispose of IDC's equity interest is still ongoing, pending Ministerial approval in terms of the PFMA.

Incwala Resources (Pty) Ltd

Incwala Resources (Pty) Ltd (Incwala Resources), is a majority black-owned and -controlled mining company. The main business of Incwala Resources is to make investments in the mining sector. Incwala Resources holds various investments through its wholly owned subsidiary Incwala Platinum (Pty) Ltd. The IDC Board approved to dispose of its entire 23.6% shareholding in Incwala Resources, and Ministerial approval was obtained in April 2026. As at year end Incwala Resources is still classified as a non-current asset held for sale.

Umicore Catalyst South Africa (Pty) Ltd

The IDC (with a 35% shareholding) co-owned Umicore Catalyst South Africa with Umicore Group (through its subsidiary Umicore Finance Luxembourg). Umicore Groups' business is centred around clean technologies, such as emission control catalysts (for passenger and commercial vehicles), materials for rechargeable batteries amongst other things. The South African operation is involved in manufacturing of automotive emission control catalytic convertor used to reduce harmful gases on internal combustion engines for both petrol-powered and diesel-powered vehicles. During the 2025 financial year, the IDC Exco resolved to dispose its entire shareholding in Umicore and the disposal was completed in the current financial year.

Rossing Uranium Limited

Rossing Uranium Ltd (Rossing) operates one of the world's largest and longest-running open-pit uranium mines, located near Arandis in the Erongo region in Namibia. The IDC holds a minority shareholding of approximately 10.48%. Rossing's current shareholder base includes entities that are subject to international sanctions, resulting in Rossing being classified as a sanctioned entity under the IDC's Risk and Compliance Management Programme (RMCP). Consequently, the IDC's continued investment in Rossing is inconsistent with its internal policies and lender requirements, which oblige the IDC to exit business relationships involving sanctioned parties. A broad marketing and advertising exercise was undertaken locally and in Namibia, supported by direct outreach to targeted financial and strategic investors. This process resulted in the receipt of 35 expressions of interest. As at current moment the process to dispose IDC's equity interest is still ongoing.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

8.2 Non-current assets held for sale *continued*

Summary of non-current assets held for sale – 2026

	Group	Company
Figures in R'm	2026	2026
EPSA	–	–
Incwala Resources	1 619	1 619
Rossing	470	470
	2 089	**2 089**

Summary of non-current assets held for sale – 2025

	Group	Company
Figures in R'm	2025	2025
Incwala Resources	1 884	569
Umicore Catalyst South Africa	292	155
	2 176	**724**

Summarised financial information

	2026	
Figures in R'm	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year
EPSA	–	(12)
Incwala Resources	–	–
Rossing[1]	–	–
	–	**(12)**

[1] *IDC holds a 10.48% equity interest in Rossing, which does not constitute significant influence; accordingly, the investment is classified as an investment in securities.*

	2025	
Figures in R'm	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year
Incwala Resources	–	(4)
Umicore Catalyst South Africa	(26)	(2)
	(26)	**(6)**

2026

Figures in R'm	Revenue	Profit/(loss) from continuing operations	Other comprehensive income/(loss)	Dividend declared
EPSA	87	(44)	–	–
Incwala Resources[1]	–	–	–	–
Rossing	8 115	895	(20)	–
	8 202	**851**	**(20)**	**–**

[1] *Revenue and loss from continuing operations amounts are less than R1 million.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

8. Investments in associates *continued*

8.2 Non-current assets held for sale *continued*

2025

Figures in R'm	Revenue	Profit/(loss) from continuing operations	Other comprehensive income/(loss)	Dividend declared
Incwala Resources[1]	–	–	–	–
Umicore Catalyst South Africa	1 509	(5)	(5)	75
	1 509	**(5)**	**(5)**	**75**

[1] *Revenue and profit from continuing operations amount is less than R1 million.*

Summarised statement of financial position – 2026

Figures in R'm	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Total net assets**
EPSA	226	58	110	259	(85)
Incwala Resources	5 587	3	–	–	5 590
Rossing	5 769	5 787	3 647	1 505	6 403
	11 582	**5 848**	**3 757**	**1 764**	**11 908**

Summarised statement of financial position – 2025

Figures in R'm	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Incwala Resources	7 993	7	–	4	7 996
Umicore Catalyst South Africa	153	905	40	184	834
	8 146	**912**	**40**	**188**	**8 830**

9. Derivative financial instruments

	Group	
Figures in R'm	**2026**	2025
Derivative assets		
Foreign exchange contract assets	5	1
Derivative liabilities		
Share buy-back option	(6)	(6)
Foreign exchange contract liabilities	–	(1)

All contractual maturities for the derivative assets and liabilities are within 12 months.

The share buy-back option has been valued using the Monte Carlo Option Pricing model. The following are the key assumptions applied in the model:

	Group	
Figures in R'm	**2026**	2025
Strike price	227 183	227 183
Spot price	155 351	155 351
Discount rate	9.86%	12.21%
Annualised expected volatility	8.10%	8.19%

The volatility indicator used in the calculation was based on the market prices of globally listed proxy companies that are in a similar industry and the changes in their share prices over the last 10 years was used to determine the volatility in their share prices. Changes in the key inputs to a different amount do not result in a significantly higher or lower fair value measurement.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances

Reconciliation of the gross carrying amount to the amortised cost

Group – 2026

Figures in R'm	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			Total
Opening balance	**26 348**	**(1 257)**	**25 091**	**7 026**	**(3 066)**	**3 960**	**26 984**	**(15 173)**	**11 811**	**40 862**
Stage 1	26 348	(1 257)	25 091	–	–	–	–	–	–	25 091
Stage 2	–	–	–	7 026	(3 066)	3 960	–	–	–	3 960
Stage 3	–	–	–	–	–	–	26 984	(15 173)	11 811	11 811
Purchased during the year[1]	8 693	(320)	8 373	3 417	(1 203)	2 214	1 908	(943)	965	11 552
Transfers[2]	4 861	(2 409)	2 452	(4 446)	1 589	(2 857)	(415)	820	405	–
Transfers to 12 months ECL	6 079	(2 454)	3 625	(3 876)	1 365	(2 511)	(2 203)	1 089	(1 114)	–
Transfers to lifetime ECL (not credit impaired)	(124)	5	(119)	236	(60)	176	(112)	55	(57)	–
Transfers to lifetime ECL (credit impaired)	(1 094)	40	(1 054)	(806)	284	(522)	1 900	(324)	1 576	–
Other movements	**(6 232)**	**2 754**	**(3 478)**	**(1 955)**	**1 230**	**(725)**	**(5 082)**	**2 781**	**(2 301)**	**(6 504)**
Write-offs	–	–	–	–	–	–	(5 368)	4 115	(1 253)	(1 253)
Settlements for the year	(7 100)	261	(6 839)	(3 563)	1 255	(2 308)	(1 635)	808	(827)	(9 974)
Modifications that did not give rise to derecognition[3]	(15)	–	(15)	10	–	10	(39)	–	(39)	(44)
Interest in suspense	–	–	–	–	–	–	(1 206)	922	(284)	(284)
Interest earned	2 798	–	2 798	383	–	383	2 760	–	2 760	5 941
Exchange rate differences	181	–	181	68	–	68	167	–	167	416
Other movements	(2 096)	2 493	397	1 147	(25)	1 122	239	(3 064)	(2 825)	(1 306)
Closing balance	**33 670**	**(1 232)**	**32 438**	**4 042**	**(1 450)**	**2 592**	**23 395**	**(12 515)**	**10 880**	**45 910**
Stage 1	33 670	(1 232)	32 438	–	–	–	–	–	–	32 438
Stage 2	–	–	–	4 042	(1 450)	2 592	–	–	–	2 592
Stage 3	–	–	–	–	–	–	23 395	(12 515)	10 880	10 880
Loans and advances – amortised cost	33 670	(1 232)	32 438	4 042	(1 450)	2 592	23 395	(12 515)	10 880	45 910
Loans and advances – FVTPL										2 360
Total loans and advances	**33 670**	**(1 232)**	**32 438**	**4 042**	**(1 450)**	**2 592**	**23 395**	**(12 515)**	**10 880**	**48 270**

[1] *Based on end of reporting period ECL and staging.*

[2] *Based on ECL before the exposure was migrated to another stage.*

[3] *Modifications that did not give rise to derecognition were considered to not be substantial modification.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of the gross carrying amount to the amortised cost *continued*

Group – 2025										
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
Figures in R'm	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			Total
Opening balance	**24 629**	**(830**	**23 799**	**5 729**	**(2 214**	**3 515**	**30 749**	**(19 041**	**11 708**	**39 022**
Stage 1	24 629	(830)	23 799	–	–	–	–	–	–	23 799
Stage 2	–	–	–	5 729	(2 214)	3 515	–	–	–	3 515
Stage 3	–	–	–	–	–	–	30 749	(19 041)	11 708	11 708
Purchased during the year[1]	5 412	(255)	5 157	5 884	(2 641)	3 243	3 017	(1 591)	1 426	9 826
Transfers[2]	(371)	(1 035)	(1 406)	885	201	1 086	(514)	834	320	–
Transfers to 12 months ECL	2 385	(1 165)	1 220	(1 189)	534	(655)	(1 196)	631	(565)	–
Transfers to lifetime ECL (not credit impaired)	(1 826)	86	(1 740)	3 550	(995)	2 555	(1 724)	909	(815)	–
Transfers to lifetime ECL (credit impaired)	(930)	44	(886)	(1 476)	662	(814)	2 406	(706)	1 700	–
Other movements	**(3 322)**	**863**	**(2 459)**	**(5 472)**	**1 588**	**(3 884)**	**(6 268)**	**4 625**	**(1 643)**	**(7 986)**
Write-offs	–	–	–	–	–	–	(3 945)	3 217	(728)	(728)
Settlements for the year	(5 409)	255	(5 154)	(6 359)	2 855	(3 504)	(1 760)	928	(832)	(9 490)
Modifications that did not give rise to derecognition[3]	15	–	15	33	–	33	157	–	157	205
Interest in suspense	–	–	–	–	–	–	(1 289)	1 088	(201)	(201)
Exchange rate differences	75	–	75	51	–	51	70	–	70	196
Other movements	1 997	608	2 605	803	(1 267)	(464)	499	(608)	(109)	2 032
Closing balance	**26 348**	**(1 257)**	**25 091**	**7 026**	**(3 066)**	**3 960**	**26 984**	**(15 173)**	**11 811**	**40 862**
Stage 1	26 348	(1 257)	25 091	–	–	–	–	–	–	25 091
Stage 2	–	–	–	7 026	(3 066)	3 960	–	–	–	3 960
Stage 3	–	–	–	–	–	–	26 984	(15 173)	11 811	11 811
Loans and advances – amortised cost	26 348	(1 257)	25 091	7 026	(3 066)	3 960	26 984	(15 173)	11 811	40 862
Loans and advances – FVTPL										2 684
Total loans and advances	**26 348**	**(1 257)**	**25 091**	**7 026**	**(3 066)**	**3 960**	**26 984**	**(15 173)**	**11 811**	**43 546**

[1] *Based on end of reporting period ECL and staging.*

[2] *Based on ECL before the exposure was migrated to another stage.*

[3] *Modifications that did not give rise to derecognition were considered to not be substantial modification.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of Company loss allowance

	Company – 2026									
	Gross carrying amount	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	
	Subject to 12-month ECL			**Subject to lifetime ECL (not credit impaired)**			**Subject to lifetime ECL (credit impaired)**			
Figures in R'm	**IRG1 – IRG24**			**IRG1 – IRG24**			**IRG1 – IRG24**			**Total**
Opening balance	**30 743**	**(1 526)**	**29 217**	**7 686**	**(3 247)**	**4 439**	**27 698**	**(15 511)**	**12 187**	**45 843**
Stage 1	30 743	(1 526)	29 217	–	–	–	–	–	–	29 217
Stage 2	–	–	–	7 686	(3 247)	4 439	–	–	–	4 439
Stage 3	–	–	–	–	–	–	27 698	(15 511)	12 187	12 187
Purchased during the year[1]	8 693	(320)	8 373	5 777	(2 035)	3 742	1 908	(943)	965	13 080
Transfers[2]	550	(2 250)	(1 700)	(205)	1 148	943	(346)	1 104	758	–
Transfers to 12 months ECL	6 079	(2 454)	3 625	(3 876)	1 365	(2 511)	(2 203)	1 089	(1 114)	–
Transfers to lifetime ECL (not credit impaired)	(3 741)	138	(3 603)	4 477	(501)	3 976	(736)	364	(372)	–
Transfers to lifetime ECL (credit impaired)	(1 788)	66	(1 722)	(806)	284	(522)	2 593	(349)	2 244	–
Other movements	**(6 024)**	**2 859**	**(3 165)**	**(3 743)**	**949**	**(2 794)**	**(4 717)**	**2 491**	**(2 226)**	**(8 185)**
Write-offs	–	–	–	(71)	–	(71)	(5 368)	4 115	(1 253)	(1 324)
Settlements for the year	(7 122)	262	(6 860)	(5 738)	2 021	(3 717)	(1 707)	844	(863)	(11 440)
Modifications that did not give rise to derecognition[3]	(15)	–	(15)	10	–	10	(39)	–	(39)	(44)
Interest in suspense	–	–	–	–	–	–	(1 206)	922	(284)	(284)
Interest earned	2 798		2 798	868		868	2 821		2 821	6 487
Foreign exchange difference	181	–	181	68	–	68	167	–	167	416
Other movements	(1 866)	2 597	731	1 120	(1 072)	48	615	(3 390)	(2 775)	(1 996)
Closing balance	**33 962**	**(1 237)**	**32 725**	**9 515**	**(3 185)**	**6 330**	**24 543**	**(12 859)**	**11 684**	**50 739**
Stage 1	33 962	(1 237)	32 725	–	–	–	–	–	–	32 725
Stage 2	–	–	–	9 515	(3 185)	6 330	–	–	–	6 330
Stage 3	–	–	–	–	–	–	24 543	(12 859)	11 684	11 684
Loans and advances – amortised cost	33 962	(1 237)	32 725	9 515	(3 185)	6 330	24 543	(12 859)	11 684	50 739
Loans and advances – FVTPL										2 360
Total loans and advances	**33 962**	**(1 237)**	**32 725**	**9 515**	**(3 185)**	**6 330**	**24 543**	**(12 859)**	**11 684**	**53 099**

[1] *Based on end of reporting period ECL and staging.*
[2] *Based on ECL before the exposure was migrated to another stage.*
[3] *Modifications that did not give rise to derecognition were considered to not be substantial modification.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of Company loss allowance *continued*

Company – 2025

Figures in R'm	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			Total
Opening balance	**29 137**	**(973)**	**28 164**	**6 701**	**(2 186)**	**4 515**	**28 635**	**(17 037)**	**11 598**	**44 277**
Stage 1	29 137	(973)	28 164	–	–	–	–	–	–	28 164
Stage 2	–	–	–	6 701	(2 186)	4 515	–	–	–	4 515
Stage 3	–	–	–	–	–	–	28 635	(17 037)	11 598	11 598
Purchased during the year[1]	6 217	(292)	5 925	6 066	(2 723)	3 343	3 109	(1 639)	1 470	10 738
Transfers[2]	(175)	(1 123)	(1 298)	803	217	1 020	(629)	907	278	–
Transfers to 12 months ECL	2 581	(1 253)	1 328	(1 385)	622	(763)	(1 196)	631	(565)	–
Transfers to lifetime ECL (not credit impaired)	(1 826)	86	(1 740)	3 825	(1 140)	2 685	(2 000)	1 055	(945)	–
Transfers to lifetime ECL (credit impaired)	(930)	44	(886)	(1 637)	735	(902)	2 567	(779)	1 788	–
Other movements	**(4 436)**	**862**	**(3 574)**	**(5 884)**	**1 445**	**(4 439)**	**(3 417)**	**2 258**	**(1 159)**	**(9 172)**
Write-offs	–	–	–	–	–	–	(3 725)	3 217	(508)	(508)
Settlements for the year	(6 059)	285	(5 774)	(6 366)	2 858	(3 508)	(1 768)	932	(836)	(10 118)
Modifications that did not give rise to derecognition[3]	15	–	15	33	–	33	157	–	157	205
Interest in suspense	–	–	–	–	–	–	(1 289)	1 088	(201)	(201)
Foreign exchange difference	92	–	92	51	–	51	70	–	70	213
Other movements	1 516	577	2 093	398	(1 413)	(1 015)	3 138	(2 979)	159	1 237
Closing balance	**30 743**	**(1 526)**	**29 217**	**7 686**	**(3 247)**	**4 439**	**27 698**	**(15 511)**	**12 187**	**45 843**
Stage 1	30 743	(1 526)	29 217	–	–	–	–	–	–	29 217
Stage 2	–	–	–	7 686	(3 247)	4 439	–	–	–	4 439
Stage 3	–	–	–	–	–	–	27 698	(15 511)	12 187	12 187
Loans and advances – Amortised cost	30 743	(1 526)	29 217	7 686	(3 247)	4 439	27 698	(15 511)	12 187	45 843
Loans and advances – FVTPL										2 695
Total loans and advances	**30 743**	**(1 526)**	**29 217**	**7 686**	**(3 247)**	**4 439**	**27 698**	**(15 511)**	**12 187**	**48 538**

[1] *Based on end of reporting period ECL and staging.*

[2] *Based on ECL before the exposure was migrated to another stage.*

[3] *Modifications that did not give rise to derecognition were considered to not be substantial modification.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of the gross carrying amount

Figures in Rand million	Loans and advances on behalf of third parties – 2026									
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			
Company – 2026										
Opening balance	**1 904**	**(367)**	**1 537**	**242**	**(87)**	**155**	**1 730**	**(1 158)**	**572**	**2 264**
Stage 1	1 904	(367)	1 537	–	–	–	–	–	–	1 537
Stage 2	–	–	–	242	(87)	155	–	–	–	155
Stage 3	–	–	–	–	–	–	1 730	(1 158)	572	572
Purchased during the year[1]	**559**	**(47)**	**512**	**15**	**(7)**	**8**	**58**	**(38)**	**20**	**540**
Transfers[2]	**(279)**	**(16)**	**(295)**	**(31)**	**15**	**(16)**	**310**	**1**	**311**	**–**
Transfers to 12 months ECL	79	(46)	33	(34)	16	(18)	(45)	30	(15)	–
Transfers to lifetime ECL (not credit impaired)	(41)	3	(38)	123	(57)	66	(82)	54	(28)	–
Transfers to lifetime ECL (credit impaired)	(317)	27	(290)	(120)	56	(64)	437	(83)	354	–
Other movements	**(326)**	**273**	**(53)**	**(129)**	**34**	**(95)**	**(212)**	**(50)**	**(262)**	**(410)**
Write-offs	–	–	–	–	–	–	(173)	–	(173)	(173)
Settlements for the year	(337)	28	(309)	(22)	10	(12)	(218)	144	(74)	(395)
Other movements	11	245	256	(107)	24	(83)	179	(194)	(15)	158
Closing balance	**1 858**	**(157)**	**1 701**	**97**	**(45)**	**52**	**1 886**	**(1 245)**	**641**	**2 394**
Stage 1	1 858	(157)	1 701	–	–	–	–	–	–	1 701
Stage 2	–	–	–	97	(45)	52	–	–	–	52
Stage 3	–	–	–	–	–	–	1 886	(1 245)	641	641
Loans and advances – Amortised cost	**1 858**	**(157)**	**1 701**	**97**	**(45)**	**52**	**1 886**	**(1 245)**	**641**	**2 394**
Loans and advances – FVTPL										**–**
Total loans and advances	**1 858**	**(157)**	**1 701**	**97**	**(45)**	**52**	**1 886**	**(1 245)**	**641**	**2 394**

[1] *Based on end of reporting period ECL and staging.*

[2] *Based on ECL before the exposure was migrated to another stage.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of the gross carrying amount *continued*

	Loans and advances on behalf of third parties – 2025									
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
Figures in Rand million	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			
Company – 2025										
Opening balance	**1 611**	**(123)**	**1 488**	**275**	**(141)**	**134**	**1 501**	**(1 085)**	**416**	**2 038**
Stage 1	1 611	(123)	1 488	–	–	–	–	–	–	1 488
Stage 2	–	–	–	275	(141)	134	–	–	–	134
Stage 3	–	–	–	–	–	–	1 501	(1 085)	416	416
Purchased during the year[1]	**842**	**(163)**	**679**	**46**	**(17)**	**29**	**390**	**(261)**	**129**	**837**
Transfers[2]	**(421)**	**25**	**(396)**	**5**	**8**	**13**	**415**	**(34)**	**381**	**–**
Transfers to 12 months ECL	155	(86)	69	(59)	21	(38)	(97)	65	(32)	–
Transfers to lifetime ECL (not credit impaired)	(135)	26	(109)	174	(52)	122	(39)	26	(13)	–
Transfers to lifetime ECL (credit impaired)	(441)	85	(356)	(110)	39	(71)	551	(125)	426	–
Other movements	**(128)**	**(106)**	**(234)**	**(84)**	**63**	**(21)**	**(576)**	**222**	**(354)**	**(608)**
Write-offs							(406)	–	(406)	(406)
Settlements for the year	(212)	41	(171)	(70)	25	(45)	(135)	91	(45)	(260)
Other movements	84	(147)	(63)	(14)	38	24	(35)	131	97	58
Closing balance	**1 904**	**(367)**	**1 537**	**242**	**(87)**	**155**	**1 730**	**(1 158)**	**572**	**2 264**
Stage 1	1 904	(367)	1 537	–	–	–	–	–	–	1 537
Stage 2	–	–	–	242	(87)	155	–	–	–	155
Stage 3	–	–	–	–	–	–	1 730	(1 158)	572	572
Loans and advances – Amortised cost	**1 904**	**(367)**	**1 537**	**242**	**(87)**	**155**	**1 730**	**(1 158)**	**572**	**2 264**
Loans and advances – FVTPL										**3**
Total loans and advances[3]	**1 904**	**(367)**	**1 537**	**242**	**(87)**	**155**	**1 730**	**(1 158)**	**572**	**2 267**

[1] *Based on end of reporting period ECL and staging.*

[2] *Based on ECL before the exposure was migrated to another stage.*

[3] *Restated, refer to Note 36.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of the gross carrying amount *continued*

	Loans and advances on behalf of third parties – 2024									
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
	Subject to 12-month ECL			Subject to lifetime ECL (not credit impaired)			Subject to lifetime ECL (credit impaired)			
Figures in Rand million	IRG1 – IRG24			IRG1 – IRG24			IRG1 – IRG24			
Company – 2024										
Opening balance	**1 465**	**(157)**	**1 308**	**282**	**(143)**	**139**	**1 091**	**(721)**	**370**	**1 817**
Stage 1	1 465	(157)	1 308	–	–	–	–	–	–	1 308
Stage 2	–	–	–	282	(143)	139	–	–	–	139
Stage 3	–	–	–	–	–	–	1 091	(721)	370	370
Purchased during the year[1]	**789**	**(60)**	**729**	**76**	**(39)**	**37**	**61**	**(44)**	**17**	**783**
Transfers[2]	**(443)**	**–**	**(443)**	**(73)**	**83**	**10**	**516**	**(83)**	**433**	**–**
Transfers to 12 months ECL	76	(39)	37	(76)	39	(37)	–	–	–	–
Transfers to lifetime ECL (not credit impaired)	(121)	9	(112)	155	(34)	121	(34)	25	(9)	–
Transfers to lifetime ECL (credit impaired)	(398)	30	(368)	(152)	78	(74)	550	(108)	442	–
Other movements	**(200)**	**94**	**(106)**	**(10)**	**(42)**	**(52)**	**(167)**	**(236)**	**(404)**	**(560)**
Write-offs							(149)	–	(149)	(149)
Settlements for the year	(193)	15	(178)	(33)	17	(16)	(76)	55	(21)	(215)
Other movements	(7)	79	72	23	(59)	(36)	58	(291)	(233)	(197)
Closing balance	**1 611**	**(123)**	**1 488**	**275**	**(141)**	**134**	**1 501**	**(1 085)**	**416**	**2 038**
Stage 1	1 611	(123)	1 488	–	–	–	–	–	–	1 488
Stage 2	–	–	–	275	(141)	134	–	–	–	134
Stage 3	–	–	–	–	–	–	1 501	(1 085)	416	416
Loans and advances – Amortised cost	**1 611**	**(123)**	**1 488**	**275**	**(141)**	**134**	**1 501**	**(1 085)**	**416**	**2 038**
Loans and advances – FVTPL										**3**
Total loans and advances[3]	**1 611**	**(123)**	**1 488**	**275**	**(141)**	**134**	**1 501**	**(1 085)**	**416**	**2 041**

1 *Based on end of reporting period ECL and staging.*

2 *Based on ECL before the exposure was migrated to another stage.*

3 *Restated, refer to Note 36.*

Reconciliation of loss allowance

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Balance at the beginning of the year	**19 496**	**22 085**	**20 285**	**20 198**
Stage 1 ECL allowance	1 257	830	1 526	973
Stage 2 ECL allowance	3 066	2 214	3 247	2 188
Stage 3 ECL allowance	15 172	19 041	15 511	17 037
Profit or loss charge	**(4 299)**	**(2 589)**	**(3 003)**	**87**
Stage 1 ECL allowance	(26)	427	(289)	553
Stage 2 ECL allowance	(1 616)	852	(62)	1 059
Stage 3 ECL allowance	(2 657)	(3 868)	(2 652)	(1 526)
Balance at the end of the year	**15 197**	**19 496**	**17 281**	**20 285**
Stage 1 ECL allowance	1 232	1 257	1 237	1 526
Stage 2 ECL allowance	1 450	3 066	3 185	3 247
Stage 3 ECL allowance	12 515	15 172	12 859	15 511

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Reconciliation of loss allowance *continued*

	Loans and advances on behalf of third parties		
Figures in Rand million	2026	2025	2024
Balance at the beginning of the year	**1 612**	**1 348**	**1 022**
Stage 1 ECL allowance	367	123	157
Stage 2 ECL allowance	87	141	143
Stage 3 ECL allowance	1 158	1 085	721
Profit or loss charge	**(165)**	**263**	**327**
Stage 1 ECL allowance	(210)	244	(35)
Stage 2 ECL allowance	(42)	(53)	(3)
Stage 3 ECL allowance	87	72	364
Balance at the end of the year	**1 447**	**1 612**	**1 348**
Stage 1 ECL allowance	157	367	123
Stage 2 ECL allowance	45	87	141
Stage 3 ECL allowance	1 245	1 158	1 085

Modified financial assets

The IDC sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Restructuring is based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. The IDC monitors the subsequent performance of modified assets and may determine that the credit risk has significantly improved where assets have performed for three consecutive months or more. During the year, the Company accounted for loans and advances that were modified without resulting in derecognition. A net modification loss of R44 million was processed (2025: R205 million modification gain). The nature and effect of modifications is detailed below:

	Group			
	2026		2025	
Figures in R'm	Gross carrying amount	Net modification gain or loss	Gross carrying amount	Net modification gain or loss
Modification since initial recognition of the financial asset for which the loss allowance has changed during the year to reflect 12-month ECL	1 849	(15)	2 113	15

	Company			
	2026		2025	
Figures in R'm	Gross carrying amount	Net modification gain or loss	Gross carrying amount	Net modification gain or loss
Modification since initial recognition of the financial asset for which the loss allowance has changed during the year to reflect 12-month ECL	1 849	(15)	2 113	15

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

10. Loans and advances *continued*

Modified financial assets *continued*

	Group			
	2026		2025	
Figures in R'm	**Amortised cost before modification**	**Net modification gain or loss**	Amortised cost before modification	Net modification gain or loss
Modification during the year for which the loss allowance reflects lifetime ECL	2 042	(29)	560	109

	Company			
	2026		2025	
Figures in R'm	**Amortised cost before modification**	**Net modification gain or loss**	Amortised cost before modification	Net modification gain or loss
Modification during the year for which the loss allowance reflects lifetime ECL	2 042	(29)	560	109

Write-offs

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts that are legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery. All amounts written off in the current and prior year are still subject to enforcement activity. Write-offs are presented net of recoveries.

The table below illustrates gross write-off and recoveries:

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Write-offs	(5 618)	(4 116)	(5 689)	(7 344)
Recoveries	107	78	107	78
Total (subject to enforcement activity)	**(5 511)**	**(4 038)**	**(5 582)**	**(7 266)**

11. Investment securities

	Group Restated[2]		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Listed equities	44 339	28 236	32 289	27 577
Unlisted equities[1]	6 271	8 999	5 679	4 530
	50 610	**37 235**	**37 968**	**32 107**

[1] *Refer to Note 3 for the valuation approach of the unlisted equities.*

[2] *Restated, refer to Note 36.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

12. Inventories

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Raw materials, components	623	335	–	–
Finished goods	1 008	1 038	–	–
Write-downs to net realisable value	(288)	9	–	–
Consumable stores	785	715	2	2
Phosphate rock	158	332	–	–
	2 286	**2 429**	**2**	**2**

The Group's cost of inventories recognised as an expense, which relates to Foskor and is included in cost of sales, amounted to R2.5 billion (2025: R1.4 billion).

13. Trade and other receivables

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Financial instruments:				
Trade receivables	1 211	1 797	601	194
Other receivables[1]	2 006	1 381	695	334
Expected credit losses	(661)	(503)	(89)	(60)
Trade receivables at amortised cost	**2 556**	**2 675**	**1 207**	**468**
Non-financial instruments:				
Prepayments	91	90	36	26
Total trade and other receivables	**2 647**	**2 765**	**1 243**	**494**

[1] *Other receivables under non-financial instruments are mostly made up of VAT receivables and rental deposits.*

Trade and other receivables pledged as security

Prilla, a subsidiary, entered into an invoice discounting agreement with Nedbank Limited whereby it has discounted all its receivables and has given first cession of all receivables as security for a R130 million (2025: R130 million) finance facility advanced to it. Another subsidiary, Foskor, also has a trade receivable factoring arrangement in place whereby Foskor has transferred the relevant receivables to Absa Bank in exchange for cash 80% received upfront and a deferral of the remaining 20%. Foskor is prevented from ceding or pledging these receivables. Foskor, however, retains late payment and credit risk.

Fair value of trade and other receivables

The carrying amounts of trade and other receivables approximate their fair values.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

13. Trade and other receivables *continued*

Credit risk analysis of trade and other receivables

Trade receivables inherently expose the Group to credit risk which is the risk of financial loss arising from customers' failure to settle amounts due when payment is required. Credit terms vary across the entities' range of customers. The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables at each reporting date. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments, together with a lack of engagement with any of the Group companies regarding alternative payment arrangements, among other factors, is considered an indicator that there is no reasonable expectation of recovery. On the above basis the expected credit loss for Group trade receivables as at 31 March 2026 and 31 March 2025 were R626 million and R503 million respectively. The tables below provide information about the credit quality of trade and other receivables where the expected credit loss is measured at an amount equal to the lifetime expected credit losses.

Group

	2026			2025		
Figures in R'm	Gross carrying amount	Expected credit loss	Amortised cost	Gross carrying amount	Expected credit loss	Amortised cost
0–60 days past/due	2 409	(87)	2 322	2 593	(93)	2 500
60–180 days past/due	705	(487)	218	515	(350)	165
180+ days past/due	103	(87)	16	70	(60)	10
Total	**3 217**	**(661)**	**2 556**	**3 178**	**(503)**	**2 675**

Company

	2026			2025		
Figures in R'm	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost
0–60 days past/due @ 0%	1 181	–	1 181	455	–	455
60–180 days past/due @ 15%	12	(2)	10	3	–	3
180+ days past/due @ 85%	103	(87)	16	70	(60)	10
Total	**1 296**	**(89)**	**1 207**	**528**	**(60)**	**468**

The IDC used historically observed default rates over the expected life of the trade receivables adjusted as necessary to reflect current conditions to calculate the expected credit losses. IDC applies 0% for debtors that are not older than 60 days, 15% for debtors that are 60 to 180 days old, and 85% for debtors older than 180 days.

Loss allowance reconciliation

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Balance at the beginning of the year	503	369	60	41
Stage 1 ECL allowance	–	–	–	–
Stage 2 ECL allowance	503	369	60	41
Stage 3 ECL allowance	–	–	–	–
Profit or loss charge	158	134	29	19
Stage 1 ECL allowance	–	–	–	–
Stage 2 ECL allowance	158	134	29	19
Stage 3 ECL allowance	–	–	–	–
Balance at the end of the year	661	503	89	60
Stage 1 ECL allowance	–	–	–	–
Stage 2 ECL allowance	661	503	89	60
Stage 3 ECL allowance	–	–	–	–

ECL allowance relating to trade receivables which is bucketed under IFRS 9 stage 2, is calculated using the simplified approach and as such lifetime ECL are recognised.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in R'm	Group 2026	Group 2025 Restated	Company 2026	Company 2025 Restated
Cash and balances with bank	3 953	5 413	3 392	5 234
Negotiable securities	334	2 238	334	2 238
Cash held on behalf of third parties[1]	9 433	7 594	9 433	7 594
Expected credit losses[2]	–	(2)	–	(2)
Gross cash	**13 720**	**15 243**	**13 159**	**15 064**
Bank overdraft[3]	**(234)**	**(169)**	**–**	**–**
Total cash and cash equivalents	**13 486**	**15 074**	**13 159**	**15 064**

[1] *Restated, refer to Note 36.*

[2] *In computing the expected credit loss on cash and cash equivalents, reference is made to the financial institution's credit ratings as per one or more of the major credit rating agencies. During the current year, the range of credit ratings across the institutions ranged from Aa1 through Ba3 according to the latest Moody's Report.*

[3] *Bank overdraft forms an integral part of the Group's (Prilla, Sheraton Textile, Celrose and Eerste Flambeau) cash management strategy as it is held for the purpose of meeting short-term cash commitments.*

The amortised cost of cash and cash equivalents approximates their fair value.

14.1 Short-dated investments

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Treasury bills	–	559	–	559
	–	**559**	**–**	**559**

Reconciliation of short-dated investments:

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Opening balance	559	1 100	559	1 100
Additions	–	2 163	–	2 163
Maturity	(559)	(2 705)	(559)	(2 705)
Closing balance	**–**	**559**	**–**	**559**

15. Nature and purpose of reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Equity revaluation reserve

The equity revaluation reserve comprises the cumulative net change in the fair value of those financial assets held at FVOCI.

Property revaluation reserve

The property revaluation reserve relates to the revaluation of property, plant and equipment.

Associated entities reserve

The associated entities reserve comprises the cumulative net changes of equity accounted investment, directly to other comprehensive income.

Share-based payment reserve

The share-based payment reserve relates to the equity-settled portion share-based portion of the Foskor BEE transaction, it was granted in December 2009. Please refer to Note 26 for further detail.

Retirement obligations

Retirement obligations relate to the Group's net defined benefit plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16. Share capital

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Issued				
Ordinary type A	1	1	1	1
Ordinary type B	1 392	1 392	1 392	1 392
	1 393	**1 393**	**1 393**	**1 393**

The A shares are not transferable otherwise than by an Act of Parliament, however the B shares may be sold with the authorisation of the President. The A shares held by the State shall entitle it to a majority vote.

17. Borrowings

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Foreign loans	3 799	4 728	3 799	4 728
Domestic loans	27 381	26 224	42 441	41 354
Third party cash balances	1	114	541	650
	31 181	**31 066**	**46 781**	**46 733**
Foreign loans				
US dollar	3 541	4 460	3 541	4 460
Euro	258	268	258	268
	3 799	**4 728**	**3 799**	**4 728**
Maturity of foreign loans				
Due within one year	1 105	1 141	1 105	1 141
Due after one year but less than two years	1 014	1 063	1 014	1 063
Due after two years but less than three years	911	994	911	994
Due after three years but less than four years	771	962	771	962
Due after four years but less than five years	289	870	289	870
Due after five years	191	655	191	655
	4 281	**5 685**	**4 281**	**5 685**

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Maturity of domestic loans and third-party cash balances				
Repayable on demand	66	533	16 313	16 427
Due within one year	11 395	7 446	10 509	7 244
Due after one year but less than two years	4 902	8 856	4 873	8 866
Due after two years but less than three years	4 385	4 423	4 360	4 423
Due after three years but less than four years	3 238	3 740	3 213	3 740
Due after four years but within five years	2 550	2 271	2 547	2 271
Due after five years	10 516	6 340	10 123	6 305
	37 052	**33 610**	**51 938**	**49 276**

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Unsecured loans				
Rand-denominated loans	6 315	8 936	5 603	8 294
Public Investment Corporation Green Bond	5 171	5 174	5 171	5 174
Public bond	12 787	7 934	12 787	7 934
Private bond	101	151	101	151
UIF Bond	3 007	4 028	3 007	4 028
Third party cash balances	1	114	540	650
Loans from subsidiaries with no fixed terms of repayment: interest free	–	–	15 773	15 773
	27 382	**26 338**	**42 982**	**42 004**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

17. Borrowings *continued*

Summary of interest rates on Interest-bearing borrowings issued

	Company	
	Average interest rate (%)	Range of interest rate (%)
Foreign loans	4.06	0.75–7.567
Rand-denominated loans	9.10	7.5–10.7
Public Investment Corporation Green Bond	8.8	8.8
Public bond	9.76	0–12.3
Private bond	9.25	9.25
UIF Bond	5.50	2.7–8.3
Loans with no fixed terms of repayment	5.96	0–7.9

Carrying amount reconciliation

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Balance at the beginning of the year	**31 066**	**28 513**	**46 733**	**45 689**
Changes arising from cash movements	**(1 222)**	**(930)**	**(1 517)**	**(754)**
Issuing of long-term debt instruments	14 683	14 130	8 434	8 252
Redemption of long-term debt instruments	(13 345)	(11 372)	(7 428)	(6 076)
Interest paid	(2 560)	(3 688)	(2 523)	(2 930)
Changes arising from non-cash movements	**(44)**	**1 129**	**(55)**	**485**
Accrued interest	441	1 129	406	485
Unwinding of premium/discounts (day one gain/loss)	(485)	–	(461)	–
Other	1 381	2 354	1 621	1 313
Balance at the end of the year	**31 181**	**31 066**	**46 781**	**46 733**

Borrowings principally comprise variable-rate liabilities. The carrying amounts of these borrowings approximate their fair values, as the instruments are repriced to current market rates at frequent intervals. The Group also has fixed-rate borrowings, the carrying amounts of which approximate fair value, except for the loan from the UIF. Due to its below-market fixed interest rate of 2.7%, the UIF loan does not approximate fair value. The fair value of this loan was determined using a discounted cash flow method, applying discount rates ranging from 9.84% to 10.29%, derived from the swap curve and a credit spread based on a comparable listed IDC bond, and amounted to R1.8 billion as at 31 March 2026. The valuation technique applied is classified within Level 2 of the fair value hierarchy, as it is based on observable market inputs.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18. Revenue

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Revenue				
Sale of goods	778	943	–	–
Dividend income	3 220	3 095	3 880	4 002
Leasing income	896	315	–	–
Mining income: phosphate rock and magnetite	3 634	3 668	–	–
Fertiliser and acid sales	5 369	5 891	–	–
Fee income	637	302	636	302
Other	137	1	138	–
	14 671	**14 215**	**4 654**	**4 303**

Geographical segments

	Group	
Figures in R'm	2026	2025
South Africa	10 037	8 517
Rest of Africa	4 634	5 698
	14 671	**14 215**

	Group	
Figures in R'm	2026	2025
Revenue disaggregation by major good/service		
Revenue from contracts with customers:		
Fee income	637	559
Mining Division – phosphate rock	3 325	3 503
Mining Division – magnetite	310	166
Acid Division – granular fertiliser	2 215	2 625
Acid Division – phosphate acid	2 967	3 213
Acid Division – sulphuric acid	176	45
Acid Division – sulphur, ammonia and gypsum	3	7
Other revenue	1 818	1 002
Revenue other than from contracts with customers:		
Dividends received	3 220	3 095
	14 671	**14 215**

	Group	
Figures in R'm	2026	2025
Timing of recognition		
Revenue from contracts with customers:		
Satisfied at a point in time	9 944	9 944
Satisfied over time	1 507	1 176
Revenue other than from contracts with customers:		
Dividends	3 220	3 095
	14 671	**14 215**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

19. Interest income

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Interest income on cash and cash equivalents	417	1 162	391	1 137
Interest income on loans and advances	5 314	6 148	5 860	6 234
Interest income on other	237	141	139	59
	5 968	**7 451**	**6 390**	**7 430**

20. Finance costs

	Group		Company	
Figures in R'm	**2026**	2025	**2026**	2025
Borrowings	(2 637)	(3 688)	(2 552)	(2 930)
Leases finance charge	(2)	(3)	(22)	(25)
Other interest paid[1]	(224)	(404)	(148)	(405)
	(2 863)	**(4 095)**	**(2 722)**	**(3 359)**

[1] *Other interest paid includes interest accrued or paid to SARS and unwinding of day one gains/losses relating to borrowings.*

21. Cash used in operations

	Group		Company	
Figures in R'm	**2026**	2025 Restated	**2026**	2025 Restated
(Loss)/profit before taxation	(1 495)	538	3 909	2 226
Adjustments for:				
Depreciation of property, plant and equipment	764	619	21	20
Depreciation right of use	10	43	51	50
Fair value adjustment on investment property	(7)	185	(1)	1
Income/(loss) from associates	1 879	(6)	–	–
Dividend income	(3 220)	(3 095)	(3 880)	(4 002)
Interest income	(5 968)	(7 451)	(6 390)	(7 430)
Finance costs	2 863	4 095	2 722	3 359
Expected credit gains/(losses) on financial assets	(117)	3 171	994	3 303
Gains/(losses) on FVTPL financial assets movements	168	(184)	173	(734)
Financial assets written off	1 445	728	1 089	508
Amortisation of intangible assets	18	18	14	12
Movements in retirement benefit assets and liabilities	75	51	47	30
Income statement effect of provisions	621	219	462	323
Other non-cash items	(550)	537	(923)	1 093
Grants funding	–	36	–	36
Movement in non-current assets held for sale	402	–	(1 050)	–
Profit on sale of property, plant and equipment	–	1	–	1
Changes in working capital:				
Inventories	143	(180)	–	–
Trade and other receivables	118	224	(749)	348
Trade and other payables	(32)	(791)	(187)	(224)
Operating financial assets[1]	(4 452)	(4 229)	(4 617)	(4 622)
Operating financial liabilities[2]	1 338	2 293	1 006	2 176
Third parties funds operating financial assets[3]	(61)	(888)	(61)	(888)
Third parties funds operating financial liabilities[4]	1 966	1 161	1 966	1 161
	(4 092)	**(2 905)**	**(5 404)**	**(3 253)**

[1] *Operating financial assets comprise of loans and advances.*

[2] *Operating financial liabilities comprise of borrowings.*

[3] *Third parties funds operating financial assets comprise loans and advances on behalf of third parties. FY2025 has been restated, refer to Note 36.*

[4] *Third parties funds operating financial lialities comprise balances of third parties. FY2025 has been restated, refer to Note 36.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

22. Financial guarantees

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Guarantees issued in favour of third parties in respect of finance provided to industrialists	2 149	987	2 319	1 162
Sundry guarantees issued by subsidiaries	707	576	–	–
Guarantees	**2 856**	**1 563**	**2 319**	**1 162**
Financial guarantees				
Expected credit losses[1]	166	249	216	341
Maturity analysis of financial guarantees				
– due within one year	1 587	817	1 652	927
– due after one year but within three years	508	115	613	180
– due after three years	761	630	54	54
	2 856	**1 563**	**2 319**	**1 162**

[1] *The IDC recognises expected credit losses on financial guarantees issued.*

Foskor (Pty) Limited - Minerals and Petroleum Resources Development Act 28 of 2002

The Group had mine rehabilitation guarantees amounting to R499 million at year-end In line with the requirements set out by the Department of Mineral and Petroleum Resources (DMPR), this guaranteed amount was in place on 31 March 2026. These guarantees and the agreement reached with the DMPR were based on the environmental rehabilitation and closure costs assessment that was performed during the 2026 financial year. Estimated scheduled closure costs for the mine are R815 million. For unscheduled or premature closure, the DMPR, in accordance with the Minerals and Petroleum Resources Development Act 28 of 2002, requires Foskor to provide for the liability of R1.071 billion in the form of guarantees and cash. The premature closure cost of R1.071 billion is covered by guarantees totalling R499 million and investment assets totalling R583 million.

23. Directors' emoluments and executive remuneration

23.1 Non-executive

Fees for services as directors:

Figures in R'000	2026	2025
Director		
BA Mabuza[3]	581	1 577
BA Dames[3]	204	449
G Serobe[1]	1 122	–
R Barnard[1, 6]	–	–
TR Cohen[1]	571	–
A Dlodlo[1]	495	–
Dr KT Mothibeli[1]	467	–
T Ramano[2]	597	–
Dr T Makube[2, 5]	–	–
NP Mnxasana[4]	350	1 031
Dr SM Magwentshu-Rensburg[4]	286	927
Adv NDB Orleyn[3]	374	673
RM Godsell[4]	200	660
MP Mthethwa[4]	289	981
AT Kriel[3]	333	556
	5 869	**6 854**

[1] *The directors' appointment by parliament was effective 1 September 2025.*

[2] *Dr T Makube and T Ramano were newly appointed on 1 October 2025.*

[3] *The directors' term ended on 1 September 2025 and they were reappointed on 1 October 2025 to ensure continuity in governance and strategic oversight. Initial appointment dates were as follows:*

- BA Mabuza and BA Dames – 25 November 2011
- Adv NDB Orleyn – 29 January 2015
- A Kriel – 1 April 2016.

[4] *The directors' term ended on 1 September 2025; the members were appointed on 25 November 2011, except for NP Mnxasana who was appointed on 29 January 2015.*

[5] *Dr T Makube is employed by the DTIC and did not earn director's fees for services rendered to the IDC.*

[6] *R Barnard elected not to receive director's fees for services rendered.*

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23. Directors' emoluments and executive remuneration *continued*

23.2 Executive

During 2026 and 2025, no long-term benefits, termination benefits or share-based payments were made to the executive management team. Bonus/performance payments were made in 2026, whereas no such payments were made in the prior year.

2026

Figures in R'000	Salary	Bonus/ performance payments	Retention payments	Other[1]	Retirement and medical aid	Total
EM Lekhethe	5 168	–	–	45	754	5 967
IN Malevu	4 584	993	600	608	638	7 423
MJ Tsele – resigned 15 May 2025	480	–	–	688	75	1 243
DA Jarvis	3 542	796	960	943	642	6 883
TL Khumalo	3 706	933	680	100	501	5 920
TBW Miya	3 717	431	680	43	480	5 351
TP Mushungwa	3 210	705	600	125	500	5 140
T Legodi	3 074	782	410	164	444	4 874
M Kganedi	2 881	656	800	213	390	4 940
ZR Coetzee[2]	2 546	567	550	511	940	5 114
M Goliath[3]	2 234	603	388	365	486	4 076
MR Kubelo[4]	677	–	1 500	6	68	2 251
	35 819	**6 466**	**7 168**	**3 811**	**5 918**	**59 182**

[1] *Other comprises acting allowance, group life cover, leave encashment, long service award and lump sum remuneration.*

[2] *ZR Coetzee acted in the role from 1 January 2023 until formal appointment on 1 December 2025.*

[3] *M Goliath acted in the role from 1 October 2024 until formal appointment on 1 February 2026.*

[4] *MR Kubelo was appointed on 1 February 2026 and received a sign-on bonus of R1.5 million.*

2025

Figures in R'000	Salary	Retention payments	Other[1]	Retirement and medical aid	Total
EM Lekhethe	861	–	–	133	994
IN Malevu	4 358	600	153	659	5 770
JK Bate – contract ended 31 January 2025	3 355	–	96	616	4 067
MJ Tsele	3 797	1 050	71	591	5 509
DA Jarvis	3 372	960	665	647	5 644
I Sayed – resigned 30 September 2024	1 872	–	589	319	2 780
TL Khumalo	3 511	670	97	520	4 798
TBW Miya	3 533	670	104	499	4 806
TP Mushungwa	3 051	594	99	513	4 257
T Legodi	2 924	400	187	457	3 968
M Kganedi	2 819	790	89	406	4 104
ZR Coetzee[2]	2 221	510	995	834	4 560
M Goliath[3]	895	–	265	157	1 317
	36 569	**6 244**	**3 410**	**6 351**	**52 574**

[1] *Other comprises acting allowance, group life cover, leave encashment, long service award and lump sum remuneration.*

[2] *ZR Coetzee acted in the role from 1 January 2023 until formal appointment on 1 December 2025.*

[3] *M Goliath acted in the role from 1 October 2024 until formal appointment on 1 February 2026.*

Acting prescribed officers

Figures in R'000	2026	2025
SS Damane[1]	2 943	–
PN Marumo[2]	3 625	1 979
N Yose[3]	3 208	477
	9 776	**2 456**

[1] *SS Damane commenced acting as Chief Risk Officer on 1 June 2025 and concluded acting on 31 January 2026.*

[2] *PN Marumo commenced acting as Divisional Executive: Strategy and Corporate Affairs on 1 August 2024 and was still acting in the role as at reporting date.*

[3] *N Yose commenced acting as Divisional Executive: Mining, Metals, Infrastructure and Energy on 1 December 2024 and was still acting in the role as at reporting date.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

24. Related parties

Director	Company	Financing approved	2026	2025	Interest/ funding rate	Type of financing/ repayment terms	Director's interest	Year of approval
André Kriel	Trade Call Investments Apparel (Pty) Ltd	60	4	8	4%	Post unrest business recovery fund bridging loan	Mr Kriel was a director of Trade Call Investments Apparel (Pty) Ltd and resigned effective 18 August 2025	2021

Shareholder: The Government of South Africa through **the dtic**.

Company

R'm Company	Sphere of government	Financing approved	2026	2025	Discount rate	Terms of financing
The Land and Agricultural Development Bank of SA Ltd	National	252	105	168	JIBAR 3 + 3.1%	Loan repayable on 31 March 2028
Transnet Limited	National	1 500	1 184	556	JIBAR 3 + 4.25%	Loan repayable on 31 December 2036
Trans Caledon Tunnel Authority	National	1 250	1 203	–	JIBAR 3 + 4.05%	Loan repayable on 31 December 2051
Trans Caledon Tunnel Authority	National	1 500	–	–	12.04%	Loan repayable on 31 December 2047

		Group		Company	
Figures in R'm	Sphere of government	2026	2025	2026	2025
Related party transactions					
Non-financing transactions – rendering of services					
Eskom Limited	National	650	548	–	–
Transnet Limited	National	1 877	1 792	–	–
South African Airways (Pty) Limited	National	7	4	7	4
Telkom Limited	National	1	1	1	–
National Ports Authority	National	31	26	–	–
		2 566	**2 371**	**8**	**4**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

25. Provisions

Provisions – Group 2026

Figures in R'm	Opening balance	Additions	Utilised during the year	Change in discount factor	Derecognition	Closing balance
Environmental rehabilitation	284	175	(76)	192	–	575
Other provisions[1]	333	415	(85)	–	–	663
	617	**590**	**(161)**	**192**	**–**	**1 238**

Provisions – Group 2025

Figures in R'm	Opening balance	Additions	Utilised during the year	Change in discount factor	Derecognition	Closing balance
Environmental rehabilitation	319	–	(98)	43	20	284
Other provisions[1]	80	333	(8)	–	(71)	333
	399	**333**	**(106)**	**43**	**(51)**	**617**

Provisions – Company 2026

Figures in R'm	Opening balance	Additions	Utilised during the year	Change in discount factor	Closing balance
Environmental rehabilitation	27	–	(3)	135	159
Other provisions[1]	333	415	(85)	–	663
	360	**415**	**(88)**	**135**	**822**

Provisions – Company 2025

Figures in R'm	Opening balance	Additions	Utilised during the year	Change in discount factor	Closing balance
Environmental rehabilitation	37	–	(18)	8	27
Other provisions[1]	–	333	–	–	333
	37	**333**	**(18)**	**8**	**360**

[1] *Other provisions include closure costs, legal liabilities, unearned risk reserve and outstanding claims provision. Additions of R333 million relate to grant funding provision which was previously presented as trade and other payables in prior year.*

Foskor

Foskor, the Department of Water and Sanitation (DWS) and the Local Authority are in discussions on the rehabilitation of the gypsum dam area. The liability of the rehabilitation and/or closure is the responsibility of Foskor once all the gypsum is removed. Management estimated, in consultation with external experts who have done similar projects, that the closure costs for conventional capping will vary from R350/m^2 to R750/m^2 excluding all the approvals and design related costs. At 31 March 2026 a provision for rehabilitation of the gypsum dam, decommissioning infrastructural asset and waste removal of R152 million for the closure costs has been made.

The Group had mine rehabilitation guarantees amounting to R499 million at year-end (refer to Note 35). In line with the requirements set out by the DMPR, this guarantee amount was in place at 31 March 2026. These guarantees and the agreement reached with the DMPR were based on the environmental rehabilitation and closure costs assessment that was performed during the 2026 financial year. Estimated scheduled closure costs for the mine are R815 million. For unscheduled or premature closure, DMPR, in accordance with the Minerals and Petroleum Resources Development Act, requires Foskor to provide for the liability of R1.071 billion in the form of guarantees and cash. The premature closure cost of R1.071 billion is covered by guarantees totalling R499 million and investment assets in the form of environmental rehabilitation trust totalling R583 million. The Group has, therefore, over provided for early closure costs by R11 million.

IDC

IDC provides for a rehabilitation provision in relation to certain investment asset that it has a 20% shareholding in relating to open-cast mining which has reached its end of life and must be rehabilitated, the provision is based upon the latest rehabilitation calculation – it is a current estimate on the current remaining costs to rehabilitate the mine and removal of the materials on site.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

26. Share-based payments

	Group	
Figures in R'm	**2026**	2025
Equity-settled share-based payment reserve	304	304

In the 2010 financial year, Foskor and the IDC entered a BEE transaction. In terms of the transaction the IDC sold 15% interest in Foskor to SBPs and SBGs (collectively, the Manyoro Consortium), 5% to the communities where Foskor operates and a 6% interest in Foskor to the Foskor Employee Share Ownership Plan Trust (ESOP). The transaction with the Manyoro Consortium and communities constitutes an equity-settled share-based plan, the shares vest immediately at the grant date. In determining the fair value of services received as consideration for equity instruments granted, measurement is referenced to the fair value of the equity instruments granted.

Equity-settled reserve: Weighted average fair value assumptions

The fair value of services received in return for equity instruments granted is measured by reference to the fair value of the equity instruments granted. The estimate of the fair value of the equity instruments granted is measured based on the Black Scholes Option pricing model.

The following weighted average assumptions were used in the share pricing models at the valuation date:

Grant date	31 December 2009
Initial company value (exercise price) (R'm)	3 500
Average share price at grant date	382
Annualised expected volatility (%)	43
Risk-free interest rate (%)	2.25
Dividend yield (%)	8.54
Strike price (R)	656

The holders of the equity instruments were required to retain the instruments in order to maintain the BEE status until 31 March 2024. However, due to the underperformance of the scheme, the participants have not exercised their options. Although the scheme funder has not called an event of default, it has also not committed to extending the scheme. In the absence of such commitment, Foskor continues to recognise the Share-Based Payment Reserve. The volatility indicator used in the calculation was based on the market prices of globally listed proxy companies that are in the same industry as Foskor.

The fair values were determined by reference to the fair value of the equity instruments granted using the Black Scholes Option Pricing model. This model has been modified to take into account early exercise opportunities and expected employee exercise behaviour.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

27. Operating profit

Operating profit (loss) for the year is stated after charging (crediting) the following, among others:

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Auditor's remuneration – external				
Audit fees				
– Deloitte	(19)	(21)	(11)	(10)
– Nexia	–	(5)	–	(5)
– BDO	(8)	(11)	(8)	(7)
Non-audit related fees				
– Deloitte	(1)	(1)	(1)	(1)
– BDO	(1)	(1)	(1)	(1)
Employee costs				
Salaries, wages, bonuses and other benefits	(3 824)	(3 351)	(1 659)	(1 461)
Depreciation and amortisation				
Depreciation of property, plant and equipment	(764)	(619)	(21)	(20)
Amortisation of intangible assets	(18)	(18)	(14)	(12)
Depreciation of right of use assets	(10)	(43)	(51)	(50)
Total depreciation and amortisation	**(792)**	**(679)**	**(86)**	**(82)**
Other				
Cost of sales	(8 148)	(7 411)	–	–
Expected credit losses on trade and other receivables	(661)	(134)	(89)	(19)
Fair value adjustment on investment property	10	(2)	1	(1)
Interest on lease liabilities	(2)	(27)	(22)	(25)
Profit/(loss) on financial assets classified as FVTPL	(168)	184	(173)	734
Expected credit gains/(losses) on financial assets	117	(3 171)	(994)	(3 303)
Financial assets written off	(1 445)	(728)	(1 089)	(508)

Cost of sales relates to Foskor.

Figures in R'm	2026	2025
Cost of sales		
– Personnel costs	(1 762)	(1 692)
– Inventory costs	(2 981)	(1 342)
– Production costs	(2 603)	(3 318)
– Repairs and maintenance	(802)	(1 059)

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

28. Taxation

Major components of tax

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Current				
Local income tax – current period	1 693	923	446	1 004
Local income tax – prior period	41	344	41	344
Foreign tax credit	7	23	3	23
Deferred tax – current year	1 418	(926)	1 141	(938)
	3 159	**363**	**1 631**	**432**

%	Group 2026	Group 2025	Company 2026	Company 2025
Applicable tax rate	27.00	27.00	27.00	27.00
Income from equity accounted investments	33.94	0.30	–	–
Dividend income	(64.11)	(148.99)	(24.52)	(47.02)
Capital loss, impairment and write-off	115.49	24.69	37.05	5.84
Donations and grants	8.80	32.43	3.37	7.82
Non-deductible expenses[1]	5.56	26.34	2.13	6.55
Non-taxable insurance claim	0.20	16.52	0.08	2.69
Assessed loss	(27.37)	20.95	–	–
Non-current assets held-for-sale	0.96	–	0.37	–
Deferred tax asset derecognised	110.96	–	–	–
Other[2]	(0.13)	68.24	(3.76)	16.56
Total	**211.30**	**67.49**	**41.72**	**19.43**

[1] *The following forms part of non-deductible expenses: directors' fees paid, computer equipment – rental, bank charges, general expense, legal fees, consulting fees, non-deductible administration expenses.*

[2] *The following forms part of other: lease expenses (right of use assets), third party expenditure, pro-forma accruals, VAT apportionment ratio, accrual, interest expense on right of use assets.*

29. Deferred tax

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Deferred tax assets	4 874	7 902	5 034	5 683
Deferred tax liabilities	(6 008)	(3 733)	(7 642)	(5 428)
Net deferred tax asset/(liability)	**(1 134)**	**4 169**	**(2 608)**	**255**

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
Deferred tax assets:				
Provisions	249	451	249	202
Loans	2 337	2 856	2 337	2 856
Preference shares	379	1 135	379	1 135
Property, plant and equipment	62	78	62	77
Losses	2 007	3 428	2 007	1 460
Other deferred tax assets	(160)	(45)	–	(45)
	4 874	**7 902**	**5 034**	**5 683**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

29. Deferred tax *continued*

The Group assesses the recoverability of deferred tax assets with reference to forecasts of future taxable income for the relevant entities supported by detailed budgets and cash flow projections. The key judgment in determining the deferred tax assets to be recognised whether sufficient future taxable profits will be generated to utilise deductible temporary differences and tax losses. The Group has recognised deferred tax assets of R2.0 billion (2025: R3.4 billion), primarily arising from capital gains tax losses and deductible temporary differences relating to future bad debt deductions claimable for income tax purposes. Based on management's assessment of future taxable profits, these deferred tax assets are considered recoverable.

Deferred tax assets have not been recognised in respect of assessed tax losses amounting to R6.1 billion (2025: R7.3 billion), principally attributable to Foskor, as the timing and extent of future taxable profits required to utilise these losses cannot be determined with sufficient certainty at the reporting date.

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Deferred tax liabilities:				
Provisions	137	(39)	(37)	(37)
Ordinary shares	(9 129)	(5 499)	(7 356)	(5 499)
Bonds	124	–	124	–
Property, plant and equipment	(1 236)	(1 262)	(43)	(42)
Losses	627	–	–	–
Non-current asset held for sale	(298)	–	(298)	–
Amortised fee income	(32)	–	(32)	–
Other deferred tax liabilities	3 799	3 066	–	150
	(6 008)	**(3 733)**	**(7 642)**	**(5 428)**

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Movements of deferred tax				
Opening balance	4 169	(550)	255	(3 413)
Charge for the current year (I/S)	(1 866)	1 186	(1 141)	938
Charge for the current year (OCI)	(3 437)	3 532	(1 722)	2 703
Closing balance	**(1 134)**	**4 169**	**(2 608)**	**255**

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Reconciliation of deferred tax asset/(liability)				
At beginning of year	4 169	(550)	255	(3 413)
Temporary differences				
Provisions	(319)	(33)	(319)	(343)
Loans	(243)	265	(243)	265
Preference shares	(756)	37	(756)	37
Ordinary shares	(3 437)	3 533	(1 724)	2 728
Bonds	124	(104)	124	(104)
Property, plant and equipment	10	20	3	2
Tax loss (derecognised)/utilised	(704)	614	547	614
Non-current asset held for sale	(298)	–	(298)	–
Amortised fee income	(32)	–	(32)	–
Other	352	389	(165)	4 703
	(1 134)	**4 169**	**(2 608)**	**255**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

30. Leases

Group – 2026

Figures in R'm	Buildings	Vehicles	Plant and machinery[1]	Office equipment	Total
Right of use assets					
Opening balance	18	–	4	3	25
Additions	52	1	–	1	54
Depreciation charge for the year	(9)	–	–	(1)	(10)
At 31 March 2026	**61**	**1**	**4**	**3**	**69**

[1] *Plant and machinery include office equipment for Sheraton and IDC.*

Company – 2026

Figures in R'm	Buildings	Office equipment	Total
Right of use assets			
Opening balance	220	2	222
Additions	8	–	8
Depreciation charge for the year	(50)	(1)	(51)
At 31 March 2026	**178**	**1**	**179**

Group – 2026

Figures in R'm	Buildings	Vehicles	Plant and machinery[1]	Office equipment	Total
Lease liabilities					
Opening balance	38	–	1	–	39
Increase in lease liabilities	97	1	2	1	101
Interest expense	2	–	–	–	2
Lease payments	(31)	(1)	(2)	(2)	(36)
At 31 March 2026	**106**	**–**	**1**	**(1)**	**106**

[1] *Plant and machinery include office equipment for Sheraton and IDC.*

Company – 2026

Figures in R'm	Buildings	Office equipment	Total
Lease liabilities			
Opening balance	325	(1)	324
Increase in lease liabilities	4	5	9
Interest expense	22	–	22
Lease payments	(75)	(2)	(77)
At 31 March 2026	**276**	**2**	**278**

Group – 2025

Figures in R'm	Buildings	Plant and machinery[1]	Office equipment	Total
Right of use assets				
Opening balance	51	6	4	61
Additions	7	–	–	8
Depreciation charge for the year	(40)	(2)	(1)	(43)
At 31 March 2025	**18**	**4**	**3**	**25**

[1] *Plant and machinery include office equipment for Sheraton and IDC.*

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

30. Leases *continued*

	Company – 2025		
Figures in R'm	Buildings	Office equipment	Total
Right of use assets			
Opening balance	268	4	272
Additions	–	–	–
Depreciation charge for the year	(48)	(2)	(50)
At 31 March 2025	**220**	**2**	**222**

	Group – 2025			
Figures in R'm	Buildings	Plant and machinery1	Office equipment	Total
Lease liabilities				
Opening balance	67	6	3	76
Increase in lease liabilities	7	–	–	7
Interest expense	27	–	–	27
Lease termination	(30)	–	–	(30)
Lease payments	(33)	(5)	(3)	(41)
At 31 March 2025	**38**	**1**	**–**	**39**

	Company – 2025		
Figures in R'm	Buildings	Office equipment	Total
Lease liabilities			
Opening balance	370	–	370
Interest expense	24	1	25
Lease payments	(69)	(2)	(71)
At 31 March 2025	**325**	**(1)**	**324**

[1] *Plant and machinery include office equipment for Sheraton, IDC and Foskor*

Foskor

The lease is between Foskor and the Mhlathuze Water for an effluent pipeline. The lease liability is effectively secured, as the rights to the leased asset revert to the lessor in the event of default. The lease is over a 20-year period with one year remaining as at 31 March 2026. Foskor has sole use of the effluent pipeline and pays for the maintenance.

IDC Company

Certain items of computer and office equipment are leased by the Group to which the low value asset recognition exemption is applied.

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Commitments for future minimum rentals payable under non-cancellable leases are as follows:				
– due within one year	23	14	60	53
– due after one year but within five years	89	24	172	237
– due after five years	1	1	42	29
Present value of minimum lease payments	**113**	**39**	**274**	**318**
Future finance charges	**50**	**2**	**51**	**70**
Undiscounted value of minimum lease payments	**163**	**41**	**325**	**388**

Undiscounted minimum lease payments exclude lease payments from discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30. Leases *continued*

Amounts recognised in profit or loss relating to lease assets and liabilities

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Expenses relating to short-term leases	1	1	–	–
Interest expense on lease liabilities	2	5	22	3

31. Tax paid

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Balance at beginning of the year	**(246)**	**734**	**(243)**	**677**
Current tax for the year recognised in profit or loss	(1 734)	(1 267)	(487)	(1 348)
Non-cash tax entry	1 216	(237)	(4)	(137)
Net current (assets)/liability	(73)	246	(86)	243
Tax paid	**(837)**	**(523)**	**(820)**	**(565)**

32. Trade and other payables

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Trade payables	2 109	2 155	96	212
Accrued leave pay	205	70	121	113
Accrued bonus	230	351	191	271
	2 544	**2 576**	**408**	**595**

33. Retirement benefits

Pension and provident schemes

The Group has pension and provident schemes covering substantially all employees. All eligible employees are members of either defined contribution or defined benefit schemes. These schemes are governed by the Pension Funds Act 24 of 1956, as amended. The assets of the schemes under the control of trustees are held separately from those of the Group.

The costs charged to profit or loss represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

Defined contribution schemes

Employees and Group companies contribute to the provident funds on a fixed-contribution basis. No actuarial valuation of these funds is required. Contributions, including past-service costs, are charged to profit or loss when incurred.

Defined benefit scheme

A Group company and its employees contribute to a defined benefit pension fund. The pension fund is the final salary fully funded. The assets of the fund are held in an independent trustee-administered fund, administered in terms of the Pension Funds Act.

The fund is valued every three years using the projected unit credit method. The actuarial valuation for purposes of IAS 19 was performed on 31 March 2026.

Employees and Group companies contribute to the provident funds on a fixed-contribution basis. No actuarial valuation of these funds is required. Contributions, including past-service costs, are charged to profit or loss when incurred.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

33. Retirement benefits *continued*

Defined benefit scheme *continued*

The amounts recognised in the statement of financial position are as follows:

	Group	
Figures in R'm	2026	2025
Present value of funded obligations	223	247
Fair value of plan assets	(306)	(317)
Impact of asset ceiling	83	71
Liability recognised	**–**	**–**
The movement in the defined benefit obligation:		
Opening balance	234	246
Current-service cost	–	–
Interest-cost	24	26
Actuarial losses	5	6
Benefit paid	42	(44)
Closing balance	**305**	**234**

Movement in plan asset:

	Group	
Figures in R'm	2026	2025
Fair value of plan assets at beginning of the year	310	317
Expected return on asset	31	34
Actuarial gain recognised during the year	6	3
Benefits paid	(42)	(44)
Fair value of plan assets at the end of the year	**305**	**310**

The amounts recognised in profit or loss are as follows:

	Group	
Figures in R'm	2026	2025
Interest cost	15	17
Expected return on assets	(15)	(14)
Net actuarial gain recognised during the year	12	4
Total included in operating expenses	**12**	**7**

The actual return on plan assets was:

	Group	
Figures in R'm	2026	2025
Expected return on plan assets	15	14
Actuarial gains/(losses) on plan assets	12	(2)
Actual return on plan assets	**27**	**12**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

33. Retirement benefits *continued*

Defined benefit scheme *continued*

Plan assets are comprised as follows:

	Group	
Figures in R'm	2026	2025
Equity instruments	44	37
Cash	21	19
Debt instruments	31	41
Other	4	3
Actual return on plan assets	**100**	**100**

The principal actuarial assumptions for accounting purposes were:

	2026	2025
Discount rate %	9.30	10.60
Expected return on plan assets %	9.30	10.60
Future salary increases %	6.10	6.90
Future pension increases %	5.10	6.00
Normal retirement age	**60.00**	**60.00**

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Impact on overall liability	
%	2026	2025
Inflation rate (increase of 1%)	7.21	7.50
Inflation rate (decrease of 1%)	5.21	(8.80)

Post-retirement medical benefits

Some Group companies have obligations to provide post-retirement medical benefits to their pensioners. The accumulated post-retirement medical aid obligation and the annual cost of those benefits were determined by independent actuaries. Any surplus or shortfall between the actuarially determined liability and the aggregate amounts provided is charged to profit or loss.

The amounts recognised in the statement of financial position are as follows:

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Present value of unfunded obligation:				
Medical aid members	390	349	228	199
Movement in the liability recognised in the statement of financial position:				
At the beginning of the year	349	330	199	186
Contributions paid	(34)	(31)	(18)	(17)
Current-service costs	1	1	1	1
Interest cost	36	39	21	22
(Deficit)/surplus	38	11	25	7
Balance at the end of the year	**390**	**349**	**228**	**199**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

33. Retirement benefits *continued*

Post-retirement medical benefits *continued*

The principal actuarial assumptions used for accounting purposes were:

Figures in R'm	Group 2026	Group 2025	Company 2026	Company 2025
– Discount rate (%)	8.30	11.10	8.30	11.10
– General inflation rate (%)	3.80	5.30	3.80	5.30
– Medical inflation rate (%)	5.30	6.80	5.30	6.80
– Normal retirement age	65	63	65	63

	Group		Company	
%	Change in past-service liability		Change in service cost plus asset	
Present value of unfunded obligation history				
Inflation rate (increase of 1%)	7.2	7.5	9.6	9.5
Inflation rate (decrease of 1%)	5.2	8.8	8.3	8.2

	Group Change in discount rate
Present value of unfunded obligation history	
Discount rate (increase of 1%)	6.10%
Discount rate (decrease of 1%)	7%

	Group Change in pension increase
Present value of unfunded obligation history	
Pension rate (increase of 1%)	7.20%
Pension rate (decrease of 1%)	6.40%

A 1% upward and 1% downward percentage change in salary increases has a negligible impact on the value of the Group unfunded obligation.

34. Commitments

Figures in R'm	Group 2026	Group 2025[1]	Company 2026	Company 2025[1]
In respect of:				
Irrevocable undrawn financing facilities approved	8 837	11 502	9 260	12 025
Revocable undrawn financing facilities approved	3 193	4 957	3 193	4 957
Total undrawn financing facilities approved	**12 030**	**16 459**	**12 453**	**16 982**
Irrevocable undrawn guarantee facilities approved	1 771	377	1 776	377
Revocable undrawn guarantee facilities approved	–	2	–	2
Total undrawn guarantee facilities approved	**1 771**	**379**	**1 776**	**379**
Capital expenditure approved by subsidiaries	124	211	–	–
– Contracted	124	211	–	–
Commitments net of counter-guarantees	**13 925**	**17 049**	**14 229**	**17 361**

Commitments will be financed by a combination of internally generated funds as well as borrowings.

[1] *During the current year, the Group disaggregated undrawn financing facilities approved into irrevocable and revocable financing facilities approved. This enhanced disclosure provides users with a more meaningful understanding of the Group's funding commitments and associated credit risk exposures.*

Revocable commitments that have not yet satisfied all conditions precedent can be withdrawn by the Group and, in accordance with IFRS 9 paragraph 5.5.6, do not give rise to an exposure to credit risk at the reporting date. As a result, management believes that separate disclosure of irrevocable and revocable facilities better reflects the nature of the Group's commitments and supports the information needs of its primary stakeholders.

Comparative information has been re-presented accordingly. The change affects presentation only and has no impact on amounts previously reported.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

35. Other comprehensive income

Components of other comprehensive income – Group 2026

Figures in R'm	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	13 210	(2 843)	10 367
Remeasurements on net defined benefit liability/asset	(20)	–	(20)
Share of comprehensive income of equity accounted investments	15	–	15
Movements on property valuation	52	–	52
Total items that will not be reclassified to profit or loss	**13 257**	**(2 843)**	**10 414**
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	(715)	–	(715)
Total items that may be reclassified to profit or loss	(715)	–	(715)
Total	**12 542**	**(2 843)**	**9 699**

Components of other comprehensive income – Group 2025

Figures in R'm	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(13 583)	2 688	(10 895)
Remeasurements on net defined benefit liability/asset	7	–	7
Share of comprehensive income of equity accounted investments	7	–	7
Movements in property valuation	252	–	252
Total items that will not be reclassified to profit or loss	**(13 317)**	**2 688**	**(10 629)**
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	165	–	165
Total items that may be reclassified to profit or loss	165	–	165
Total	**(13 152)**	**2 688**	**(10 464)**

Components of other comprehensive income – Company 2026

Figures in R'm	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	8 031	(1 722)	6 309
Movements on property valuation	1	–	1
Remeasurements on net defined benefit liability/asset	(8)	–	(8)
Total items that will not be reclassified to profit or loss	**8 024**	**(1 722)**	**6 302**

Components of other comprehensive income – Company 2025

Figures in R'm	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(14 293)	2 730	(11 563)
Remeasurements on net defined benefit liability/asset	10	–	10
Total items that will not be reclassified to profit or loss	**(14 283)**	**2 730**	**(11 553)**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

36. Restatements

Restatement of the statement of financial position, statement of changes in equity and statement of cash flows.

36.1 Investments in associates

During the preparation of the Group's 2026 annual financial statements, management identified that the mining rights of Adelaide Ruiters Mining and Exploration (Pty) Ltd had been overstated in prior periods. The draft annual financial statements of the investee for the year ended 28 February 2025 reflected a mining rights valuation of R438 million, compared to R10.9 billion reported in the signed annual financial statements for the year ended 28 February 2024.

The previous valuation was determined on an in-situ basis and did not incorporate detailed financial projections. Following the completion of a bankable feasibility study in 2024, the mining rights were remeasured using a discounted cash flow methodology, resulting in a revised valuation of R438 million.

As a result, the Group recognised an impairment loss of R2.6 billion, representing its 25% shareholding in the investee. This has been accounted for as a correction of a prior period error and has been restated retrospectively in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8). Consequently, the investments in associate and retained income in the statement of financial position have been restated for the 2024 and 2025 financial years.

36.2 Investment securities/equity

A consolidation elimination entry was incorrectly recorded, resulting in the R3.2 billion preference shares written off by IDC and held within Foskor (Pty) Ltd (Foskor) not being eliminated. IDC had measured those preference shares at fair value through profit or loss. In Foskor's standalone records the same preference shares were recorded as share capital of R4.2 billion. On consolidation the elimination of Foskor's share capital of R4.2 billion was processed correctly, but the corresponding offsetting entry was incorrectly posted: only R1.0 billion was reversed against investment securities, leaving R3.2 billion of the write-off uneliminated. As a result, both investment securities and retained income were understated by R3.2 billion in the prior period.

36.3 Cash, loans and advances with third parties

IDC has been appointed by various third parties, primarily government departments, to manage funds on their behalf. These funds are held in bank accounts separate from those of IDC and may be used only for the purposes set out in the Memoranda of Agreement (MoA) between IDC and the respective third parties. IDC administers the funds in line with the instructions of the relevant sponsor or donor.

During the current year's audit, management and the external auditors reassessed the applicable accounting standards relating to the treatment of third-party funds. This followed the April 2022 guidance issued by the IFRS Interpretations Committee on demand deposits with restrictions on use arising from a contract with a third party. Based on that guidance, funds held on behalf of third parties are recognised as IDC cash because IDC has unrestricted access to those funds. Management concluded that the revised accounting treatment is appropriate and results in a more faithful representation of the transaction.

This has been treated as a correction of a prior-period error and restated retrospectively in accordance with IAS 8. As a result, cash has been recognised in the statement of financial position under cash held on behalf of third parties, with a corresponding liability recognised under balances of third parties. Accordingly, loans and advances disbursed by IDC as agent on behalf of third-party funds have also been recognised in the statement of financial position under loans and advances on behalf of third parties, with a corresponding liability recognised under balances of third parties. Interest earned on cash held on behalf of third parties and on the related loans and advances is capitalised to these balances, with a corresponding adjustment recognised in balances of third parties. The accounting treatment for these loans and advances follows that of the related cash, as the cash is directly linked to the disbursements and collections. This has been treated as a correction of a prior-period error and restated retrospectively in accordance with IAS 8.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

36. Restatements *continued*

	Group			Company		
	2025			2025		
Figures in R'm	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Assets						
Cash and cash equivalents	7 649	7 594	15 243	7 470	7 594	15 064
Loans and advances on behalf of third parties	–	2 267	2 267	–	2 267	2 267
Investment securities	34 023	3 212	37 235	32 107	–	32 107
Investment in associates	25 545	(2 629)	22 916	25 956	–	25 956
Total assets	**67 217**	**10 444**	**77 661**	**65 533**	**9 861**	**75 394**
Equity and liabilities						
Equity						
Retained income[1]	56 418	583	57 001	39 846	–	39 846
Total equity	**56 418**	**583**	**57 001**	**39 846**	**–**	**39 846**
Liabilities						
Balances of third parties	–	9 861	9 861	–	9 861	9 861
Total liabilities	**–**	**9 861**	**9 861**	**–**	**9 861**	**9 861**
Total equity and liabilities	**56 418**	**10 444**	**66 862**	**39 846**	**9 861**	**49 707**

Retained income 2025 reconciliation	Group
Investment securities	3 212
Investment in associates	(2 629)
Total adjustment	**583**

	Group			Company		
	2024			2024		
Figures in R'm	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Assets						
Cash and cash equivalents	12 548	6 659	19 207	8 016	6 659	14 675
Loans and advances on behalf of third parties	–	2 041	2 041	–	2 041	2 041
Investment in associates	27 824	(2 629)	25 195	26 944	–	26 944
Total assets	**40 372**	**6 071**	**46 443**	**34 960**	**8 700**	**43 660**
Equity and liabilities						
Equity						
Retained income	57 122	(2 629)	54 493	36 880	–	36 880
Total equity	**57 122**	**(2 629)**	**54 493**	**36 880**	**–**	**36 880**
Liabilities						
Balances of third parties	–	8 700	8 700	–	8 700	8 700
Total liabilities	**–**	**8 700**	**8 700**	**–**	**8 700**	**8 700**
Total equity and liabilities	**57 122**	**6 271**	**63 193**	**36 880**	**8 700**	**45 580**

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

36. Restatements *continued*

	Group			Company		
	2025			2025		
Figures in Rand million	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Cash (used in)/generated from operations	(3 828)	923	(2 905)	(4 178)	925	(3 253)
Interest received	3 547	11	3 558	3 665	11	3 676
Net cash from operating activities	**843**	**934**	**1 777**	**603**	**936**	**1 539**
Cash at the beginning of the year	12 345	6 660	19 005	8 016	6 659	14 675
Total cash movement for the year	(4 863)	934	(3 929)	(544)	935	391
Total cash at end of the year	**7 480**	**7 594**	**15 074**	**7 470**	**7 594**	**15 064**

37. Irregular, fruitless and wasteful expenditure

	Group		Company	
Figures in R'm	2026	2025	2026	2025
Irregular expenditure	4 461	4 463	1 930	0.23
Fruitless and wasteful expenditure	48	27	48	27
Total	**4 509**	**4 490**	**1 978**	**27**

Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Figures in R'm	2026	2025
Total irregular expenditure	**1 930**	**0.23**

Loans and advances written off during the current year, where instances of non-compliance with applicable laws and regulations by employees were identified, have been classified as irregular expenditure. We have requested the National Treasury to review the appropriateness of this classification.

Details of current and previous year fruitless and wasteful expenditure.

	Group		Company	
Figures in R'm	Mar 2026	Mar 2025	Mar 2026	Mar 2025
Fruitless and wasteful expenditure				
Confirmed				
Identified during the current year	48	0.14	48	0.14
FY2025 fruitless and wasteful expenditure identified in FY2026	–	122	–	122
As reported in the financial statements	**48**	**122**	**48**	**122**
Less: Recoveries	–	(95)	–	(95)
	48	**27**	**48**	**27**

During the current year management identified fruitless and wasteful expenditure relating to FY2025 understatement of provisional tax payments. The penalties were not disclosed as fruitless and wasteful expenditure in FY2025, as they arose from an increase in taxable income following the finalisation of the FY2024 Annual Financial Statements audit.

Management believes that appropriate controls and processes are in place for the preparation of the income tax computation. The profit used in the calculation was based on the final FY2023 results, which were higher than the profit reflected in the final FY2024 trial balance available at the time the computation was prepared.

NOTES TO **THE FINANCIAL STATEMENTS** CONTINUED

38. Funds administered on behalf of third parties

Third parties and balance held by IDC at the end of the financial year

	Group			Company		
Figures in R'm	**2026**	2025 Restated[1]	2024 Restated[1]	**2026**	2025 Restated[1]	2024 Restated[1]
Cash with third parties	9 433	7 594	6 659	9 433	7 594	6 659
Loans and advances on behalf of third parties	2 394	2 267	2 041	2 394	2 267	2 041
Balances of third parties	11 827	9 861	8 700	11 827	9 861	8 700

Cash with third parties

IDC has been appointed by various third parties, primarily government departments, to manage funds on their behalf. These funds are held in bank accounts separate from those of IDC and may be used only for the purposes set out in the MoA between IDC and the respective third parties. IDC administers the funds in line with the instructions of the relevant sponsor or donor.

	Group			Company		
Figures in R'm	**2026**	2025	2024	**2026**	2025	2024
Name of the third party						
Department of Agriculture, Land Reform and Rural Development	239	387	523	239	387	523
DMPR	362	288	168	362	288	168
the dtic	5 569	4 532	5 696	5 569	4 532	5 696
Department of Tourism	253	256	240	253	256	240
Technology Innovation Agency	30	28	–	30	28	–
sedfa	1 847	1 655	–	1 847	1 655	–
Department of Employment and Labour	218	145	–	218	145	–
Kreditanstalt für Wiederaufbau	467	–	–	467	–	–
Citi Bank	228	212	–	228	212	–
Other	220	91	32	220	91	32
Total	**9 433**	**7 594**	**6 659**	**9 433**	**7 594**	**6 659**

Loans and advances on behalf of third parties' funds at the end of the financial year

	Group			Company		
Figures in R'm	**2026**	2025 Restated[1]	2024 Restated[1]	**2026**	2025 Restated[1]	2024 Restated[1]
Risk Capital Fund (RCF)	67	71	60	67	71	60
Small Scale Mining Fund	60	–	–	60	–	–
Manufacturing Competitiveness Enhancement Programme (MCEP)	1 204	1 261	831	1 204	1 261	831
Khoebe Innovation Promotion Programme (KIPP)	86	51	53	86	51	53
Isivande Women's Fund (IWF)	7	7	5	7	7	5
Agro Processing Competitiveness Fund (APCF)	41	21	25	41	21	25
Clothing Textiles Footwear and Leather Growth Programme (CTFLGP)	826	706	808	826	706	808
Township Economy Partnership Fund	103	150	259	103	150	259
Total	**2 394**	**2 267**	**2 041**	**2 394**	**2 267**	**2 041**

[1] *Restated, refer to Note 36.*

39. Events after the reporting period

Tongaat Hulett Limited

IDC has provided post-commencement funding (PCF) of up to R2.5 billion to THL, which remains under business rescue.

On 17 June 2026, THL's business rescue practitioners, IDC and Vision Group entered into a binding agreement to support implementation of the approved business rescue plan, preserve trading operations and avoid liquidation. Under the agreement, IDC is expected to restructure its existing R2.5 billion PCF exposure and contribute a further R2 billion, resulting in IDC holding a significant, but non-controlling, shareholding in the proposed Vision operating structure across South Africa, Zimbabwe, Mozambique and Botswana.

IDC and Vision Group agreed a long-stop date of 30 September 2026 in the binding heads of agreement. However, implementation remains subject to the completion of due diligence procedures, an independent confirmatory valuation of the underlying assets, resolution of outstanding legal and commercial matters, including the South African Sugar Association (SASA) claim, and finalisation of the funding and transaction implementation arrangements. Once all conditions precedent have been fulfilled, the investment is expected to be equity accounted in the IDC Group annual financial statements.

On 24 July 2026, the Durban High Court dismissed with costs the counterapplication by RGS Group Holdings Proprietary Limited, which sought, among other relief, to set aside the adopted business rescue plan. THL will remain under business rescue until the sale agreement is substantially implemented, with IDC forecasting an exit from business rescue on 15 August 2026.

In addition, IDC continues to attract media interest and is assisting the Hawks with investigations into the bidding process conducted by the business rescue practitioner.

Management will continue to monitor THL developments, including implementation of the Vision transaction, resolution of the SASA claim and completion of the independent valuation, and will assess any related reporting implications as further information becomes available.

ArcelorMittal South Africa Limited

The IDC approved new funding of R500 million to AMSA.

Prior to and after the reporting date, IDC participated in discussions relating to a potential transaction involving AMSA, in which IDC holds a minority shareholding. After year-end, AMSA publicly announced that AMSA, ArcelorMittal Group and IDC are engaged in advanced discussions regarding a potential transaction based on a non-binding term sheet.

The IDC Board has also approved participation in the proposed transaction. As of the approval date of these annual financial statements, all definitive agreements have been signed. However, the proposed transaction remains subject to the fulfilment of suspensive conditions and the receipt of the necessary approvals.

The proposed transaction is a non-adjusting event as it does not provide evidence of conditions that existed at the reporting date. Accordingly, no adjustments have been made to these financial statements.

The financial impact of the proposed transaction cannot be reliably estimated at the date of approval of these financial statements due to the ongoing discussions and uncertainty regarding the ultimate outcome and structure of the transaction. However, if concluded, the transaction is expected to have a material impact on the Group's financial position and future strategic direction

Except for the subsequent events disclosed above, the directors are not aware of any further material events occurring between the reporting date and the date of approval of these annual financial statements on 31 July 2026 that require adjustment to, or additional disclosure in accordance with IAS 10.

40. Going concern

The IDC remains a going concern. The Corporation is financially stable and has sufficient liquidity to meet its current obligations, and remains confident that, for the foreseeable future, it will be able to meet its financial obligations and leverage its robust financial position to support the economy through new advances.

The Corporation's debt to equity ratio has remained resilient at 48% (2025: 52%), this excludes third party balances. This is below the Group's sustainability guideline of 60%.

GLOSSARY

AI	Artificial Intelligence
ALCo	Asset and Liability Committee
BAC	Board Audit Committee
BA&T	Business Advisory and Turnaround
B-BBEE	Broad-based black economic empowerment
BEE	Black Economic Empowerment
BHCC	Board Human Capital Committee
BIC	Board Investment Committee
BRSC	Business Partner
BSEC	Board Risk and Sustainability Committee
CAS	Credit Adjustment Spread
CA(SA)	Chartered Accountant (South Africa)
CBDA	Cooperative Bank Development Agency
CEO	Chief Executive Officer
CFP	Contingency Funding Plan
CGU	Cash-generating unit
CSI	Corporate social investment
CSG	Client Support and Growth Department
DFI	Development finance institution
DMR	Department of Mineral Resources
DWEA	Department of Water and Environmental Affairs
EAD	Exposure at Default
ECL	Expected Credit Loss
ERM	Enterprise-wide Risk Management
ERMF	Enterprise-wide Risk Management Framework
ES	Expected Shortfall
ESOP	Foskor Employee Share Ownership Plan
ESG	Environmental, Social & Risk Governance
Exco	Executive Committee
FCF	Free Cash Flow
FCTR	Foreign Currency Translation Reserve
FI	Financial Institutions
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Financial assets at fair value through profit or loss
FY	Financial Year
GDP	Gross domestic product
GNB	General Notarial Bonds
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IRG	Internal Risk Grade
IC	Interpretation Committee
IDC	Industrial Development Corporation of South Africa Limited
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IMC	Investment Monitoring Committee
IRBA	The Independent Regulatory Board for Auditors
ISA	International Standards on Auditing
IT	Information Technology
JSE	Johannesburg Stock Exchange
KPIs	Key Performance Indicators
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MESC	Macro-Economic Sub-Committee
MM	Middle Market
MOA	Memorandum of Agreements
MW	Megawatt(s)
NAV	Net Asset Value
NCI	Non- Controlling Interest
NPL	Non-performing loan
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturer
PD	Probability of Default
PE	Price Earnings
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PPE	Property Plant and Equipment
PPI	Producer Price Index
SADC	Southern African Development Community
SBG	Special Black Groups
SBP	Strategic Business Partners
SEDFA	Small Enterprise Development and Finance Agency
SEZs	Special Economic Zones
SICR	Significant Increase In Credit Risk
SLM	Structured Liquidity Mismatch
SME	Small and medium enterprise
SMMEs	Small medium and micro enterprises
SNB	Special Notarial Bonds
SOE	State-owned enterprise
SPPI	Solely Payments of Principal and Interest
the DTIC	Department of Trade, Industry and Competition
UIF	Unemployment Insurance Fund
VaR	Value at Risk
WACC	Weighted Average Cost of Capital
ZARONIA	South African Rand Overnight Index Average

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