

CELEBRATING **85 YEARS**
OF SUSTAINABLE INDUSTRIAL
DEVELOPMENT

INTEGRATED **REPORT**



2026

2026 HIGHLIGHTS

CONTENTS



12% ↑

IDC funding approved

R14.9 billion

(2024/25: R13.3 billion)



4.3% ↑

IDC funding disbursed

R17.0 billion

(2024/25: R16.3 billion)



27.8% ↑

Net profit (Company)

R2.3 billion

(2024/25: R1.8 billion)



8.2% ↑

Total assets (Company)

R166.8 billion

(2024/25: R154.2 billion*)



(7.9%) ↓

Total funding disbursed for transformation

R3.5 billion

(2024/25: R3.8 billion**)



352.8% ↑

Jobs expected to be created through funds committed

71 228[^]

(2024/25: 15 732)

* Restated
** The 2024/25 KPI measured total funds committed and facilitated, comprising IDC own funds, off-balance-sheet funds, and leveraged/catalysed funds. The 2025/26 KPI measures only IDC on-balance-sheet funds disbursed.
[^] FY2025/26 includes jobs supported through the Education Fund (BEEI/UIF Labour Activation Programme), which were not included in the prior year's job creation count.

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 Denotes information available in this document.  Denotes information available online.

Legend and navigation

Capitals



Financial Capital



Manufactured Capital



Human Capital



Intellectual Capital



Natural Capital



Social Capital

Icons denoting assurance



Denotes limited assurance



Denotes reasonable assurance

Additional information online



- Group structure
- Board directorships
- Social investment
- Human capital
- Procurement
- Stakeholder engagement strategy
- Partnership programmes
- King IV checklist
- Development scorecard
- Trade-offs matrix

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INTRODUCTION



ABOUT THIS REPORT

This Integrated Report presents a holistic view of the Industrial Development Corporation (IDC or the Corporation), illustrating how value is created, preserved or eroded over time through the integration of sustainability and financial information. It highlights the relationship between strategy, governance, performance, risks and prospects within the context of our developmental mandate.

The report is underpinned by integrated thinking. The Board and management embed consideration of the six capitals - Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural - into strategy, risk management, decision-making and performance oversight. In doing so, the IDC seeks to balance financial sustainability with developmental impact, in alignment with the UN Sustainable Development Goals (SDGs) and national priorities (see matrix on page 34).

Reporting period and organisational boundary

This Integrated Report covers the financial year from 1 April 2025 to 31 March 2026 and includes material information up to Board approval on 26 August 2026. It presents the IDC and its consolidated subsidiaries, consistent with the annual financial statements.

There were no significant changes to the organisational reporting boundary during the year. Any financial restatements are disclosed in the annual financial statements and summarised in the CFO's report, where applicable.

The IDC applies a layered reporting boundary. Our financial reporting boundary aligns with our financial statements reporting boundary, defined by control and joint control, covering subsidiaries (where the IDC owns more than 50%) and associates (where the IDC has significant influence with 20–50% shareholding). The boundary includes:

- The Industrial Development Corporation of South Africa Limited;
- The IDC group (IDC and subsidiaries); and
- The IDC mini group (IDC, Findevco, Konoil and Impofin).

The Group structure is available online.

www.idc.co.za/integrated-report-2026



Time horizons

The IDC applies the following time horizons when assessing strategy, risks, performance and prospects:

- **Short term:** FY2025/26, aligned to the annual planning and budgeting cycle
- **Medium term:** FY2026/27 to FY2027/28, aligned to the corporate strategy and capital allocation horizon
- **Long term:** FY2028/29 and beyond, reflecting long-term structural economic, social and environmental trends.

ABOUT THIS REPORT CONTINUED

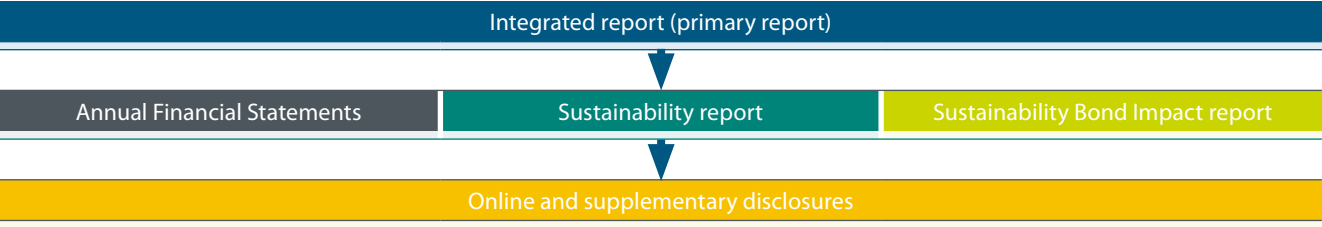
Corporate reporting suite

The Integrated Report forms part of IDC’s broader corporate reporting suite and should be read in conjunction with other reports that provide more detailed information on specific aspects of performance, governance and sustainability. The Integrated Report is the primary report and provides an integrated overview of value creation.

Reporting suite navigation

Report	Focus	Frameworks	Assurance	Location
Integrated Report				
	Overview of value creation, strategy and performance	Integrated Reporting Framework	LA Limited assurance on selected sections	This report
Annual Financial Statements				
	Financial performance and position	IFRS Accounting Standards	RA Reasonable assurance	Annual Financial Statements
Sustainability Report				
	Environmental, social and climate-related disclosures	In preparation for future mandatory IFRS S1 and S2	LA Limited assurance on selected sections	Sustainability report
Sustainability Bond Impact Report				
	Use-of-proceeds and impact reporting	ICMA Principles	LA Limited assurance	Sustainability Bond Impact report

Reporting architecture overview



Preparation for future mandatory IFRS S1 and IFRS S2 requirements

During the 2026 reporting cycle, the IDC commenced a phased transition towards the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) in anticipation of their future mandatory implementation. The focus for this period is on improving the visibility, consistency and connectivity of sustainability- and climate-related information for users of general-purpose financial reports. Full technical alignment and expanded assurance readiness will be progressively attained in subsequent reporting cycles, in accordance with the IDC-approved transition roadmap and upon the standards becoming mandatory.

Detailed sustainability-related information, including greenhouse gas (GHG) emissions, employee-related indicators and other sustainability disclosures, is reported in the Sustainability Report. The Sustainability Report contains cross-references to relevant disclosures, while the Independent Sustainability Assurance Report sets out the information subject to assurance.

ABOUT THIS REPORT CONTINUED

Material matters

The material matters disclosed in this report represent the issues that substantively influence the IDC’s ability to create, preserve or erode value over the short-, medium- and long-term. They remain broadly consistent with the prior year, with shifts in emphasis reflecting the operating environment, policy priorities, stakeholder expectations and the IDC’s strategic focus. A fuller explanation of the materiality process, the eight material matters and their links to the six capitals, risks, SDGs and related disclosures is provided in the materiality and trade-offs section. See page 46.

Reporting frameworks and standards

This Integrated Report references the Integrated Reporting Framework, IFRS Accounting Standards and King IV™ Report on Corporate Governance. We are transitioning to IFRS Sustainability Disclosure Standards (S1 and S2) for enhanced sustainability and climate reporting. Our reporting complies with:

- International Financial Reporting Standards (IFRS)
- Public Finance Management Act (Act 1 of 1999, as amended) (PFMA)
- Industrial Development Corporation Act (Act 22 of 1940, as amended) (IDC Act)
- King IV™ Report on Corporate Governance for South Africa (King IV™)
- GHG Protocol and Partnership for Carbon Accounting Financials (PCAF) methodology for carbon accounting.

Process, governance and oversight

The Corporate Affairs Department, led by the Divisional Executive: Strategy and Corporate Affairs, produces the integrated report with input from a cross-functional Integrated Reporting Working Committee. Our combined assurance model promotes accountability, and as a state-owned enterprise, we are subject to external audit of financial statements and performance against predetermined objectives under the Public Audit Act 24 of 2004. Risk, audit and compliance functions support reporting integrity. The IDC Board, via the Board Audit Committee, oversees internal controls and risk management, ensuring reasonable assurance against material misstatements. The Board has fulfilled its responsibilities in accordance with the IDC’s performance evaluation policy.

The Board and management embed integrated thinking across governance, strategy and oversight, ensuring that the six capitals and stakeholder relationships are considered in all major decisions.

Assurance

Financial information has been audited in accordance with applicable auditing standards, and selected perspectives in the reported performance information were subject to procedures performed in accordance with ISAE 3000 (Revised) for purposes of reporting material findings. Selected sustainability key performance indicators have been subject to limited independent assurance, as indicated in the relevant sections of the report and accompanying assurance statements.

Our joint external auditors (BDO South Africa Inc. and Deloitte & Touche) issued an unqualified opinion on Group financial statements and did not identify any material findings on the reported performance information for the selected perspectives.

Limited assurance was provided for selected sustainability key performance indicators in accordance with ISAE 3000 (Revised).

Outlook and forward-looking statements

Our expectations and targets balance historical performance with current realities. The Board’s outlook and predicted performance are based on forecasts of local and global conditions. Forward-looking statements are subject to risks and uncertainties and may differ from actual performance.

Recognition and awards

For the second consecutive year, the IDC Integrated Annual Report was named the overall winner in the State-owned Companies category at the Integrated Reporting Awards 2025, hosted by the Chartered Governance Institute of Southern Africa in partnership with the Johannesburg Stock Exchange (JSE). This recognition reflects the IDC’s ongoing commitment to best practice in integrated reporting, transparency and accountability.

Board approval

The Board of Directors approved and authorised this Integrated Report, confirming that it has applied its collective mind to its integrity. The Board believes the report addresses material matters appropriately and is prepared in accordance with the Integrated Reporting Framework.



G Serobe
Board Chairman

26 August 2026



M Lekhethe
Chief Executive Officer

26 August 2026



FOREWORD BY THE MINISTER OF TRADE, INDUSTRY AND COMPETITION



A strong balance sheet gives the IDC the ability to invest through economic cycles, take a long-term view and act where private capital may be constrained.

Parks Tau
Minister of Trade, Industry and Competition

South Africa demonstrated encouraging signs of resilience through deliberate government interventions including our batch of interventions at the Department of Trade, Industry and Competition (**the dtic**), supported by easing inflation, improving energy availability and ongoing structural reforms aimed at strengthening economic competitiveness and investor confidence. Although growth remained below the level required to significantly reduce unemployment and poverty, the foundations for a more sustained recovery continued to take shape.

Against this backdrop, the IDC continued to play a critical role in advancing government's industrialisation, localisation and economic transformation agenda. As South Africa's key development finance institution and a key implementation partner of **the dtic**, the IDC remains central to supporting productive investment, strengthening industrial capacity, promoting economic inclusion and creating sustainable employment opportunities. This year is particularly significant as the Corporation celebrated 85 years of sustainable industrial development, marking a distinguished legacy of supporting South Africa's industrial and economic development.

The adoption of the Industrial Development Strategy (IDS) in June 2026 provides a coherent framework for South Africa's industrial policy agenda. Structured around decarbonisation, diversification and digitalisation, 'the 3Ds', positions the economy to respond to global shifts in trade, technology and climate regulation. The strategy identifies priority sectors with high employment and growth potential, including critical minerals beneficiation, green industries, agro-processing, health industries, digital infrastructure and the blue economy. Critically, the IDS reinforces the IDC's mandate as a key implementation partner, providing strategic direction for the Corporation's investment decisions and ensuring alignment between development finance and national industrial priorities.

As South Africa seeks to accelerate economic growth and rebuild productive capacity, the role of the IDC continues to evolve. The Corporation is increasingly positioning itself not only as a provider of development finance, but also as a platform for industrial ecosystem development that mobilises capital, partnerships, expertise and market opportunities to unlock high-impact sectors and support industrial renewal. This evolution reflects the scale of South Africa's development challenge and the need for coordinated action to drive sustainable economic transformation.

During the year, the IDC delivered strong results despite a constrained operating environment, disbursing R17 billion in development funding and mobilising a further R27.9 billion from co-funders, supporting industrial expansion, localisation, infrastructure and value chains in line with the IDS. This translated into an expectation of 71 228 new jobs to be created through funds committed in the financial year, alongside 53 346 additional work opportunities, R1.3 billion disbursed to SMMEs, and 1 085 MW of new electricity generation capacity, all exceeding annual targets and reinforcing the IDC's role in inclusive growth, transformation and energy security.

Beyond new investment, the IDC also played a critical role in containing deindustrialisation and preserving South Africa's productive capacity by supporting the recovery of strategically significant but distressed industries. Particular focus was placed on strengthening critical industrial assets and supporting sectors facing significant financial and operational challenges. These interventions demonstrate the IDC's broader role in sustaining industrial ecosystems, protecting critical value chains and supporting sectors that remain central to employment, localisation and long-term economic resilience.

Looking ahead, the IDC is aligning investments with future-facing sectors such as critical minerals and battery manufacturing, green and circular industries, agro-industrial development, digital infrastructure and the blue economy, while deepening blended finance and co-investment partnerships to crowd in capital at scale. It is also strengthening regional industrial integration through the African Continental Free Trade Area (AfCFTA) and advancing strategic projects, including the start of CKD vehicle production at BAIC South Africa, to preserve productive capacity and support localisation.

Importantly, these developmental achievements were delivered while maintaining financial sustainability and strong governance. The IDC recorded growth in reserves of 8.9%, strengthened profitability and maintained prudent portfolio management in a challenging operating environment. These outcomes demonstrate the Corporation's commitment to balancing developmental impact with financial sustainability, ensuring that it remains a resilient and effective catalyst for economic development well into the future.

While the IDC's developmental achievements are commendable, its performance over the past year also points to areas requiring sharper focus. The pipeline was weighted towards large, complex transactions that offered limited short-term developmental returns, contributing to uneven progress against key impact indicators. This highlights the need for the IDC to continue managing a careful balance between maintaining the quality and sustainability of its portfolio, and responding to opportunities that preserve jobs, support strategically important distressed enterprises and protect critical industrial capacity. In some cases, while decisions not to proceed with distressed-business transactions were necessary to safeguard the risk profile of the IDC's book, but they also reduced the Corporation's ability to support vulnerable enterprises and employment.

Turnaround times also require continued attention, with a need to streamline internal processes, accelerate decision-making and improve the pace of disbursements. Taken together, these lessons underscore the importance of stronger pipeline conversion, sharper execution discipline and a more deliberate approach to balancing risk management with developmental impact in order to improve overall performance going forward.

As the global economy undergoes profound transformation, countries are increasingly investing in strategic industries, securing supply chains and building capabilities that enhance industrial competitiveness. South Africa cannot afford to stand still. The IDC's strategy reflects this changing environment by continuing to support traditional areas of industrial strength while investing decisively in new growth frontiers that will drive future prosperity. Through continued investment, strategic partnerships and an unwavering commitment to inclusive industrialisation, the Corporation will remain a vital instrument in advancing the country's economic reconstruction and development objectives.

I wish to commend the IDC Board, management and employees for their continued dedication and commitment to South Africa's development objectives. Their work continues to create opportunities, strengthen industries and contribute meaningfully to building a more inclusive, competitive and sustainable economy.

Mr Parks Tau
Minister of Trade, Industry and Competition
Republic of South Africa

CHAIRMAN'S STATEMENT

The fiscal year under review was affected by a challenging and dynamic macroeconomic environment, both globally and domestically.

Ms Gloria Serobe
Chairman of the Board

It is a privilege to present my first report as Chairman of the IDC. In a year that tested economies and institutions alike, the IDC, now in its ninth decade of service to South Africa's industrialisation, remained anchored to its founding purpose of building industrial capacity, creating jobs and advancing inclusive, sustainable development.

A resilient year in a demanding environment

The 2025/26 financial year unfolded against a complex and often unforgiving backdrop. Global trade tensions, shifting supply chains and heightened geopolitical uncertainty weighed on investment appetite, while domestic growth remained subdued and long-standing structural constraints persisted. However, FY2025/26 also brought progress. A sustained improvement in electricity supply gave industry greater predictability, and the Corporation's business partners showed determination in the face of considerable pressure.

As a development finance institution (DFI) of South Africa, the IDC's performance cannot be separated from the health of the economy it serves. Its results reflect real economic strain, which is unsurprising. The true measure of the year is the manner in which the IDC preserved its financial strength and remained profitable while continuing to deploy capital in support of its mandate. In periods of stress, when development needs rise even as risk increases, the IDC's counter-cyclical role becomes both most valuable and most demanding of disciplined capital allocation and careful portfolio management. The Board is satisfied that management held this balance with skill, protecting jobs and industrial capability where intervention was warranted, while safeguarding the IDC's long-term capacity to deliver.

Strategic oversight and industrial mandate

The Board devoted significant attention to sharpening the IDC's strategic focus. Returning to the Corporation's foundational purpose, the mandate that once gave rise to industries such as steel and synthetic fuels, the Board and management reaffirmed that growth must be growth that creates jobs, deepens local value chains and reaches beyond established urban centres into rural and under-served economies.

This translated into deliberate oversight of the Corporation's most consequential interventions. In the steel sector, the Board supported a targeted approach to stabilising critical upstream capacity while prioritising downstream competitiveness, including continued engagement with ArcelorMittal. The conclusion of the Tongaat Hulett transaction reflected the Board's insistence that such investments be judged not by a single product but by the full value chain they can unlock, from agro-processing to energy. In agriculture, where South Africa's standing as a global exporter continues to grow, and in critical minerals and the emerging green, digital and defence-related sectors, the Board encouraged a more focused, partnership-led approach that draws in the expertise and capital the IDC cannot provide alone.

The Corporation also stepped more confidently onto the global stage. As South Africa hosted the G20 on African soil for the first time, the IDC played an influential role through the Business 20 (B20), chairing its Trade and Investment Task Force and helping to draw African economies and the African Union into the engagement. Alongside deepening relationships with the World Bank, the International Finance Corporation, the African Development Bank and Afreximbank, and a growing appetite to invest across the continent, this signalled a Corporation increasingly willing to convene, partner and lead.

Sustainability and responsible investment

The Board considers it important that a DFI such as the IDC be emphatic in its commitment to sustainability and the environment. We have doubled down on responsible investment, guided by our environmental, social, resilience and governance (ESRG) framework and supported by the market's confidence in our sustainability bond. The Corporation continued to advance the just transition in green hydrogen, renewable energy and the beneficiation of critical minerals, which ensures that value is retained on the continent rather than simply exported, and that decarbonisation strengthens rather than erodes industrial capacity. As a continent that has contributed least to climate change yet bears much of its impact, this is a commitment we hold with conviction.

Strengthening governance

Governance received particular focus during the year in review. The Board's committee structure was reviewed and reconfigured to enable more robust oversight, including the establishment of a dedicated Nominations and Directors' Affairs Committee, bringing matters previously handled elsewhere firmly within the Board's remit, and a strengthened mechanism, at arm's length from management, for hearing and addressing the concerns of stakeholders and applicants. The Board also instituted director development sessions throughout the year, spanning listing and compliance obligations and emerging risks, in recognition that a board must take active responsibility for its own effectiveness in a fast-moving environment.

Underpinning this is a clear tone from the top on ethics and transparency. The Board and management have embraced greater scrutiny, including of decisions that attract public criticism, in the conviction that sound decisions withstand examination. We have reinforced the discipline of engaging our Shareholder Representative early and openly. The Board is confident that it discharged its responsibilities with diligence, independence and integrity, and that the Corporation's strategic direction remains aligned with its mandate as ratified by its Executive Authority.

Leadership continuity

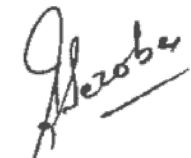
Continuity was a defining theme during the year under review. Mindful that an entirely new Board could disrupt institutional memory, we adopted a deliberate, staggered approach to Board renewal, retaining the counsel of experienced directors through the transition. I am grateful for their guidance, which has enriched the Board's perspective and lent depth to this reflection.

Continuity extends to management. Under the leadership of our Chief Executive Officer (CEO), Mmakgoshi Lekhethe, the Corporation has worked to build a full and capable executive bench, combining the promotion of internal talent with the injection of fresh external expertise and to embed a high-performance culture aligned to strategy. These foundations give the Board confidence in the IDC's ability to deliver consistently in the years ahead.

Appreciation

I extend my sincere thanks to my fellow directors for their commitment and wise counsel, and in particular to those who served the Corporation before this term and eased the transition with such generosity. I commend the CEO, the executive team and every IDC employee for their dedication through a demanding year. I am grateful to the Minister of Trade, Industry and Competition, the Department, and the Parliamentary Portfolio Committee on Trade, Industry and Competition for their steadfast support, and to the Corporation's many partners and business partners who share our commitment to South Africa's industrial future.

It is an honour to serve.


GT Serobe
Board Chairman

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WHO WE ARE



COMPANY OVERVIEW

Since its inception, the IDC has been a proud corporate citizen. Wholly owned by the South African government, the Corporation’s priorities and activities are governed primarily by the IDC Act and further aligned with targets set out in the National Development Plan (NDP), Medium Term Development Plan (MTDP) and industry masterplans.

The Corporation ensures its long-term sustainability through prudent financial and human capital management, balancing this with respect for the natural environment and positioning itself as a forerunner in development finance in South Africa and the rest of Africa.

Our purpose

To drive an ambitious programme of inclusive and sustainable employment-creating industrialisation in South Africa and the region.

Our values

Activities and business conduct are guided by:

- Passion
- Partnership
- Professionalism.

Client value proposition

The IDC combines industry insights and partnerships to provide customised, value-adding funding and advisory solutions, enabling innovative entrepreneurship that advances inclusive industrial development.

Our activities and priorities

As a development finance institution (DFI) we fulfil our roles by:

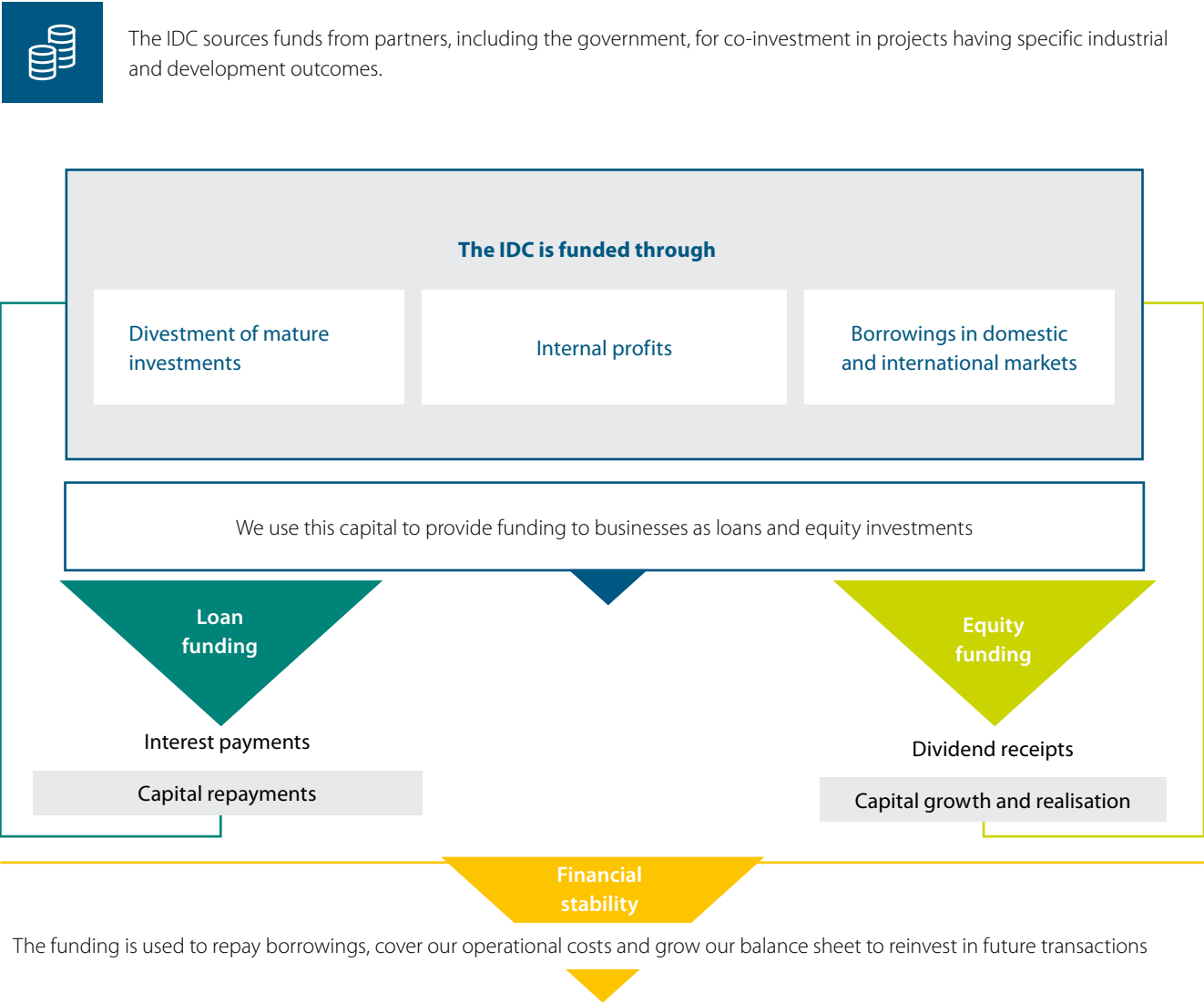
- Developing and supporting pioneering projects
- Providing customised finance and investment solutions
- Partnering with others to extend our reach, capital and impact
- Providing non-financial support to entrepreneurs and selected state programmes.

The Corporation prioritises industrialisation through funding of companies or unlocking downstream activities. Through the businesses we support, we drive key development outcomes that create and sustain jobs. Our commitment to providing services has created an enabling environment for our partners.

We provide **business support, capacity building and new capabilities**, such as lead arranging, to leverage our balance sheet more effectively.

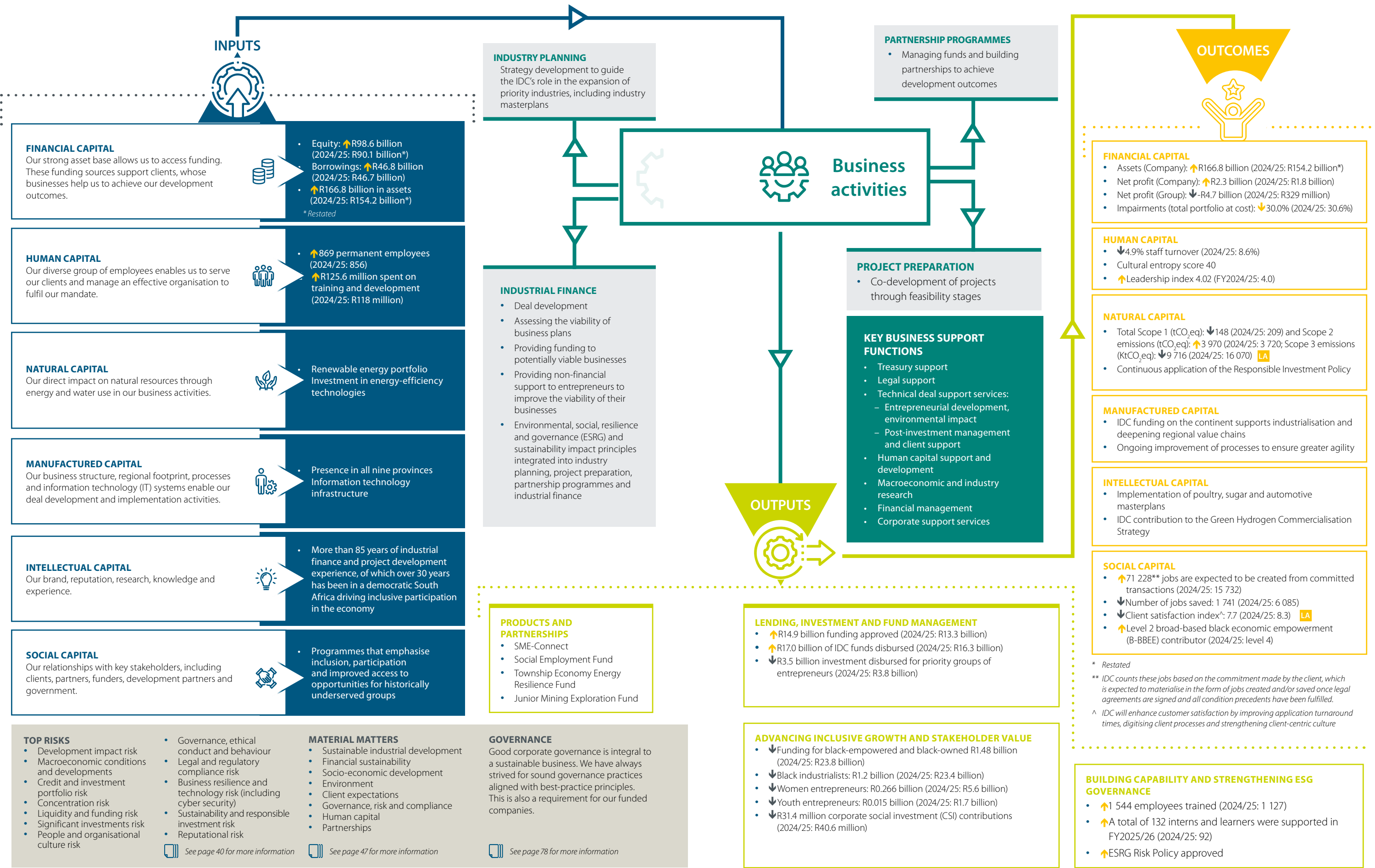
OUR FUNDING MODEL

We fund most of our activities through borrowings on domestic and international markets, divesting from mature equity investments and profits generated from lending and investment. We provide loans and invest in businesses that support the country's development objectives. Our costs are covered and balance sheet strengthened by interest and capital payments from loans provided, and dividends and capital realisations from equity investments. This, in turn, leverages our capacity to fund future development activities.



The IDC applies the six capitals as defined in the Integrated Reporting Framework, adapted to reflect the Corporation's role as a DFI. Financial capital represents the funding capacity used to support investments. Manufactured capital includes the industrial infrastructure and productive capacity created and financed through the IDC's investment activities. Human capital refers to the skills, expertise and leadership capability within the organisation. Intellectual capital reflects the IDC's institutional knowledge, sector expertise and investment methodologies. Social and relationship capital encompasses partnerships with government, funders, clients and communities that enable value creation. Natural capital is considered in terms of environmental resources and impacts associated with the IDC's portfolio, including climate-related risks, emissions exposure and resource use. These capitals are both utilised and affected through the IDC's activities over time.

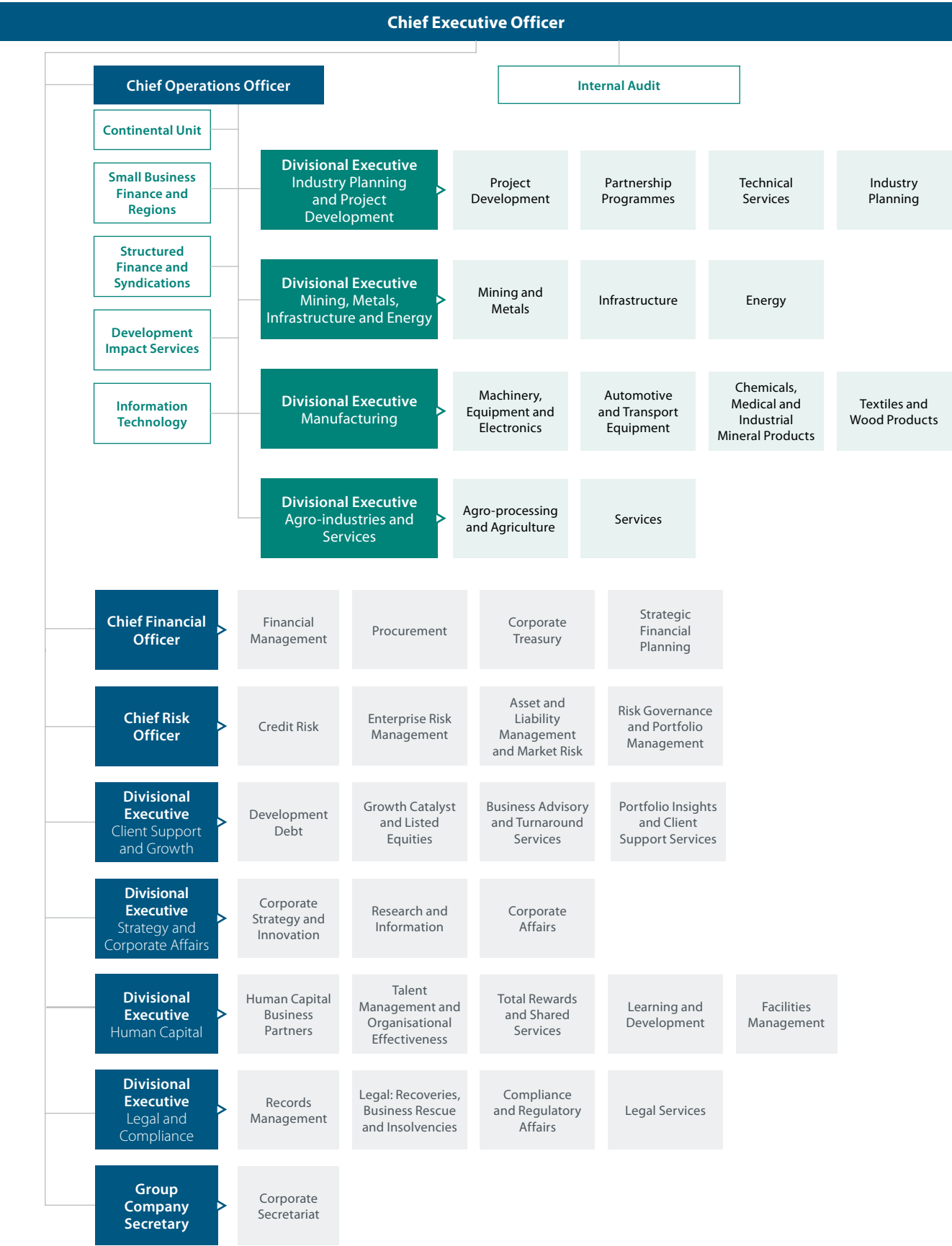
OUR BUSINESS MODEL



OUR REGIONAL FOOTPRINT



ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS



Ms Gloria Serobe*
Chairman of the Board

Qualifications:

- Bachelor of Commerce (BCom), Master of Business Administration (MBA) and Honorary Doctorates
- Nationality: South African

Skills and expertise:

- Broad-Based Economic Empowerment, Corporate Governance and Board Leadership, Strategic Investment and Financial Services, Social Entrepreneurship and Inclusive Economic Models, Public Sector Advisory and Policy Development, Transformation and Women Empowerment, Risk Management and Ethics Oversight and Leadership in Crisis Response

* Ms Serobe was appointed on 1 September 2025 following the conclusion of the previous Board's term of office on 31 July 2025.

As at 31 March 2026



Mmakgoshi Lekhethe
CEO

Qualifications:

- BCom Economics, BCom Honours (Economics), MSc in International Economics
- Nationality: South African

Skills and expertise:

- Macroeconomic Strategy and Development Finance, International Financial Management, Fiscal Governance and Risk Oversight, Industrial and Economic Development

* Ms Lekhethe was appointed as CEO on 1 February 2025, succeeding Mr D. Jarvis who previously served in an interim capacity.



Ms Busi Mabuza
Non-executive director

Qualifications:

- MBA Finance and Information Systems, BA Mathematics and Computer Science
- Nationality: South African

Skills and expertise:

- Investment Management and Private Equity, Corporate and Board Governance, Development Finance and Industrial Strategy, Cross-sector leadership

* Ms Mabuza resigned on 28 August 2025, and was re-appointed on 1 October 2025.



Mr Reon Barnard
Non-executive director

Qualifications:

- BCom Finance and Executive MBA
- Nationality: South African

Skills and expertise:

- Strategic Leadership and Business Development, Mining Operations and Commodities Trading, Investment Strategy and Private Equity, Corporate Governance and Board Leadership, International Business and Cross-Border Negotiation, Ethics and Organisational Integrity, Entrepreneurship and Innovation, Logistics and Industrial Services

* Mr Barnard was appointed on 1 September 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Dr Tebogo Makube
Non-executive director

Qualifications:

- PhD in Energy Studies, Postgraduate qualifications in Law, Economic Policy, and Energy Economics, Admitted Advocate of the High Court
- Nationality: South African

Skills and expertise:

- Industrial Procurement and Development, Policy Formulation and Economic Development, Energy Economics and Infrastructure, Governance and Leadership

* Dr Makube was appointed on 1 October 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Ms Tryphosa Ramano
Non-executive director

Qualifications:

- BCom (Accounting), Postgraduate qualifications in Accounting and Finance, Chartered Accountant (CA(SA)), Executive Leadership Development Programme, Advanced Leadership Initiative (ALI)
- Nationality: South African

Skills and expertise:

- Strategic Financial Leadership, Governance and Risk Management, Corporate and Public Sector Restructuring, Boardroom Competencies, Mentoring and Transformation Advocacy

* Ms Ramano was appointed on 1 October 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Adv Thandi Orleyn
Non-executive director

Qualifications:

- LLB, LLM, B Juris, B Proc, Certificate in Energy Law, Executive Management Programme
- Nationality: South African

Skills and expertise:

- Labour, Employment and Commercial Law, Corporate Governance and Board Leadership, Energy and Mining Sector Acumen, Human Rights Advocacy, Social Entrepreneurship and ESG, Executive Coaching and Culture Change

* Adv Orleyn resigned on 28 August 2025, and was re-appointed on 1 October 2025.



Ms Tanya Cohen
Non-executive director

Qualifications:

- Bachelor of Arts (BA), LL.M (Master of Laws) and admitted attorney
- Nationality: South African

Skills and expertise:

- Labour Market Policy and Employment Equity, Public-Private Partnerships and Strategic Advisory, Governance and Board Leadership, Socio-Economic Development and Transformation, Legal Expertise in Labour and Human Rights Law, Stakeholder Engagement and Social Compact Formation, Policy Development and Implementation and International Labour Organisation Collaboration

* Ms Cohen was appointed on 1 September 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Ms Ayanda Dlodlo
Non-executive director

Qualifications:

- MBA, Postgraduate Diploma in Business Management, Higher Certificate in Shipping and Transport Management and additional postgraduate training in Management Development and Executive Development Programmes
- Nationality: South African

Skills and expertise:

- Public Sector Leadership, Governance and Policy Development, Security and Intelligence Operations, International Diplomacy and Development, Public-Private Partnerships and Infrastructure, Strategic Operations and Institutional Reform and Transport and Logistics Management

* Ms Dlodlo was appointed on 1 September 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Dr Keitumetse Tebogo Mothibeli
Non-executive director

Qualifications:

- Bachelor of Science (BSc); BSc (Hons); MSc (Medical Bioscience), Doctor of Philosophy (PhD) (Human Physiology – Cancer Research)
- Nationality: South African

Skills and expertise:

- Medical Biosciences, Scientific Research and Field Applications, Business Leadership and Strategy, Investment Management, Entrepreneurship and Innovation, Green Technology and Sustainability, Mentorship and Youth Development, and Transformational Leadership

* Dr Mothibeli was appointed on 1 September 2025 following the conclusion of the previous Board's term of office on 31 July 2025.



Mr Brian Dames
Non-executive director

Qualifications:

- BSc (Honours), MBA
- Nationality: South African

Skills and expertise:

- Expertise and experience in mining, energy, resources and infrastructure, environment and climate, large corporates, industrial affairs, human resources, marketing, business strategy and strategic planning, information technology and cyber resilience, corporate governance and stakeholder management, as well as doing business in emerging economies

* Mr Dames resigned on 28 August 2025, and was re-appointed on 1 October 2025.



Mr André Kriel
Non-executive director

Qualification:

- BSoc Sci
- Nationality: South African

Skills and expertise:

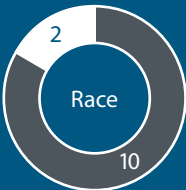
- Financial Management and Accounting, Equity Markets, Corporate Governance and Board Effectiveness, Operational Leadership

* Mr Kriel resigned on 28 August 2025, and was re-appointed on 1 October 2025.

Board demographics



Female Male



ACI White



0-4 years 5+ years

EXECUTIVE MANAGEMENT



Mmakgoshi Lekhethe
Chief Executive Officer (CEO)

Qualifications:

- BCom Economics, BCom (Hons) Economics, MSc in International Economics

1

As at 31 March 2026



2

Isaac Malevu
Chief Financial Officer (CFO)

Qualifications:

- CA (SA)
- BCom (Wits University)
- Senior Executive Programme (London Business School)



3

David Jarvis
Chief Operations Officer (Acting)

Qualifications:

- MSoc Sci (University of KwaZulu-Natal)
- BSoc Sci (Hons) (University of KwaZulu-Natal)



4

Mpho Kubelo
Chief Risk Officer (CRO)

Qualifications:

- CFA Charterholder (CFA Institute)
- Post Graduate Diploma in Future Studies (University of Stellenbosch)
- Advanced Management Program (Sloan School of Management, MIT)
- Master of Science in Risk Management (Stern Business School, NYU)
- MBA (Wits Business School)
- BSc Electrical Engineering (Wits University)



8

Rian Coetzee
Industry Planning and Project Development

Qualifications:

- MCom Economics (North-West University)
- BCom (Hons) Economics (University of Stellenbosch)
- BCom Maths (University of Stellenbosch)
- Global Executive Development Programme (Gordon Institute of Business Science)



9

Lucretia Khumalo
Client Support and Growth

Qualifications:

- MBA (University of Cape Town)
- BSc Electrical Engineering (Wits University)
- Advanced Management Programme (Harvard Business School)



10

Nina Yose
Mining, Metals, Infrastructure and Energy (Acting)

Qualifications:

- CA (SA)
- MBA (GIBS Business School)
- BCom (Wits University)



5

Phiwe Marumo
Strategy and Corporate Affairs (Acting)

Qualifications:

- MBL (Unisa)
- BA (Hon) Social Science (Wits University)
- BA Social Science (Wits University)
- Management Advanced Programme (Wits University)
- General Management Programme (Gordon Institute of Business Science)



6

Mark Goliath
Manufacturing

Qualifications:

- MBA (Wits Business School)
- BCom (Hons) Financial Management (University of Western Cape)
- National Diploma Chemical Engineering (Cape Technikon)



7

Patience Mushungwa
Human Capital

Qualification:

- BAdmin (Hons) North-West University
- BAdmin (University of Durban-Westville)
- Programme in Business Leadership (Unisa School of Business Leadership)



11

Tshepo Legodi
Legal & Compliance

Qualifications:

- LLM Tax (University of Johannesburg)
- BA LLB (University of KwaZulu-Natal)



12

Bongani Miya
Agro-Industries and Services Sectors

Qualifications:

- BSc Mathematics and Econometrics (Wits University)
- Private Equity Executive Course (Harvard Business School)



13

Adv Maseapo Kganedi
Group Company Secretary

Qualification:

- LLM (University of Johannesburg)
- LLB (University of Johannesburg)
- BProc Law (University of Johannesburg)
- Diploma in Legislative Drafting (University of Johannesburg)
- Certificate in Corporate Governance (Unisa)

CHIEF EXECUTIVE OFFICER'S STATEMENT



The IDC's outcomes reflect both the pressures facing South African industry and the progress made in sustaining investment, competitiveness and confidence.

Mmakgoshi Lekhethe
Chief Executive Officer

It is an honour to lead the IDC at a time when its mandate remains as relevant as when the Corporation was established more than 85 years ago. The world around us has changed considerably, but our purpose has endured. The IDC exists to advance industrialisation, localisation, transformation and job creation, while strengthening the resilience and competitiveness of South Africa's economy.

The year under review was shaped by global uncertainty, shifting supply chains, trade tensions and subdued domestic growth. Here at home, the operating environment showed some welcome improvement. Electricity supply became more reliable and logistics performance began to recover, although important structural constraints remain. South African industry continues to face high costs, weak growth and increasingly intense global competition.

This environment reinforces the importance of the IDC. South Africa must expand its productive capacity, build new industries, deepen local value chains and create sustainable employment. At the same time, industrialisation itself is also changing. Technology is reshaping production, the energy transition is opening new markets, competition for critical minerals and industrial capacity is intensifying, and capital is becoming more selective.

Hence, for the IDC, the question is no longer simply how much more we can do. It is whether we are directing capital towards the right opportunities, mobilising sufficient capital alongside our own, remaining close enough to the businesses and markets we serve, and building an institution capable of responding with the speed and sophistication now required.

Performance in perspective

Against this demanding backdrop, the IDC remained resilient. At Company level, the Corporation generated a profit of R2.3 billion. While at Group level, performance was affected by losses in industrial subsidiaries and associates operating in difficult commodity, input cost and trading conditions. These pressures resulted in a Group loss of R4.7 billion, although positive movements in the value of investment contributed to total comprehensive income of R5.0 billion for the year.

These results reinforce an important discipline. Our developmental mandate depends on financial strength. A strong balance sheet gives the IDC the ability to invest through economic cycles, take a long-term view and act where private capital may be constrained. Portfolio exposures, pressure on earnings and weaker operating cash generation during the year underline the need for disciplined capital allocation, stronger recovery management and careful stewardship of the Corporation's resources.

Managing development and financial sustainability

The IDC can support industries under pressure, invest ahead of the market and remain patient where development outcomes take time because the institution has built and preserved financial strength over many decades. Protecting that strength is essential to protecting the mandate itself.

This requires active portfolio management and greater clarity about where IDC capital can have the greatest effect. Our mandate often places us where development need and investment risk meet. Those interventions remain necessary, but they must preserve our capacity to continue investing into the future.

Portfolio diversification is part of this discipline. We are broadening our exposure to areas such as agro-processing, tourism, services, renewable energy, critical minerals, digitalisation and other industries that can deepen South Africa's productive base, while continuing to manage significant exposures and recover value across the existing portfolio.

Our ability to access external capital also remained an important source of strength. Successful sustainability bond issuances attracted strong market demand, including from investors with environmental, social and governance mandates. This confidence strengthens the platform from which the IDC can connect institutional capital with South Africa's industrial and transition opportunities.

Diversification, transformation and localisation

The year demonstrated the scale at which IDC capital can translate into development impact. Approximately R22.7 billion was deployed through on-balance sheet and off-balance sheet funding, while R14.9 billion was approved. Our investments supported 71 228 new jobs, SMME funding disbursed reached R1.31 billion, and projects representing 1 085 MW of electricity generation capacity were approved.

Development outcomes were strongest where IDC capital directly unlocked new employment, smaller enterprise growth and additional energy capacity. There remains more to do in areas such as transformation, export development, job preservation and investment linked to special economic zones. The challenge is not simply to deploy more capital, but to improve the consistency with which that capital produces the full range of industrial and development outcomes expected from the IDC.

Industrial diversification remains at the centre of our work. During the year, the IDC continued to support established productive sectors while developing opportunities in machinery and equipment, chemicals and pharmaceuticals, agro value chains, critical minerals, battery value chains, renewable energy and other industries that can strengthen localisation and competitiveness.

Critical minerals illustrate how we need to think about industrialisation differently. The opportunity is not only in extraction. South Africa has the potential to build deeper value chains in beneficiation, components, energy storage, battery materials and new energy vehicles. The expansion of the transmission network presents a similar opportunity. It is essential infrastructure, while also creating opportunities for local manufacturing, engineering capability and supplier industries.

Our regional footprint remains important in extending development finance beyond the country's main economic centres. We see further opportunity to strengthen origination in underrepresented provinces, improve our proximity to clients and build stronger pipelines of viable industrial projects across the country.

Transformation remains fundamental to the industrial economy we seek to build. Funding disbursed for transformation amounted to R3.5 billion, supporting 4 950 jobs. Through our support for black industrialists, black-owned enterprises and black-empowered businesses, the IDC continued to deepen participation in productive sectors. More work remains, particularly in expanding opportunities for women and young entrepreneurs in growing areas such as the green economy, digital economy and services.

Sustainability is increasingly part of industrial competitiveness. Our activities during the year covered renewable energy, green hydrogen, critical minerals beneficiation, new energy vehicles, resource efficiency and the transition of energy intensive industries. More than €40 million in concessional funding secured from KfW (Kreditanstalt für Wiederaufbau) for green hydrogen related work is helping to improve project bankability and create conditions for further private capital to participate in emerging industrial opportunities.

Partnerships and capital mobilisation

The IDC is evolving into a platform for industrial ecosystem development, supported by the Cabinet approved IDS. Our role must be to mobilise capital, partners and capabilities required to move larger industrial opportunities from concept to investment.

During the year, we strengthened several important partnerships. A US\$8 billion Afreximbank and IDC financing envelope creates a platform for the origination and co financing of industrial projects across priority sectors. A R2 billion African Development Bank line of credit further strengthens our long-term funding capacity.

The Corporation further strengthened its strategic partnership with the Public Investment Corporation (PIC) through an institutional collaboration platform designed to align pension and public investment capital with the IDC's industrial development mandate. Key areas of collaboration include critical minerals and energy, supported by the R10 billion UIF Fund III and the new R5 billion Green Bond initiative. The IDC also expanded its engagement with the Africa Finance Corporation (AFC), enhancing access to African institutional capital and supporting its continental growth strategy. Furthermore, the Corporation concluded various MOUs to advance regional industrialisation.

These partnerships become more important as we deepen our continental role. The AfCFTA and the deepening of regional value chains create opportunities for South African businesses and for the IDC to connect domestic industrial capability with growing African markets.

People, culture and capability

Our ability to deliver this ambition ultimately rests on our people and on the institution we build around them.

The quality of our decisions, the strength of our investment judgment, the way teams work together, the quality of our data and how quickly we respond to clients all determine whether capital is converted into meaningful industrial outcomes.

Culture is central to this. We continue to build a performance culture in which accountability is clear, leadership enables execution and our people understand the contribution their decisions make to the IDC's mandate. We want greater ownership, stronger collaboration and a willingness to challenge established ways of working when they no longer produce the outcomes we need.

CHIEF EXECUTIVE OFFICER’S REPORT CONTINUED

OUR LEADERSHIP MANIFESTO

The IDC’s Leadership Manifesto sets out how the Corporation’s leaders are expected to lead. It is built on three pillars – Care deeply, Make it happen and Create real value – and expresses a single commitment: SHIFTing how we lead, transforming how we deliver.



Care deeply

Leaders create environments where people feel valued, trusted and able to grow. They show empathy, build genuine trust through their actions, and invest in the development and potential of others.

I lead with humanity

I show empathy, listen deeply and create space for people to express themselves and feel supported.

I build trust

I earn trust through my actions by empowering others, communicating openly and creating an environment where people can use their judgement and contribute fully.

I grow people

I actively support the development of others by giving constructive feedback, creating opportunities for growth and helping people unlock their potential.



Create real value

Leaders focus on making a strategic difference. They seek better solutions, encourage innovation and model excellence.

I innovate for impact

I create space for new ideas and encourage innovative thinking that leads to meaningful and measurable outcomes.

I am solution oriented

I focus on possibilities and influence positive change by encouraging practical solutions that move work forward.

I inspire excellence

I model high standards, live our values and motivate others to deliver their best work.



Make it happen

Leaders turn intent into results. They simplify complexity, make bold decisions and stay focused on delivering value for clients.

I simplify

I remove unnecessary complexity and cut through red tape so that decisions are clear and work can move forward.

I take bold decisions and own the result

I make timely, confident decisions and take accountability for the outcomes.

I serve with client focus

I lead with a deep understanding of our clients’ needs, ensuring every interaction and solution is thoughtful, respectful and value-driven.



We are also strengthening our digital, automation, data and analytical capabilities. The purpose is practical. We want simpler processes, better information, clearer accountability and faster decision-making. The IDC must remain rigorous in how it assesses risk and safeguards capital, while recognising that investment opportunities move at market speed. Agility and discipline are not opposing ideas. A high performing development finance institution requires both.

Looking ahead

Our experience over time, together with the opportunities and pressures now before us, has shaped a clearer view of what the IDC must become.

Our relevance is not in question. South Africa will continue to need an institution able to invest patiently, take measured risk and bring public and private capital together around productive opportunities. The more important question is whether our strategy, portfolio, funding model and institutional capabilities are sufficiently aligned to the scale and pace of the industrial opportunities ahead; and whether our operating model enables decisions and execution at the pace required.

It is against this background that the IDC has embarked on **Project Re-Imagine**.

Project Re-Imagine gives us the opportunity to look at the IDC with fresh eyes while retaining the strength built over more than 85 years. We want to become more deliberate about where we invest, more catalytic in how we use our balance sheet, stronger at bringing partners and capital around credible industrial opportunities, and more agile in moving those opportunities from intent to investment.

The measure of this work will not be the strategy itself. It will be what changes as a result: stronger productive capacity, deeper industrial value chains, more competitive businesses, broader participation in the economy, new industries and sustainable employment.

The IDC has helped shape South Africa’s industrial economy for more than eight decades. Our responsibility now is to ensure that it has the strategy, capital model and institutional capability to help shape the next one.

I extend my appreciation to the Minister of Trade, Industry and Competition and the Department, the Chairman and Board of Directors, the executive team, and all IDC employees for their commitment. I also thank our clients, the investment community, state-owned institutions and development partners.

For more than 85 years, the IDC has played a central role in building South Africa’s industrial economy. Our task now is to prepare it to build what comes next.



Mmakgoshi Lekhethe
Chief Executive Officer

26 August 2026

<signature>

Mmakgoshi Lekhethe
Chief Executive Officer

Endorsed and finalised in June 2025.

3

OUR OPERATING ENVIRONMENT AND STRATEGY



OPERATING ENVIRONMENT

Economic environment

Although South Africa’s domestic macroeconomic conditions improved moderately in the year in review, the operating environment remained constrained overall. Real GDP growth strengthened, inflation moderated and interest rates declined, but fixed investment remained weak, export performance was subdued and operating conditions in several productive sectors remained challenging. This meant that the environment was still not conducive to a broad-based recovery in private sector expansion, and continued to shape both funding demand and the performance of some business partners.

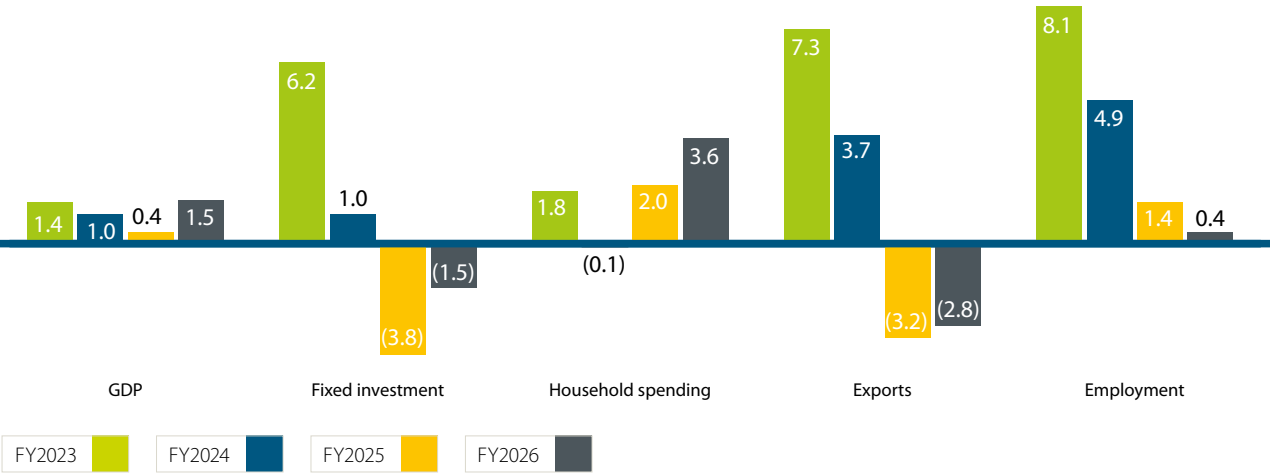
Globally, FY2025/26 was marked by heightened trade tensions, policy uncertainty and geopolitical risk. While global activity proved relatively resilient, weaker external demand, rising trade barriers and uncertainty around market access weighed on trade, investment and confidence. For some IDC business partners, particularly those exposed to export markets, uncertainty linked to United States (US) tariff measures and potential erosion of the African Growth and Opportunity Act (AGOA) benefits added pressure. These developments highlighted both South Africa’s exposure to external shocks and the strategic importance of diversifying export markets, including through greater regional trade integration under the AfCTA.

Domestically, the economy improved at the margin, but the recovery remained shallow and insufficient to support sustained industrial expansion. Real GDP growth rose to 1.5% in FY2025/26 from 0.4% in the previous year, supported mainly by stronger household consumption. Inflation averaged 3.3%, down from 3.8% in the preceding period, creating space for monetary easing and contributing to a 75-basis-point reduction in the repo rate to 6.75%. However, real interest rates remained elevated relative to longer-term norms, and monetary conditions therefore continued to weigh on investment appetite and funding costs.

A key weakness in the operating environment remained the continued contraction in fixed investment. Total fixed investment declined (-1.5%) for a second consecutive year, albeit at a slower pace than in the previous financial year (-3.8%), reflecting weak investor confidence, persistent uncertainty and still-challenging operating conditions. Public-sector fixed investment also declined by 2%, weighing on aggregate capital outlays. From the IDC’s perspective, this limited the pipeline of large expansionary transactions and meant that the improvement in headline growth did not translate into a broad-based recovery in investment-led demand for finance.

By contrast, household consumption was the main driver of economic growth during the year. Lower inflation, some easing in interest rates and stronger consumer conditions supported higher retail activity and improved spending outcomes. This provided support to selected IDC clients operating in the consumer goods and services sectors. However, the benefit was uneven and did not offset broader weakness in investment-intensive sectors of the economy. Persistently high unemployment, with 32.7% of the labour force unemployed in the three months to March 2026, also remained a structural constraint on the durability of consumption-led growth.

Growth rates for selected economic variables – % change (y-o-y)



Source: IDC, compiled using Stats SA data

OPERATING ENVIRONMENT CONTINUED

Against this backdrop, the composition of demand for IDC funding shifted during FY2025/26. Weak domestic demand, subdued fixed investment and a less supportive external environment continued to suppress appetite for large expansionary capital projects. At the same time, funding demand increasingly favoured resilience- and efficiency-enhancing investments, including embedded generation, energy efficiency, automation, cost-reducing technologies and logistics-related upgrades. The operating environment also affected the ability of some business partners to meet obligations timeously, underscoring the link between macroeconomic conditions, transaction flow and portfolio performance.

There were, however, important positive domestic developments during the year. South Africa’s removal from the Financial Action Task Force (FATF) grey list, an improvement in the sovereign credit profile, gradual progress in addressing energy and logistics constraints, and expectations of a firmer fiscal outlook helped support business and consumer sentiment. These developments improved the operating backdrop at the margin and offered some potential relief through lower country risk and borrowing costs. However, the benefits had not yet translated into a broad-based recovery in private fixed investment during FY2025/26.



SECTORAL PERFORMANCE

Collectively, mining, manufacturing and agriculture account for a significant share of IDC’s client base and pipeline activity. Developments in these sectors therefore have a direct bearing on the performance of existing business partners, the nature of new funding opportunities and, ultimately, the Corporation’s overall performance.

Agriculture

Agriculture was a relative bright spot in FY2025/26. The sector rebounded strongly, growing by 18% after contracting in the previous year, supported mainly by favourable rainfall and stronger output in field crops and horticulture. Agricultural exports also remained resilient, while employment levels improved. For the IDC, this supported conditions in selected agricultural value chains and export-oriented activities. However, outbreaks of foot-and-mouth disease and African swine fever remained important risks to production, trade and sector confidence.



Mining

Mining recorded modest growth during FY2025/26, supported largely by exceptionally strong precious metal prices. Gold prices rose sharply, while platinum and rhodium prices also increased materially, contributing to higher export values and improved earnings conditions across parts of the sector. However, the production response remained muted, reflecting structural constraints and limited greenfield investment, particularly in gold. For the IDC, the main benefit was therefore stronger profitability and investment returns in parts of the mining portfolio, rather than a broad-based increase in mining investment demand.



Manufacturing

Manufacturing remained under pressure in FY2025/26, although the pace of contraction moderated relative to the previous year. Sector performance continued to be affected by weak domestic and export demand, elevated input and operating costs, import competition, logistics inefficiencies and uncertainty in the global trading environment. While some subsectors performed better, manufacturing output remained below pre-pandemic levels. Given the significance of manufacturing in the IDC’s portfolio, these conditions continued to weigh on both the performance of existing clients and the pace of new investment demand in one of the Corporation’s most important sectors.



Outlook

The outlook became more uncertain toward the end of the reporting period and into the period ahead, as geopolitical tensions intensified and global risks increased. The main transmission channels to South Africa included higher oil prices, exchange-rate volatility, firmer bond yields and a more risk-averse financial environment, all of which could raise input costs and weaken demand in key export markets. For the IDC, this points to continued pressure on externally exposed firms, ongoing caution in investment decisions and a likely persistence of demand for resilience-oriented funding rather than large-scale expansionary projects.

OPERATING ENVIRONMENT CONTINUED

Strategic priorities

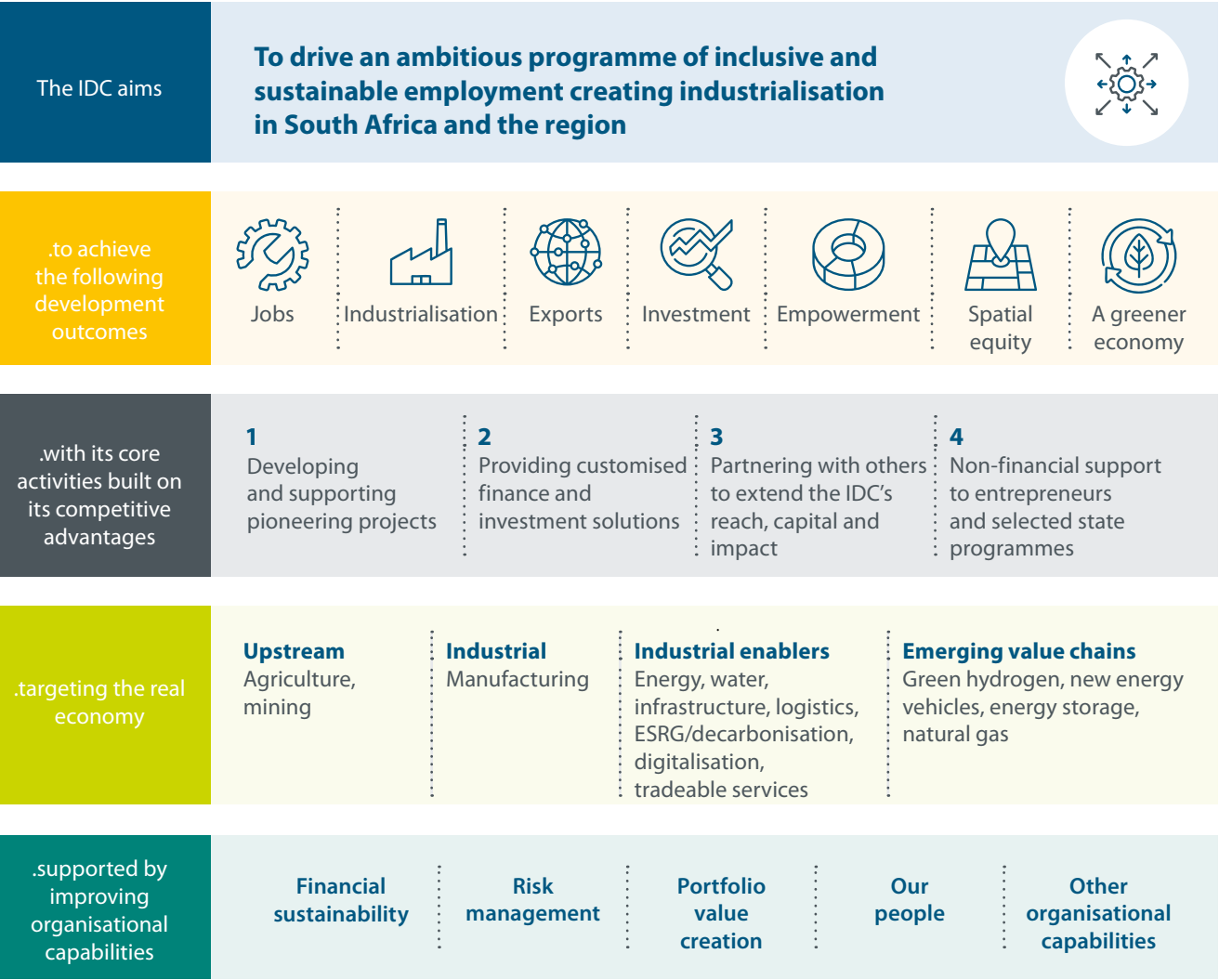
Strategic priorities	What it means
Catalytic industrialisation and future sectors	Concentrating resources on competitive, job-rich value chains: critical minerals and battery manufacturing, green industries, digital infrastructure, agro-processing and the blue economy.
Transformative and inclusive industrial growth	Scaling broad-based transformation by expanding productive capacity for black-owned, women-owned and youth-owned enterprises, and driving spatial inclusion.
A partnership-led operating model	Mobilising blended finance, co-investing with the private sector and DFIs, and convening alliances across the state, academia and global institutions.
Regional industrial integration	Advancing a consolidated Rest of Africa strategy centred on regional value-chain integration, leveraging the AfCFTA to grow exports and build resilience.
Financial sustainability and portfolio management	Maintaining disciplined capital allocation, responsible borrowing and stronger portfolio management to secure long-term sustainability while amplifying impact through external funding.
Organisational excellence and capability building	Investing in digital transformation (including Microsoft Dynamics 365), a high-performance culture and future-ready skills to build a more agile, capable and client-centric institution.

Through these priorities, the IDC aims to shape new industries, crowd in private capital and deliver measurable gains in employment, industrial renewal and inclusive prosperity.

Sustainability-related risk management

Sustainability-related risks and opportunities are managed through the IDC’s enterprise risk management framework and are integrated into investment, portfolio management and strategic planning processes. Sustainability risks are identified through ESG due diligence, sustainability risk registers, materiality assessments, sector analysis and ongoing portfolio monitoring. These risks are assessed alongside financial, operational and strategic risks to determine their potential impact on the Corporation’s mandate, financial sustainability, reputation and long-term value creation.

Material sustainability-related risks are escalated through established governance structures, including management risk forums and the Board Risk and Sustainability Committee. Sustainability considerations are incorporated into investment appraisal, approval and post-investment monitoring processes, enabling the Corporation to identify emerging risks, strengthen portfolio resilience and support responsible investment practices aligned with national development priorities and evolving stakeholder expectations.



.with its core activities built on its competitive advantages

1

Developing and supporting pioneering projects

2

Providing customised finance and investment solutions

3

Partnering with others to extend the IDC’s reach, capital and impact

4

Non-financial support to entrepreneurs and selected state programmes

.targeting the real economy

Upstream

Agriculture, mining

Industrial

Manufacturing

Industrial enablers

Energy, water, infrastructure, logistics, ESGR/decarbonisation, digitalisation, tradeable services

Emerging value chains

Green hydrogen, new energy vehicles, energy storage, natural gas

.supported by improving organisational capabilities

Financial sustainability

Risk management

Portfolio value creation

Our people

Other organisational capabilities

In FY2026/27, the IDC is shifting from a traditional lender to a catalytic platform for industrial ecosystem development. In response to the national Implementation Plan for Growth and Inclusion (GAIN), IDC’s priorities focus on transformative industrialisation, deeper economic participation and stronger long-term competitiveness within a constrained fiscal environment. The strategy is anchored in six focus areas.

Sustainability-related strategy

The IDC considers sustainability-related risks and opportunities as an integral component of its developmental mandate and long-term strategy. Sustainability considerations influence the Corporation’s strategic priorities, investment decisions, capital allocation and industry planning activities. Through its Sustainable and Inclusive Industrialisation Pathways Framework, the IDC seeks to support industrial development that strengthens economic competitiveness while advancing environmental sustainability, resilience and inclusive growth.

Strategic opportunities include renewable energy, green hydrogen, critical minerals beneficiation, new energy vehicles, resource efficiency and climate-aligned industrialisation.

At the same time, the Corporation considers sustainability-related risks that could affect portfolio performance, business partner resilience, access to funding and long-term value creation. These

considerations are incorporated into strategic planning processes, portfolio management activities and development outcomes monitoring to support sustainable value creation over the short-, medium- and long-term.

Development outcomes and alignment to the NDP and SDGs

The development outcomes represent the outcomes layer of the IDC’s business model, translating the application of the six capitals through investment activities into measurable development and financial value over time. Each outcome is directly linked to the IDC’s material matters, strategic risks and performance indicators, strengthening integrated thinking and reporting connectivity.

Our mandate is to promote sustainable industrial development and contribute to South Africa’s socio-economic transformation. It delivers this through a defined set of development outcomes that anchor its strategy, investment decisions and performance monitoring. The outcomes are unchanged from the prior year. Over the past two years, the Monitoring and Evaluation unit has expanded its capacity, enabling more accurate and comprehensive reporting of development impact.

Outcomes are aligned to the NDP, relevant sector strategies and the United Nations SDGs, keeping the IDC’s interventions coherent with national priorities and global objectives.

OPERATING ENVIRONMENT CONTINUED

IDC development outcomes framework

Development outcomes are measured through the IDC Development Scorecard, applied across the investment lifecycle, from appraisal to portfolio monitoring against agreed indicators. Scorecard information feeds regular reporting to management, the Sustainability Working Group, the Exco and the Board, informing oversight, learning and capital allocation, and provides a structured basis for monitoring, evaluation and evidence-based decision-making across the investment lifecycle. This strengthens discipline in the use of limited capital while maintaining alignment with the development mandate.

The outcomes represent the end results the Corporation seeks to achieve through financing, partnerships and non-financial support. They are interrelated and mutually reinforcing, reflecting the integrated nature of industrial development and the trade-offs inherent in long-term value creation. The seven outcomes – industrialisation, greener economy, investment mobilisation, spatial equity, jobs, exports and empowerment – are embedded in the strategy, corporate plan and performance indicators, and monitored through the Development Scorecard.

Each development outcome aligns with the IDC’s material matters, ensuring consistency between strategic priorities, risk management and performance reporting.

www.idc.co.za/development-scorecard2026/ 

Development outcome	How the IDC contributes	2025/26	NDP alignment	SDGs
DO-1 Industrialisation	Supports the development, deepening and upgrading of industrial capacity, with emphasis on manufacturing, beneficiation and strategic value chains; prioritises productivity, localisation and technological capability for long-term structural transformation.	Funding approvals during FY2025/26 continued to support manufacturing, agro-processing, mining and infrastructure value chains, contributing to industrial capacity expansion, localisation and beneficiation objectives. Development outcomes are monitored through the Development Scorecard across the investment lifecycle.	Economy and employment; industrial capability	  
DO-2 Greener economy	The IDC continued to support renewable energy generation, energy-efficiency initiatives and sustainability-linked investments as part of its broader commitment to sustainable industrialisation and the just transition. Sustainability considerations are incorporated through the Development Scorecard and ESG processes	The IDC continued to support renewable energy generation, energy-efficiency initiatives and sustainability-linked investments as part of its broader commitment to sustainable industrialisation and the just transition. Sustainability considerations are incorporated through the Development Scorecard and ESG processes.	Environmental sustainability; climate resilience	  
DO-3 Investment mobilisation	Crowds in private and public co-investment to extend the reach of the balance sheet, using blended finance, risk-sharing and developmental pricing to unlock projects aligned to national priorities.	The IDC mobilised funding from co-funders and development partners to extend the impact of its balance sheet and support industrial development objectives. Funding crowded in from other funders amounted to R27.998 billion during FY2025/26.	Infrastructure; economic expansion; institutional capacity	 

Development outcome	How the IDC contributes	2025/26	NDP alignment	SDGs
DO-4 Spatial equity	Directs investment to underserved regions, industrial development zones and high-unemployment areas; spatial considerations are built into appraisal and portfolio monitoring.	Through its regional footprint and investment activities, the IDC continued to support projects across provinces and under served areas in support of spatial transformation and inclusive economic growth. This includes deliberate targeting of rural areas and townships. Moradu Farming in Limpopo, Mamelodi Bakeries in Gauteng and Sinemihlali Agricultural Cooperative in Eastern Cape represent examples of rural and township enterprises supported.	Spatial transformation; rural development; inclusive growth	  
DO-5 Jobs	Supports direct and indirect employment by financing labour-absorbing sectors, SMMEs and industrial projects, with attention to job quality, sustainability and skills.	Expected to support 71 228 jobs, significantly exceeding the annual target and reinforcing the Corporation's employment creation mandate.	Employment targets	 
DO-6 Exports	Backs export-oriented investment that lifts productivity, quality and market access, supporting integration into regional and global value chains and resilience against weak domestic demand.	The IDC continued to support export-oriented industries and regional value-chain development to improve competitiveness and participation in regional and global markets.	Trade; competitiveness; regional integration	 
DO-7 Empowerment	Focuses on broad-based participation through black industrialists, women-owned, youth-led and small enterprises; embedded across investment criteria and performance measures.	Empowerment considerations remain embedded within investment decision-making through support for black-owned, black-empowered, women-owned, youth-owned and small enterprises, aligned with the IDC's transformation objectives	Transformation; social inclusion	  

SELECTED SUSTAINABILITY
KEY PERFORMANCE INDICATORS (KPIs)

No.	KPI	Level of assurance		Assured figure	Unit of measurement
1	Talent Retention (voluntary turnover rate of individuals in critical roles)	Limited	LA	3.6	%
2	Leadership index (360 leadership survey)	Limited	LA	4.02	Number
3	Number of social and solidarity economic enterprises and initiatives funded	Limited	LA	23	Number
4	Value of social and solidarity economic enterprises and initiatives funded	Limited	LA	107 075 344.90	Rands
	Social and solidarity economic enterprises and initiatives disbursed	Limited	LA	93 676 560.97	Rands
5	Number of workers' and community funds approved	Limited	LA	10	Number
6	Workers' and community funds disbursed	Limited	LA	4 345 644.00	Rands
7	Scope 1: Carbon emissions	Limited	LA	148	tCO ₂ e
8	Scope 2: Carbon emissions	Limited	LA	3 970	tCO ₂ e
9	Scope 3: Carbon emissions (Financed emissions)	Limited	LA	9 716	KtCO ₂ eq
10	Customer satisfaction index (scale of 1–10)	Limited	LA	7.7	Number
11	Percentage of applications where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 64 business days for non- complex transactions and 180 days for complex transactions (excluding projects, time waiting for client and days between ECIC approval and BIC/Board submissions)	Limited	LA	56.5	%
12	Corporate memberships spend	Limited	LA	12 429 283.78	Rands
13	Percentage of employees who completed training on anti- corruption policies and procedures	Limited	LA	68	%
14	Percentage of employees who completed the annual on-line staff declarations	Limited	LA	64.7	%



PERFORMANCE INDICATORS

IDC performance indicators for the year in review emphasise execution and support for key development outcomes while ensuring the Corporation remains focused on financial sustainability, organisational capabilities and its market reputation.

Key performance indicators

The table below presents key performance indicators, with a specific focus on development effectiveness and financial sustainability, which form part of the audited performance information scope.

✓ 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*	✓

* Based on restated FY2024/25 reserves.

✓ 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	✗



OUR STRATEGIC RISKS

As part of enterprise-wide risk management, IDC identifies and monitors the strategic risks aligned to its corporate objectives. These are assured through annual control testing and quarterly monitoring of key risk indicators. The principal risks and mitigations for the year ended 31 March 2026 are set out below, grouped by strategic pillar.

Risk	Key drivers and impacts	Risk mitigation	Link to strategic priority/ opportunity
Strategic pillar: Increased industrial development			
SR-1 Developmental impact risk Failure to create jobs, invest in rural areas and support black industrialists, so the IDC misses its developmental impact.	Key drivers: Weak pipeline quality; slow transaction processing; value-chain bottlenecks. Impacts: Missed contribution to growth, jobs and transformation.	Developmental goals cascaded from the corporate plan to divisions and individuals; close performance monitoring for strategic alignment.	Transformative and inclusive industrial growth
SR-2 Macroeconomic conditions and developments Adverse domestic or global conditions affecting the IDC's ability to meet targets.	Key drivers: Trade wars disrupting supply chains and market access. Impacts: Weak consumption and investment; higher borrower default rates.	Continuous monitoring of global and domestic economic and sector developments; economic overview and sector-trend reports; scenario analysis and contingency planning.	Regional industrial integration; future sectors
Strategic pillar: Maintain financial stability			
SR-3 Concentration risk Portfolio concentration affecting diversification, dividend income and balance-sheet strength.	Key drivers: High concentration in three listed equities. Impacts: Vulnerability to market volatility and downturns.	Industry and sector limits with exposure tracking; ongoing investment analysis; diversification strategies.	Portfolio diversification and partnership-led funding
SR-4 Significant investments risk Financial viability of significant investments and their delivery on strategy.	Key drivers: Management or board failures, misappropriation, poor decision. Impacts: Material losses depleting capital.	Continuous post-investment monitoring; value-creation plans and business support; IDC board representation at investees.	Strategic industrial investments and value-chain development
SR-5 Credit and investment portfolio risk Non-payment by business partners and non-recovery of investments.	Key drivers: High non-performing loans (NPLs), impairments, expected credit losses (ECLs) and probability of default (PDs). Impacts: Financial losses reducing capacity to fund development.	Focus on higher-quality, lower-risk clients; enhanced due diligence; independent credit evaluation; active post-investment monitoring.	Improved portfolio quality and capital recycling
SR-6 Liquidity and funding risk Inability to maintain sufficient cash or borrowing to meet obligations and fund transactions.	Key drivers: High NPLs and low dividend collections. Impacts: Operational disruption and balance-sheet weakening.	Balance-sheet optimisation; independent liquidity and funding oversight; close monitoring of collections and disbursements.	Sustainable finance, blended finance and resource mobilisation

Risk	Key drivers and impacts	Risk mitigation	Link to strategic priority/ opportunity
Strategic pillar: Human, social, natural and manufactured capital			
SR-7 People and organisational culture risk Failure to develop, recruit and retain talent and sustain a high-performance, client-service culture.	Key drivers: High culture entropy; long-standing senior vacancies. Impacts: Weaker execution, lower productivity, higher turnover.	Culture transformation; market-aligned employee value proposition; performance management; leadership development; wellness and knowledge programmes.	Organisational excellence and capability building
SR-8 Governance and ethical conduct risk Non-adherence to governance standards and internal or external financial crime.	Key drivers: Misappropriation of disbursed funds. Impacts: Reduced recoveries and higher impairments; higher default risk.	Post-investment application-of-funds controls; clear committee mandates aligned to the delegation matrix; code of ethics, whistleblowing and conflict-of-interest reviews.	Governance excellence and stakeholder trust
SR-9 Reputational risk Damage to the IDC's image from negative media, stakeholders or labour.	Key drivers: Negative coverage of certain transactions and rising complaints. Impacts: Loss of stakeholder trust.	Proactive media engagement; stakeholder outreach; strict complaint management; social-media monitoring.	Enhanced stakeholder engagement and market credibility
SR-10 Legal and regulatory compliance risk Enforcing legal and contractual agreements and meeting regulatory requirements.	Key drivers: Reduced recoveries on disputed agreements. Impacts: Legal costs or sanction for non-compliance.	Legal due diligence; compliance training and monitoring of funding agreements; anti-money laundering due diligence and periodic client reviews.	Strong governance and investor confidence
SR-11 Business resilience and technology risk (including cyber security) Cyber threats and vulnerabilities disrupting operations, compromising data and impeding digital integration.	Key drivers: Operational disruption; data breaches and loss of confidentiality. Impacts: Impaired service delivery and reputational harm.	Business-continuity and disaster-recovery policies; preventative and detective cyber controls; regular IT testing and annual disaster-recovery tests.	Digital transformation and operational efficiency
SR-12 ESRG and sustainability impact risk Misalignment with national and international ESRG frameworks and their integrated implementation across the IDC.	Key drivers: Misalignment with investor and regulatory expectations. Impacts: Reduced access to concessional or green funding; reputational exposure.	Responsible Investment Policy; ESG screening in due diligence; integration of ESG into investment approval.	Green growth, sustainable finance and climate-aligned industrialisation

OUR STAKEHOLDERS AND PARTNERSHIPS

Stakeholders are critical to achieving our strategic objectives. The Corporation intentionally builds and sustains relationships and partnerships, using each engagement to communicate its purpose and impact, reinforce its reputation and deepen trust. Partnerships with government, funding partners, clients, employees and broader society aim to create mutual value as the IDC delivers its mandate. Sponsorships and corporate memberships are approved by the Corporate Affairs Committee; R12.4 million was spent on corporate memberships during the year. 

How we engage	Their needs and expectations	Our expectations	How we create value
Clients and business partners			
- Regional roadshows - Business support - Customised products and services - Client and government-led events - One-on-one engagements; surveys	- Transparent, efficient applications - Business support - Affordable, appropriate pricing - Suitable instruments and structures	- Innovative business plans addressing development needs - Honouring financial and other undertakings	- Project development to catalyse new industries - Funding to grow industries and back black industrialists, women and youth - Business support - Impact-linked pricing
Shareholder			
- Annual general meetings - Board strategy sessions - Reports to the Portfolio Committee on Trade, Industry and Competition - Integrated annual report	- Transparency and good governance - Risk management and compliance - Operational efficiency - Sustainable industrial leadership	- An enabling policy environment - Policy certainty - Strategic leadership	- Investment in government priority areas and regional value chains - Socio-economic development that fulfils the mandate
Employees and prospective employees			
- One-on-one, team and divisional engagements - CEO feedback sessions - Culture and engagement surveys - Employment Equity Forum - Management-union structures	- Job security - Reward and recognition - Development and growth - A good work environment - Meaningful contribution to development	- Motivated, empowered employees living the IDC's values - Brand ambassadors - A service-delivery mindset	- Transformation - Personal development - Performance- and value-linked reward - Clear line of sight to the IDC's value proposition



How we engage	Their needs and expectations	Our expectations	How we create value
Regulators, rating agencies and funders			
- Credit ratings - Investor roadshows - Integrated annual report - Results announcements - SENS announcements - Special funding initiatives	- Transparent, effective corporate governance - Financial sustainability	- Low lending rates - Consultation - Understanding of the IDC's operating context	- Funding schemes - Input to policy development - Leveraging funding for industry and economic development
Communities			
- Regional offices - Social enterprise and special initiatives - Community trusts linked to investments - CSI initiatives - Environmental and social due diligence	- Job creation - Climate-resilient industries - Inclusive growth; environmental and social compliance - Emission reduction and water stewardship	- Support for and participation in IDC-linked projects - Sustainable water and productive land	- Funding that creates jobs; community and worker shareholding - Social and community projects - Sustainable use of natural resources
Partners and development ecosystem			
Engagements with academia, industry bodies and experts, DFIs, state-owned entities and research institutions	- Funding and participation in pilot initiatives - Influencing policy development	- Entrepreneurship and innovative solutions - Mutual partnership	Knowledge networks that support sustainable industrial development and address societal needs



OUR STAKEHOLDERS AND PARTNERSHIPS CONTINUED

Stakeholder prioritisation

Stakeholder engagement is governed by the IDC’s stakeholder engagement strategy and plan. External stakeholders are prioritised by their influence over the IDC and the IDC’s impact on them, as set out below.

The stakeholder's influence over the IDC	High	- Rating agencies - Public Servants Association	- Regulators - National Treasury - Department of Small Business Development - Departments with an interest in IDC-funded sectors - Mature listed investments with low IDC shareholding	- Existing and potential clients - Strategic project partners - Employees - Lenders (bondholders, banks, DFIs, PIC, Unemployment Insurance Fund (UIF)) - Portfolio Committee on Trade, Industry and Competition, the dtic - IDC subsidiaries
	Medium	Media	- The unemployed - Organised labour - Banks and other financial-services providers - Other government departments - Other African governments - Business associations - SOEs	- Broader communities around IDC-funded projects - Provincial governments
	Low	- Former and potential employees - Higher-education institutions - Activist bodies		Suppliers
		Low	Medium	High
IDC impact on the stakeholder				

Engagements during FY2025/26

Beyond business development and regular meetings with stakeholders, the IDC held 86 formal interactions (2024/25: 81) to position itself as a DFI that supports sustainable industries, finances entrepreneurs and improves lives. These engagements built partnerships, strengthened the Corporation’s reputation and engendered trust. Key platforms are summarised below.

Platform/engagement	Key focus
IDC Financial Results Announcement	Financial and developmental performance, portfolio, funding priorities and market positioning
G20 Ministerial engagements	Industrial-policy alignment, trade and investment cooperation, infrastructure finance
South Africa Investment Conference	Investment-pipeline generation, strategic partnerships and investor confidence
Infrastructure South Africa Pre-State of the Nation (SONA) event	Infrastructure priorities, project preparation, financing and public-private collaboration
Africa CEO Forum	Regional investment trends, private-sector growth and cross-border partnerships
Green Hydrogen Summit	Energy transition, green industrialisation, project bankability and export competitiveness
Africa Mining Indaba	Mining value chains, beneficiation, critical minerals and investment opportunities
Manufacturing Indaba	Reindustrialisation, localisation, supplier development and competitiveness
Africa Investment Forum	Bankable projects, co-investment, blended finance and development impact
SA-France Investment Conference	Bilateral investment, industrial partnerships and technology transfer
Conference on Green Industrial Policy (IDC co-hosted)	Green industrial policy, inclusive growth, climate finance and investment-led development
African Energy Forum	Energy security, generation and transmission investment and enabling policy
Inaugural DFI Symposium	Development-finance collaboration, partnerships and innovative financing

The IDC was the lead organiser of the South Africa Investment Conference, led by the Minister of Trade, Industry and Competition, Parks Tau, and President Cyril Ramaphosa. During the year, IDC provided prudent thought leadership on national and continental issues through newspaper commentary, conference platforms, hosted delegations and the Corporation’s digital channels.



4



MATERIALITY AND
TRADE-OFFS

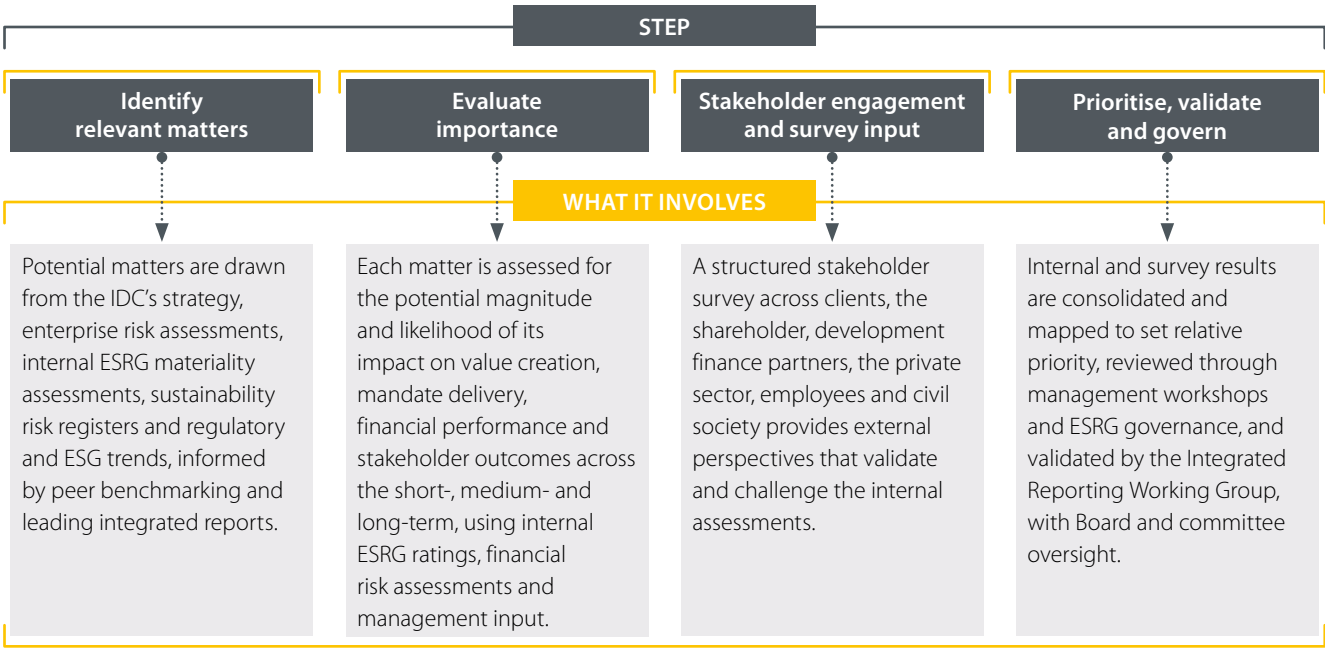


MATERIAL **MATTERS**

The IDC applies a structured and repeatable materiality process aligned with the Integrated Reporting Framework. The process identifies and prioritises matters that may substantively affect the IDC’s ability to create, preserve or erode value over time. In doing so, the IDC qualitatively considers both matters that may affect its financial sustainability, mandate delivery and prospects, and the significant effects of its activities on the economy, society and environment. This approach supports integrated thinking and strengthens readiness for emerging sustainability-related disclosure requirements without implying full adoption of IFRS S1, IFRS S2 or a formal double-materiality measurement process.

The process is reviewed annually to keep it relevant and responsive to changes in the operating environment, stakeholder expectations and reporting standards.

The IDC’s internal ESG assessments and sustainability risk registers inform, but do not replace, the broader Integrated Reporting materiality process; they provide an important input into identifying sustainability-related risks, opportunities and impacts that may influence value creation and mandate delivery.



MATERIAL MATTERS CONTINUED

Material matters for the reporting period

The IDC has eight material matters. The matrix below sets out, for each one, why it is material and how it connects to the IDC’s capitals, strategic risks and the SDGs.

Material matter	Why it is material	Capitals	Linked strategic risks	SDGs	Read more
MM-01 Sustainable industrial development	The IDC’s primary material matter, reflecting its mandate to drive industrialisation, employment and economic diversification. It funds priority sectors and value chains aligned to national industrial policy and master plans, focused on labour-absorbing, high-impact activities; climate resilience, localisation and inclusive value-chain development increasingly shape investment decisions and long-term portfolio quality.	  	1 2 12	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	 Strategy  Business model  Performance  Development scorecard
MM-02 Financial sustainability	Underpins the IDC’s ability to deliver its mandate on a self-sustaining basis. The IDC balances developmental objectives with prudent capital management, portfolio diversification and disciplined risk assessment amid economic volatility and interest-rate movements. Capital adequacy, liquidity and impairment reduction directly affect cash flows, capital and cost of capital.		3 4 5 6	8 DECENT WORK AND ECONOMIC GROWTH	 Financial performance  Risks
MM-03 Socio-economic development	Including transformation, reflects the IDC’s commitment to inclusive growth and equitable access to finance. It prioritises job creation, participation by historically disadvantaged groups, regional development and positive social outcomes across the investment lifecycle, supporting the credibility of the mandate and long-term value.		1 9	1 NO POVERTY 2 ZERO HUNGER 4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS	 Development outcomes  Stakeholders  Development scorecard
MM-04 Environment	Climate-related risks and opportunities , environmental stewardship and the just transition continue to grow in strategic importance. The IDC supports a just transition by financing renewable energy and low-carbon industrial activity, and integrates environmental risk assessment into investment decisions. Climate risk, transition and resilience affect asset values, costs and access to funding.		9 12	6 CLEAN WATER AND SANITATION 7 AFRORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	 Risks  Sustainability disclosures  Sustainability report  Development scorecard

Material matter	Why it is material	Capitals	Linked strategic risks	SDGs	Read more
MM-05 Client expectations	Material to the IDC’s effectiveness and reputation. Clients increasingly expect accessible, responsive and transparent funding; process improvement, digitalisation and active engagement drive client experience, uptake and execution.	 	9 11	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	 Stakeholders  Operations
MM-06 Governance, risk and compliance	Strong governance, effective risk management and compliance underpin organisational sustainability. Robust oversight, internal controls and ethical standards manage financial, operational, regulatory and emerging risks, strengthening financial resilience and investor confidence.	  	7 8 9 10 11	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	 Governance  Risk management
MM-07 Human capital	Critical to strategy execution. The IDC focuses on talent attraction, skills development, leadership capability and an inclusive culture to support long-term performance and resilience, affecting productivity, execution risk and efficiency.	   	7 11	4 QUALITY EDUCATION 5 GENDER EQUALITY	 Human capital  Governance
MM-08 Partnerships	Enable the IDC to leverage additional capital and expertise. Effective partnerships and ecosystem coordination enable the IDC to leverage additional capital, expertise and delivery capacity. Collaboration with government, development finance institutions and the private sector supports co-investment, risk-sharing and alignment with development priorities, enabling scale and efficient capital deployment.	  	3 6 9 10	17 PARTNERSHIPS FOR THE GOALS	 Development outcomes  Stakeholders  Business model

TRADE-OFFS

In pursuing its mandate, the IDC manages a range of complex trade-offs to balance financial sustainability with meaningful development impact.

Trade-offs arise from how the IDC allocates and applies the six capitals to deliver its strategy across the short term (up to 18 months), medium term (18–36 months) and long term (more than three years), and are evaluated systematically across material investment and strategic decisions to keep them aligned with the IDC’s risk appetite, mandate and development outcomes.

The key trade-offs the IDC manages are set out below.

FINANCIAL CAPITAL

1. **Impact vs sustainability:**
Backing projects with high developmental impact, even where financial returns may be lower, while protecting the long-term funding capacity that sustains the mandate.
2. **Risk-taking vs portfolio resilience:**
Taking calculated, catalytic risks to support ambitious and counter-cyclical projects while safeguarding portfolio quality and financial stability.
3. **Scale vs concentration:**
Weighing the benefits of larger transactions, which may concentrate risk, against smaller, more diversified investments with more modest individual impact.
4. **Mobilisation vs exposure:**
Mobilising private and partner capital to amplify impact, while carefully managing risk-sharing, returns and exposure on the IDC’s balance sheet.

INTELLECTUAL CAPITAL

5. **Rigour vs speed:**
Maintaining the depth of due diligence needed for sound decisions, while improving turnaround so that good transactions are not lost to delay.
6. **Standardisation vs innovation:**
Applying consistent appraisal tools and processes, while retaining the flexibility to support novel sectors, instruments and business models.
7. **Data depth vs burden:**
Gathering the development and risk data needed for credible reporting, without imposing an administrative load that slows delivery.
8. **Transparency vs sensitivity:**
Disclosing enough to remain accountable and inform the market, while protecting clients’ commercial confidentiality.

HUMAN CAPITAL

9. **Skills vs cost:**
Investing in the scarce technical and dealmaking skills the mandate requires, while maintaining cost discipline.
10. **Capacity vs throughput:**
Protecting the quality of investment assessment, while meeting the volume of approvals and disbursements the mandate demands.
11. **Performance vs culture:**
Driving delivery and accountability, without compromising the ethical culture and integrity on which sustainable performance depends.
12. **Change vs stability:**
Pursuing transformation and modernisation, while protecting business continuity and institutional knowledge.

SOCIAL AND RELATIONSHIP CAPITAL

13. **Speed vs partnerships:**
Balancing the need for timely funding approvals and disbursements with the benefits of cultivating partnerships for more sustainable outcomes.
14. **Inclusion vs credit risk:**
Extending access to under-served and emerging enterprises, while protecting the credit quality of the portfolio.
15. **Transparency vs reputation:**
Disclosing openly and consistently, while managing the reputational consequences that disclosure can carry.
16. **Distress support vs fairness:**
Supporting distressed but strategically important businesses to preserve industrial capacity and jobs, while applying fair and consistent criteria.

NATURAL CAPITAL

17. **Growth vs environment:**
Promoting industrial development while proactively managing and mitigating potential negative environmental impacts and supporting a just transition.
18. **Transition vs affordability:**
Building readiness for the low-carbon transition, while managing near-term affordability for clients and the wider economy.
19. **Speed vs safeguards:**
Deploying capital quickly where it is needed, while upholding robust environmental and social safeguards.
20. **Local livelihoods vs footprint:**
Maximising local community and livelihood outcomes, while limiting the environmental footprint of the activities funded.

By navigating these trade-offs, the IDC advances its development objectives, maintains financial sustainability and upholds responsible risk management. See www.idc.co.za/integrated-report-2026 for further detail. 

5



OPERATIONAL
PERFORMANCE



SUPPORTING **SECTOR VALUE CHAINS**

The Corporation centres its operational activity around the Sustainable and Inclusive Industrialisation Pathways Framework, the organisation-wide approach through which the IDC delivers its mandate.

This framework aligns the energy transition with a deliberate production transition, so that decarbonisation strengthens rather than erodes industrial capacity, competitiveness and inclusive outcomes. This is implemented through four mutually reinforcing pathways – diversification and jobs-rich industrialisation; low-carbon and green growth; regional value chains; and economic and climatic resilience – underpinned by two cross-cutting enablers: industrialisation infrastructure and energy, and an ecosystem approach that optimises competitiveness, linkages and inclusion.

PATHWAY 1: Diversification and jobs-rich industrialisation

IDC supports higher value-adding, productivity-enhancing and labour-absorbing activity within established sectors, prioritising a shift towards medium- and high-technology production that raises value addition and employment while lowering emissions intensity. Activity in the year spanned agriculture and agro-processing, automotive, chemicals, clothing and textiles, wood products, machinery and equipment, and services, alongside the first steps into new sectors of focus.

Agriculture and agro-processing

The Corporation continued to deepen agricultural value chains, prioritising aggregation models that widen access to finance, markets, inputs and technology, and emphasising vertically integrated protein production, high-value export crops and climate-smart practices. Commitments rose from approximately R1.1 billion in FY2025 to R2.5 billion in FY2026, while disbursements declined from approximately R6.4 billion to R4.3 billion as the portfolio transitioned from executing large legacy transactions to a newer pipeline still progressing towards implementation. Investments generated over 385 direct jobs, with strong participation by black-owned and black-empowered enterprises (approximately R607.5 million) and allocations to women-led enterprises (approximately R21.4 million).

Programmatic delivery added scale. The Agro-Processing Competitiveness Fund provided R42.3 million in funding to four businesses, creating 153 jobs. The Agro-Industrial Fund – run in partnership with the Department of Agriculture to provide grant funding that helps qualifying black producers develop, expand, acquire and integrate operations in prioritised value chains – provided R249 million in funding to seven businesses, creating and sustaining 1 839 jobs.

The Corporation also piloted a farmer aggregation model in the barley value chain in the North West province, integrating emerging producers into a formal, globally connected agro-processing system. This model consolidates developing farmers to produce malting barley at scale – supported through mechanisation, irrigation, production finance and technical services – and links that aggregated local production to international beverage value chains through structured off-take arrangements. This will help to secure market certainty for farmers, strengthen domestic supply, reduce import reliance, while creating a scalable platform for inclusive participation in high-value agro-processing.

CASE STUDY

SUPERCHICKS HATCHERY

Enhancing food security through the poultry value chain

Superchicks Hatchery (Pty) Ltd is a key player in South Africa's poultry value chain, producing day-old chicks to supply commercial broiler growers. As a critical upstream node, hatchery operations ensure reliable and consistent supply of poultry stock that contribute to food security adding to downstream production stability.

IDC funding will support the expansion and strengthening of Superchicks' hatchery operations – enhance infrastructure, upgrade core equipment and most importantly, provide working capital to enable the business to scale. These interventions will increase production efficiency, strengthen biosecurity and improve resilience across the value chain, aligning with the IDC's strategy of supporting vertically integrated protein value chains that reduce import reliance and build domestic capacity. Increased hatchery capacity also enables contract growers and emerging farmers, who depend on consistent input supply, to scale and commercialise – reinforcing localisation in a sector vulnerable to global supply disruption.

The broader value chain supported by this investment is expected to create approximately 850 permanent jobs and up to 3 000 jobs during construction.



SUPPORTING SECTOR VALUE CHAINS CONTINUED



Automotive and transport equipment

Support remained anchored in the South African Automotive Masterplan 2035, deepening localisation across Tier 1 and Tier 2 component manufacturing, stabilising critical upstream inputs such as specialised steel, and broadening ownership without disrupting original equipment manufacturer (OEM) supply continuity. Funding in the sector was R476.4 million in FY2026, while disbursements held at approximately R828.4 million, indicating continued execution of existing projects rather than new investment momentum. Activity ranged from integrated vehicle assembly in the Eastern Cape to high-specification component manufacturing in Gauteng, KwaZulu-Natal and the Eastern Cape, including consolidation that lowers logistics cost and emissions by co-locating production near assembly plants.

CASE STUDY

RAMSAY ENGINEERING

Consolidating a Tier 1 supplier to deepen localisation

Ramsay Engineering is a third-generation South African manufacturer with over 50 years’ experience supplying major automotive OEMs – a Tier 1 supplier to Toyota South Africa Motors and Volkswagen South Africa, and a Tier 2 supplier to Ford Motor Company, Southern Africa. Its integrated capabilities span metal stamping and welding, polymer injection moulding, machining, tooling, coating and automated assembly, enabling it to produce complex, multi-material components across the value chain.

IDC funding support will enable Ramsay to consolidate a fragmented production footprint into a single purpose-built facility located in Prospecton, KwaZulu-Natal. This will also help the company to boost efficiency and lower logistics cost and emissions. Importantly, Ramsay, a level 4 B-BBEE business, will create approximately 54 permanent and 64 construction jobs while sustaining existing employment and skills in KwaZulu-Natal.



CASE STUDY

UV Tooling

ADVANCING LOCALISATION IN HIGH-PRECISION MANUFACTURING

UV Tooling (Pty) Ltd is a well-established South African manufacturer specialising in the design, tooling and production of high-precision plastic and metal components for industrial packaging, electronics and specialised equipment – sectors where reliable access to precision components is critical for production continuity and competitiveness.

IDC funding supports the expansion of UV Tooling’s manufacturing capacity, enabling the business to respond to a secured localisation opportunity with an existing customer. The investment funds advanced injection-moulding and related production equipment, allowing the company to produce specialised components locally that were previously imported, and strengthening its vertically integrated model that combines in-house design, tooling and production. The investment is catalytic in advancing localisation in high-precision manufacturing, strengthening industrial capability, supporting skills development, and improving the resilience and competitiveness of the manufacturing sector.

Chemicals and pharmaceuticals

Our strategy centred on sustainable and circular production, including green chemicals, biofuels and downstream beneficiation, alongside import-replacement in fertiliser and water treatment. Funding rose from approximately R1.2 billion in FY2025 to R1.6 billion in FY2026, with disbursements increasing to approximately R3.8 billion. The sector supported 749 jobs and delivered R160.5 million to black industrialists.



Clothing, textiles, footwear and leather

We sustained support to this labour-intensive sector despite import penetration and weak domestic demand, strengthening integrated production, upstream cotton spinning and fabric capacity, and turnaround support. Funding declined from approximately R944 million in FY2025 to R665.3 million in FY2026, with disbursements of approximately R621 million. Despite challenges, the Clothing, Textile, Footwear and Leather Growth Programme (CTFLGP) generated over 1 400 jobs with strong transformation outcomes – black-owned enterprises (approximately R160.3 million), women-led (approximately R32.8 million) and youth-owned (approximately R25 million). The CTFLGP supported 32 businesses worth R377 million, creating 501 jobs.



Wood products

Wood products funding stood at R117 million, with disbursements lower on the sector’s characteristically cyclical, multi-year drawdown profile rather than a structural slowdown. Activity shifted towards downstream furniture, packaging and hygiene-goods manufacturing, and the reactivation of KwaZulu-Natal timber assets, supporting beneficiation of locally grown timber into higher value-added products and reinforcing rural and forestry-linked employment.

Machinery, equipment and electronics

Funding in machinery, equipment and electronics rose from approximately R245 million in FY2025 to R544.1 million in FY2026 (disbursements approximately R375.8 million), supporting close to 1 000 jobs and channelling R364.3 million to black-owned enterprises and R112 million to SMMEs. Investment concentrated on localising capital equipment – solar inverters, battery storage, rail heating, ventilation and air conditioning, valves and pumps – with grid and transmission demand estimated at R300 billion over the next decade and a memorandum of understanding signed with the National Transmission Company South Africa in May 2026.



SUPPORTING SECTOR VALUE CHAINS CONTINUED

CASE STUDY

SMT SCHARF AFRICA

Advancing mining decarbonisation through battery-electric innovation

SMT Scharf Africa (Pty) Ltd manufactures underground mining transport systems and forms part of the globally listed SMT Scharf Group, leading the group’s development and commercialisation of battery-electric mining equipment. With the global mining industry shifting towards decarbonisation and diesel-powered underground equipment a key contributor to mine-site emissions, the company develops and manufactures battery-electric monorail systems and light electric vehicles that cut emissions, improve underground working conditions and help mines transition to lower-carbon operations.

A strong local manufacturing base, with most inputs sourced domestically, drives local value addition and supplier linkages, while the business sustains specialised engineering and manufacturing employment and supports skills development in battery systems, electrical engineering and product design.

IDC support strengthens the company’s working capital position and will help improve production readiness while enabling the commercialisation of new-generation battery-electric products. As a key innovation and manufacturing hub within the global group, it strengthens South Africa’s position in a high-value, export-oriented value chain.



Services

Funding to Services was approximately R2.9 billion (disbursements approximately R2.7 billion), supporting an expected 729 jobs (excluding wholesale-partnership transactions), with R245 million to black-owned and R131 million to women-led enterprises. Investment spanned tourism – a 198-room hotel in uMhlanga, a boutique hotel in Kimberley, and hotel acquisitions in Johannesburg and Cape Town enabling new black and female ownership – the Green Tourism Incentive Programme (95 businesses, R68 million), and IP-rich creative and digital content. These investments strengthen tourism value chains by stimulating demand for food services, transport, business travel and event-related services, while supporting employment-intensive growth.

CASE STUDY

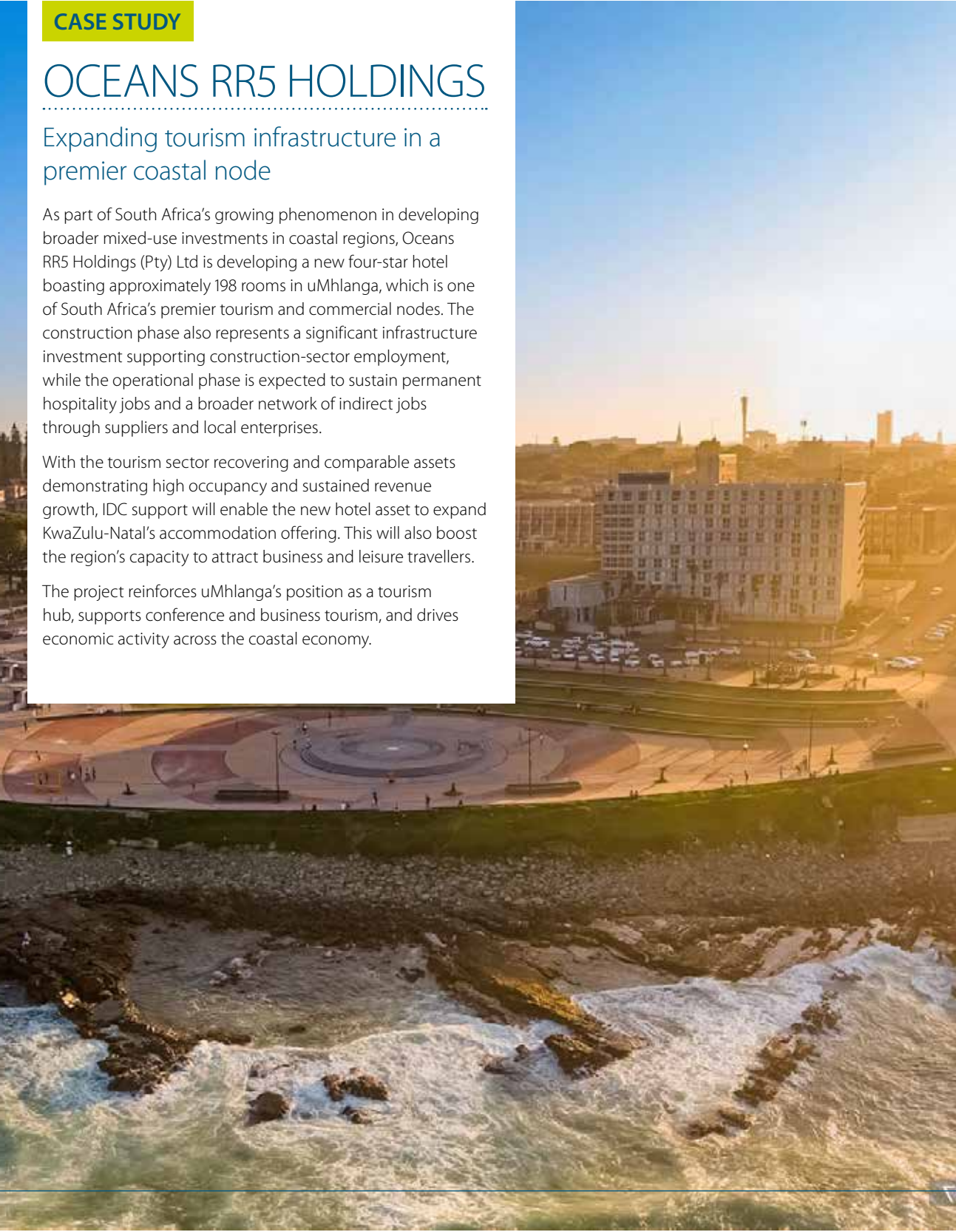
OCEANS RR5 HOLDINGS

Expanding tourism infrastructure in a premier coastal node

As part of South Africa’s growing phenomenon in developing broader mixed-use investments in coastal regions, Oceans RR5 Holdings (Pty) Ltd is developing a new four-star hotel boasting approximately 198 rooms in uMhlanga, which is one of South Africa’s premier tourism and commercial nodes. The construction phase also represents a significant infrastructure investment supporting construction-sector employment, while the operational phase is expected to sustain permanent hospitality jobs and a broader network of indirect jobs through suppliers and local enterprises.

With the tourism sector recovering and comparable assets demonstrating high occupancy and sustained revenue growth, IDC support will enable the new hotel asset to expand KwaZulu-Natal’s accommodation offering. This will also boost the region’s capacity to attract business and leisure travellers.

The project reinforces uMhlanga’s position as a tourism hub, supports conference and business tourism, and drives economic activity across the coastal economy.



SUPPORTING SECTOR VALUE CHAINS CONTINUED

New sectors of focus

The IDC began deliberately positioning in three forward-facing areas.

DIGITAL ECONOMY

The IDC is repositioning from episodic participation to deliberate system-shaping intervention, recognising that the digital economy is now a foundational layer of industrial activity rather than a standalone sector. Uneven digital adoption is constraining industrial performance, while much of the value created by digitalisation accrues outside the domestic economy. The strategy works on two fronts: externally, supporting digital adoption in productive sectors and scaling local digital firms and infrastructure; and internally, building – informed by earlier fragmented engagements – the capabilities, instruments and partnerships needed to engage the digital economy credibly.

It is structured around five mutually reinforcing pillars:

- Adoption and productivity | Scaling local digital firms
- Enabling infrastructure | Hardware localisation
- Internal capability



BLUE ECONOMY

We are prioritising maritime manufacturing, aquaculture and water-related industries across an exclusive economic zone of approximately 1.5 million km². Around 30 000 vessels pass South Africa's coastline annually and 13 000 ships dock at its ports, presenting opportunities to repair and service vessels along major global shipping routes. The domain offers a platform to drive inclusive growth, enhance export competitiveness and build resilience amid climate change and shifting global supply chains, with national initiatives such as Operation Phakisa and the Ocean Economy Masterplan recognising it as a priority growth frontier.



DEFENCE-RELATED MANUFACTURING

The IDC is engaging a high-value industrial ecosystem spanning aeronautics, maritime, aerospace and land systems, supported by capabilities in software and integrated digital systems, advanced manufacturing and specialised materials, and increasingly characterised by dual-use products and platforms.

The industrial base has shifted from Tier 1 OEMs towards technology- and skills-intensive, mainly export-facing Tier 2 and Tier 3 companies, with significant spillovers into civilian industries such as drones, radar and systems integration. This approach is framed within a “defence for development” paradigm – Defence Innovation and Spillovers; Defence for Security and Sovereignty; and Defence as a Demand Pathway – building sovereign, technology-intensive capabilities with broad industrial spillovers, while leveraging defence-related demand to deepen upstream supply chains and secure inclusion, localisation and the participation of smaller firms. Accordingly, the Corporation is finalising governance and ESG frameworks ahead of selective, capability-led investment.



PATHWAY 2: Low-carbon and green growth

We adopted an integrated, value-chain approach to decarbonisation, transforming existing industries while developing new green sectors with circularity as a cross-cutting discipline. These new green sectors include renewable energy, green hydrogen, critical minerals beneficiation, new energy vehicles, and the decarbonisation of hard-to-abate industries.



CASE STUDY

AGGREGATOR SA

Scaling distributed renewable energy to strengthen business resilience

Aggregator SA (Pty) Ltd and Clean and Renewable Energy Company (Pty) Ltd are energy services companies providing financed rooftop solar PV and battery-storage solutions to commercial and industrial clients. Through long-term agreements, the businesses install and operate energy assets on behalf of customers, enabling access to reliable, cost-effective electricity without requiring upfront capital investment.

The model improves energy security and affordability for businesses, reduces exposure to grid disruption, and builds domestic capability in the design, installation and maintenance of distributed energy systems. IDC funding will enable the two companies to scale operations.

Renewable energy

Funding rose to approximately R2.3 billion (disbursements approximately R1.7 billion), supporting roughly 769 jobs. A credit enhancement to a renewable-energy aggregator with a pipeline exceeding 800 MW enabled independent generators to supply electricity directly to large industrial and commercial users, improving market efficiency and pricing for energy-intensive sectors such as mining, metals processing, manufacturing and logistics, while unlocking private investment into new renewable generation.

In parallel, investment in distributed solar expanded embedded generation across commercial, industrial and agricultural users – including irrigation-intensive farming, agro-processing, retail and light manufacturing – reducing grid dependence, mitigating supply-disruption downtime and lowering operating costs, while building domestic capability in system design, installation and maintenance. Participation in utility-scale solar photovoltaic (PV) added incremental renewable capacity while embedding inclusive ownership structures extending participation to black industrialists and local communities.



SUPPORTING SECTOR VALUE CHAINS CONTINUED



Green hydrogen

The IDC strengthened its role as a key implementing institution within the Just Energy Transition Implementation Plan (JET-IP), hosting the Green Hydrogen Programme Management Office. Green hydrogen is critical to decarbonising hard-to-abate sectors while unlocking export-oriented value chains across chemicals, metals and sustainable fuels, with strong demand signals in green ammonia, green steel, e-methanol and sustainable aviation fuel. The IDC secured more than EUR 40 million in concessional funding from KfW (EUR 23 million disbursed, EUR 17 million committed) and contributed to the SA-H2 Fund (USD 10 million from the IDC and EUR 50 million from Invest International), building a blended-finance platform to crowd in private capital.

CASE STUDY

SOUTH AFRICA'S GREEN HYDROGEN COMMERCIALISATION STRATEGY

Building a bankable ecosystem

Rather than a single transaction, this profiles the IDC acting as ecosystem architect and system integrator. The Corporation led the JET-IP Shared Infrastructure and Funding workstreams, developed a Green Hydrogen Infrastructure Master Plan to 2050, defined priority hubs (Boegoebaai, Saldanha, Coega and Richards Bay), and convened public- and private financiers – National Treasury, KfW, the World Bank Group, IFC and the European Investment Bank – into a coordinated funding platform, moving the sector from fragmented, project-led development to a programmatic, investment-ready ecosystem.

Critical minerals and mining

The IDC advanced beneficiation and downstream value across copper, manganese, PGMs, rare earths, graphite and battery materials, holding a diversified portfolio of more than 100 partners. Funding in FY2026 was R963.7 million, with disbursements of approximately R2.1 billion reflecting continued execution. The Junior Mining Exploration Fund – a partnership with the Department of Mineral and Petroleum Resources and the Council for Geoscience – fully approved 14 transactions worth R376.2 million, with demand far exceeding available capital. A Critical Minerals Initiative is the priority for FY2026/27, moving the agenda from intent to delivery.

New energy vehicles and e-mobility

The IDC hosts the JET-IP New Energy Vehicle (NEV) Programme Management Office and is pursuing a focused, segmented strategy across last-mile delivery, public transport, niche tourism and mining applications, while originating the Coega Automotive Park as a clustered NEV supplier ecosystem. It is laying the institutional foundation for larger-scale battery-electric manufacturing through higher-risk, flexible funding.

CASE STUDY

THULA SOLUTIONS

A purpose-built electric safari vehicle

Project-development funding of R96 million supports the design and commercialisation of a bespoke electric safari vehicle, replacing diesel game-viewers with battery-electric drivetrains paired with solar charging to cut emissions and noise in conservation areas. At full commercialisation it is expected to create approximately 245 direct and 365 indirect jobs and to build local EV-manufacturing capability, with early demand from regional safari operators supporting intra-African trade.

CASE STUDY

FRONTIER RARE EARTHS

Zandkopsdrift is on course to becoming SA's first rare earths project

IDC support enables the bankable feasibility study and pre-implementation work for an integrated rare-earths and high-purity manganese sulphate operation in the Northern Cape, converting domestic ore into inputs for electric vehicles and clean-energy technologies. Designated a strategic project under the EU's Critical Raw Materials Act and linked to the EU–South Africa Clean Trade and Investment Partnership (under which the EU expects to make EUR 4.7 billion available), with the South Korean government a shareholder, the project is expected to create up to 1 300 construction and around 800 permanent jobs, with 26% black ownership through the Namaqualand Empowerment Trust.



Hard-to-abate sector decarbonisation

The IDC advanced a structured emissions-reduction pathway for hard-to-abate industry, aligned with national climate objectives and centred on three levers: the expansion of renewable-powered electric arc furnaces; the development of green hydrogen-based direct reduced iron; and targeted energy and material efficiency improvements. The approach prioritises near-term interventions – increased scrap utilisation, energy optimisation and renewable-energy integration – while positioning the sector for long-term transformation through hydrogen-enabled steelmaking and grid decarbonisation.

To support implementation, the IDC established a screening framework to prioritise viable projects and is advancing a pipeline of decarbonisation investments, including renewable energy installations, process improvements and green steel production initiatives, in partnership with international institutions and development finance partners.

Alongside this, the IDC advanced a system-wide circular economy programme built on secondary-materials capacity, circular operations and service-based reuse, repair and remanufacture, and pursued feedstock diversification in chemicals and fuels.

SUPPORTING SECTOR VALUE CHAINS CONTINUED

PATHWAY 3: Regional value chains

The IDC’s Continental Strategy seeks to accelerate African industrialisation through partnerships and investments that deepen regional value chains and higher value-added production. The IDC established a dedicated Continental Strategic Business Unit with end-to-end responsibility for continental investments, addressing previous fragmentation in execution.

Commitments in the rest of Africa rose from approximately R535.6 million in FY2025 to R670.4 million, while disbursements rose more sharply from approximately R567.1 million to R919.1 million, reflecting more active deployment beyond South Africa. A memorandum of understanding was concluded with the DRC’s Fonds de Promotion de l’Industrie, and partnerships were strengthened with the African Development Bank, Afreximbank and the Africa Finance Corporation.



CASE STUDY

PHOBOS LTD

Phosphate beneficiation in Angola

IDC funding of R276 million supports the Cabinda Phosphate Project, an integrated mining-and-fertiliser operation that beneficiates locally mined phosphate into agricultural inputs – substituting imports in a country that imports most of its fertiliser, and building export capacity into regional markets. Production is expected to scale to approximately 450 000 tonnes per annum and to create about 158 permanent jobs, with 70% allocated to the local Angolan workforce, while sourcing technical services from South Africa and the SADC region.

PATHWAY 4: Economic and climatic resilience of the economy

Against a structural decline in manufacturing’s share of GDP – from roughly 21–22% in the early 1990s to around 12–13% today – the IDC played a counter-cyclical role in protecting strategic industrial capacity. The Manufacturing Competitiveness Enhancement Programme supported 22 businesses worth R343 million (1 564 jobs); the IDC backed diversification in a distressed sugar industry and near-term gas-supply security; and it prepared portfolio responses to the EU Carbon Border Adjustment Mechanism, in force from January 2026, which bears on carbon-intensive exports such as steel and aluminium.

In steel – under structural stress from weak domestic demand, high input costs and global overcapacity – a targeted and conditional approach stabilised critical upstream capacity while prioritising the competitiveness of downstream, more labour-intensive industries, supported by the Downstream Steel Competitiveness Fund (six businesses, R249 million, 59 jobs) and a focus on modernisation, electric arc furnace technologies and green-steel pathways.



ENABLER 1: Industrialisation infrastructure, logistics and energy

Economic infrastructure underpins industrial competitiveness. The Integrated Resource Plan 2025 provides for more than 114 GW of new electricity capacity by 2042, led by renewables and supported by storage, gas and, over the longer term, nuclear – a programme that opens substantial generation, transmission and localisation opportunities.

The IDC pursued a catalytic, portfolio-based approach, expressing interest in supporting the Credit Guarantee Vehicle for Independent Transmission Projects and extending facilities to black-owned enterprises in transmission roll-out. On water, it disbursed R1.25 billion to the Trans-Caledon Tunnel Authority for the Lesotho Highlands Water Project and reached financial close on the Mokolo Crocodile Water Augmentation Project (a R1.5 billion disbursement anticipated). On transport and logistics, it supported emerging contractors and Border Post Renewal bidders, and entered a partnership with the Development Bank of Southern Africa on the SEZ Energy Security and Decarbonisation Programme.

CASE STUDY

NEWCASTLE INTERVENTION FUND

Stabilising a single-industry economy

A R50 million response to the socio-economic impact of major industrial closures in Newcastle, including ArcelorMittal’s Newcastle Works, delivered through strategic implementing partners to support informal, micro and small enterprises across township and rural areas. By March 2026, R25 million had been approved across five partners (projected 840 jobs), with a further R25 million under due diligence (projected 915 jobs) – a combined projected 1 755 jobs against a 1 500-job target – deliberately diversified across agriculture, recycling, renewable energy, fabrication, logistics and services to reduce single-sector dependence.

CASE STUDY

TRANS-CALEDON TUNNEL AUTHORITY

Securing bulk water for the industrial heartland

IDC participation supports Phase 2 of the Lesotho Highlands Water Project, augmenting bulk water supply to the Gauteng economic hub on which mining, manufacturing and agriculture depend, while deepening regional cooperation between South Africa and Lesotho. The R1.25 billion disbursed in the year makes this the enabler’s most material, fully signed-off intervention.



SUPPORTING SECTOR VALUE CHAINS CONTINUED

ENABLER 2: Ecosystem approach to planning, partnerships, SMEs and the social economy

A conducive ecosystem is a key enabler of sustainable and inclusive industrial value chains, which the IDC facilitates through intentional industry planning, partnership development, and the inclusion of small and medium enterprises and the social economy.

The Industry Planning Unit advanced integrated industry planning and ecosystem coordination, including the full operationalisation of the Green Hydrogen and NEV Programme Management Offices and progress on critical minerals, battery value chains, green steel and regional cotton. The Partnership Programmes Unit extended the IDC’s reach through blended and dedicated funds, currently managing a portfolio of off- and on-balance-sheet funds that de-risk transactions and crowd in third-party capital.

Social-economy instruments deepened inclusion: the Spatial Intervention and Social Enterprise Funds provided R83 million to 18 businesses (1 833 jobs); the Social Employment Fund supported public-benefit organisations worth R1 224 million, creating 48 543 participant opportunities (4 667 full-time equivalents);  and, under the Presidential Employment Stimulus, the IDC acted as pay agent for approximately 158 402 education assistants in the Basic Education Employment Initiative when funding was re-routed through the UIF Labour Activation Programme.

For workers and community trusts structured on a free carry acquisition-of-shares basis, committee approved 10 transactions involving equity stakes. In addition, three Early Realisation of Benefits grant (EROB) submissions were approved to support workers trusts in accessing early income. The total disbursed grant funding was R4.35 million. Social and solidarity initiatives approved was a total of 23 with a value of R107 million. During the current year, R93.7 million was disbursed.

Direct SME support continued through the sectoral business units and regional network, disbursing approximately R1.3 billion across funding mechanisms. The Khoebo Innovation Programme supported ten early-stage SMEs (R45 million), and the SME-Connect programme originated 51 new applications worth R2.2 billion into the deal pipeline. A review of the SME value proposition – redesigning processes, systems and products against international benchmarks – is underway to improve accessibility and turnaround.

CASE STUDY

TRADE CAPITAL FINANCE

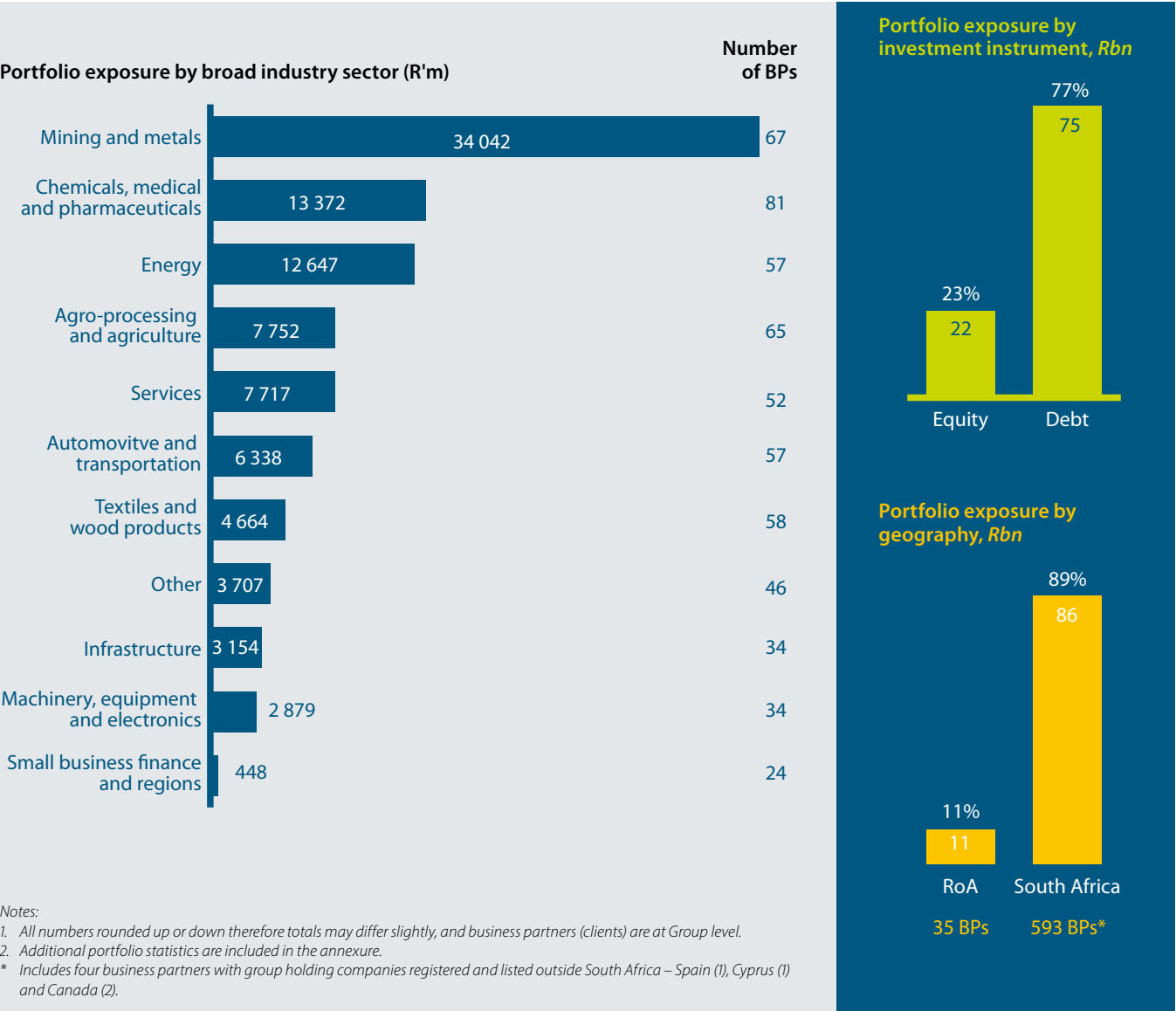
Extending reach through a non-bank intermediary

A non-bank intermediary is a non-deposit-taking financial institution that on-lends into targeted or underserved markets using its own capital or funding from banks, development institutions and government. Through this channel-partner model, the IDC funds well-run intermediaries that reach underserved markets faster and more cheaply than it could directly. Trade Capital Finance, a specialist purchase-order and working-capital funder focused on black-owned, women-led and youth-owned SMEs, fully deployed an initial R200 million facility by February 2025 and received a further R90 million in FY2026. It has disbursed approximately R506 million to SMEs since 2024 (R130 million outstanding at 31 March 2026), supporting around 160 jobs at an average return of prime plus 9%.

PORTFOLIO MANAGEMENT AND MONITORING

Portfolio composition

IDC portfolio by exposure at cost is currently R97.08 billion and is spread across 628 business partners (FY2024/25: R93 billion spread across 636 business partners).



The IDC adopts a strategic and cohesive approach to portfolio management that emphasises value protection, value creation, risk reduction and fostering long-term developmental impact. The Corporation’s Portfolio Management and Monitoring model is designed for impact; it involves rigorous monitoring of client performance, proactive early detection of challenges, and targeted strategic engagements that drive business turnaround and support scaling efforts.

As of 31 March 2026, the portfolio under management stood at R97.08 billion across 628 business partners. Portfolio allocation remains largely sectoral and aligned to industrial policy priorities, with over 90% invested in manufacturing, mining, energy, agro-industry and infrastructure.

Geographically, 89% of the portfolio (R86 billion) is held in South Africa, with the remaining 11% (R11 billion) invested across the rest of the African continent. This distribution underscores IDC’s dedication to creating local development and broader regional industrial growth.

Debt instruments account for 77%, with equity at 23%, underscoring the strategic importance of risk-bearing capital in growth-oriented sectors.

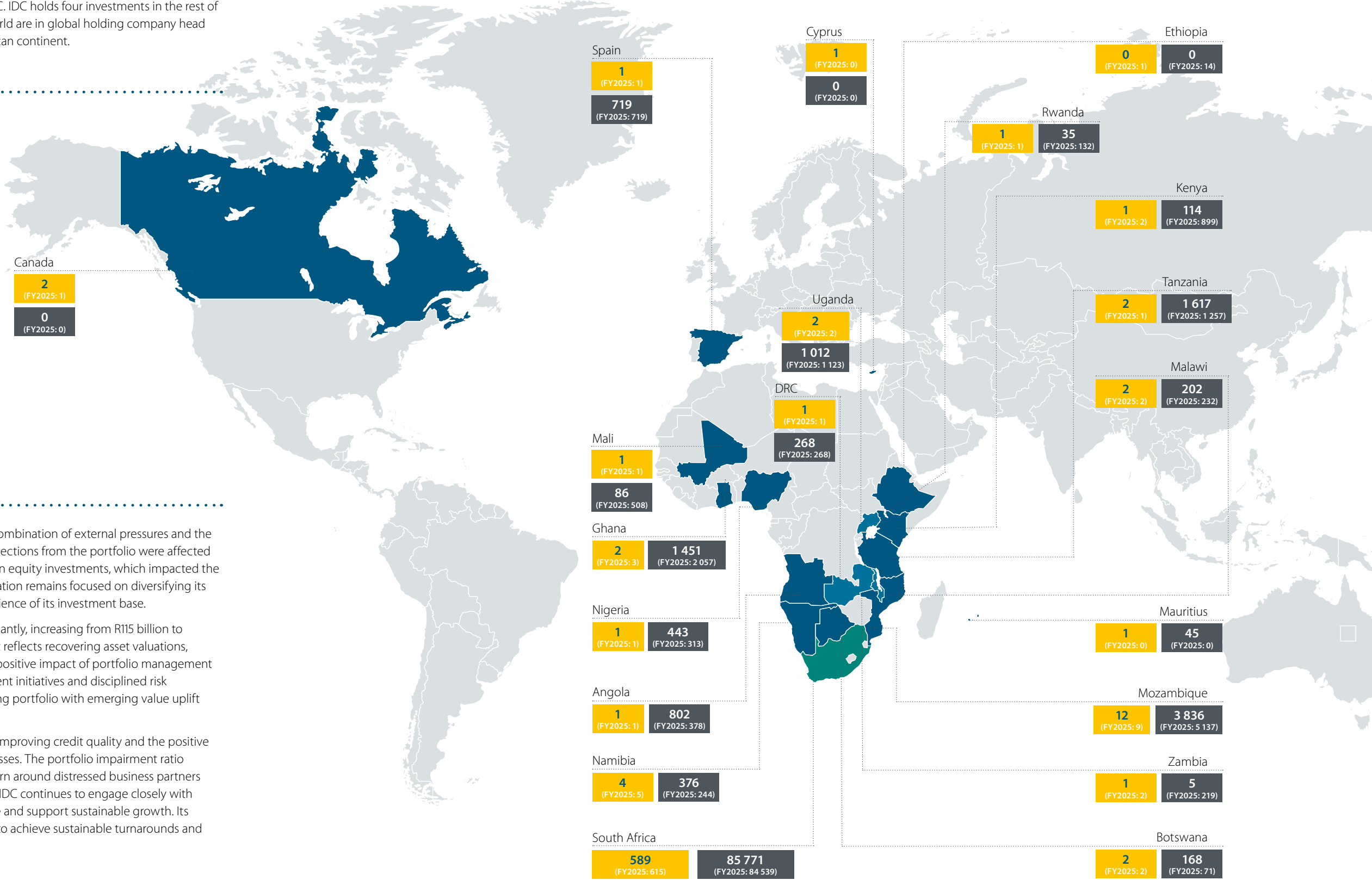
PORTFOLIO MANAGEMENT AND MONITORING CONTINUED

IDC portfolio across the world

The Rest of Africa portfolio is spread across 16 countries, primarily in Southern (R5.4 billion) , East (R2.8 billion) and West Africa (R1.9 billion). Flagship assets include infrastructure and mining operations in Mozambique, Ghana, Uganda and the DRC. IDC holds four investments in the rest of the world (R0.7 billion). Investments in the rest of the world are in global holding company head offices - all IDC's underlying investments are on the African continent.

Portfolio exposure by geography

- Specific country
- Number of business partners
- Exposure
- Head office



Portfolio performance

Our portfolio performance during the year reflected a combination of external pressures and the positive effects of proactive portfolio management. Collections from the portfolio were affected by lower-than-expected dividend payments from certain equity investments, which impacted the revenue line in the IDC's income statement. The Corporation remains focused on diversifying its portfolio, optimising returns and strengthening the resilience of its investment base.

The carrying value of the portfolio strengthened significantly, increasing from R115 billion to R132 billion over the reporting period. This improvement reflects recovering asset valuations, particularly in commodity-linked sectors, as well as the positive impact of portfolio management interventions, including restructuring, value-enhancement initiatives and disciplined risk management. The upward movement signals a stabilising portfolio with emerging value uplift across key exposures.

Non-performing loans continued to decline, indicating improving credit quality and the positive impact of strengthened monitoring and recovery processes. The portfolio impairment ratio remained stable, underpinned by sustained efforts to turn around distressed business partners operating in a challenging economic environment. The IDC continues to engage closely with portfolio companies to address challenges, unlock value and support sustainable growth. Its tailored support and restructuring efforts are designed to achieve sustainable turnarounds and position portfolio companies for long-term success.

ADVANCING SOCIO-ECONOMIC TRANSFORMATION

The IDC’s corporate social investment (CSI) programme is aligned to the Corporation’s mandate and national development priorities, with a particular emphasis on employment creation. The programme prioritises initiatives that expand opportunities for women, youth and persons with disabilities, particularly in rural and underserved communities.

- The IDC’s approach to CSI is guided by the following:
- Complementing the Corporation’s core mandate of industrial capacity development.
 - Focusing on socio-economic transformation – B-BBEE (socio-economic development).
 - Aligned with the country’s socio-economic development priorities, i.e. job creation and self-employment, education and skills development.
 - Alignment with United Nations’ SDGs.
 - Targeting most marginalised with a focus on youth, women and people with disabilities.
 - A bias towards rural and peripheral urban areas.
 - Collaboration by partnering with other funders to leverage resources and maximise impact.
 - Sustainability through reduced reliance on grant funding.
 - Employee volunteering and giving that leverages employees’ skills and expertise for impact.

One of the IDC’s principles is relevance to the SDGs. While SDGs are generally implemented at a corporate or business level, the CSI focus areas and activities demonstrate significant relevance and alignment with **11 SDGs**.



Focus areas

In order to maximise impact and reach, CSI interventions are limited to the following areas:

Education and skills development

Early childhood development
capacity development for TVET Colleges

Entrepreneurship development

Skills development prioritising youth, women and people with disabilities.
Support innovative models for grassroots development that serve to sustain individual livelihoods through income generating projects focusing on job creation.

Consumer education

Enhance consumer knowledge of communities to enable them to make more informed decisions about their finances and lifestyles, including the financial health of their business ventures.

Special projects

Exceptional requests not covered by focus areas deemed worthy to support, e.g. disaster/ humanitarian relief, Exco recommendation

Highlights of the year



R31.4m
was disbursed to 27 initiatives,
benefiting more than 10 669
beneficiaries across all nine provinces.



R3.3m
was approved for education and
skills development.



Partnered with four NGOs to disburse
R6.3m
in humanitarian relief to 2 975
households in KwaZulu-Natal,
Mpumalanga and Limpopo for
flood victims.



The second Annual NPO Business
Challenge was implemented,
enabling IDC employees to apply
their skills to help four NGOs
develop practical solutions; 32 IDC
employees participated.



R16.3m
was approved for 10 community
projects focused on skills
development and income
generation, with an expected
5 476 beneficiaries across all
nine provinces.



CSI stakeholder engagement
sessions were hosted in six
provinces as part of an outreach
programme to raise awareness of
IDC CSI.

Corporate Affairs Committee

The Corporate Affairs Committee is an Exco-designated committee responsible for reviewing and approving sponsorships, membership affiliations and CSI funding requests, in line with the approved delegation of authority. The Committee may approve funding requests of up to R2 million. Sponsorships, membership affiliations and grants above R2 million are referred to the Exco for approval.

During the year under review, the Committee was chaired by the Acting Divisional Executive: Strategy and Corporate Affairs. The Committee held 11 meetings and approved 27 funding applications.

CSI budget performance – FY2025/26

Focus area	Number of initiatives	Number of beneficiaries	Approval
Education and skills development	2	1 960	R3 396 917.16
Entrepreneurship development	10	5 476	R16 347 290.17
Consumer education	1	221	R181 800.00
Special projects			R7 773 053.90
– Humanitarian relief	4	2 975	R6 395 614.73
– Other	3	37	R1 377 439.17
Employee volunteering and giving	7	17 organisations	R4 407 790.43
Total			R32 106 851.66

ADVANCING SOCIO-ECONOMIC TRANSFORMATION CONTINUED

Disbursement

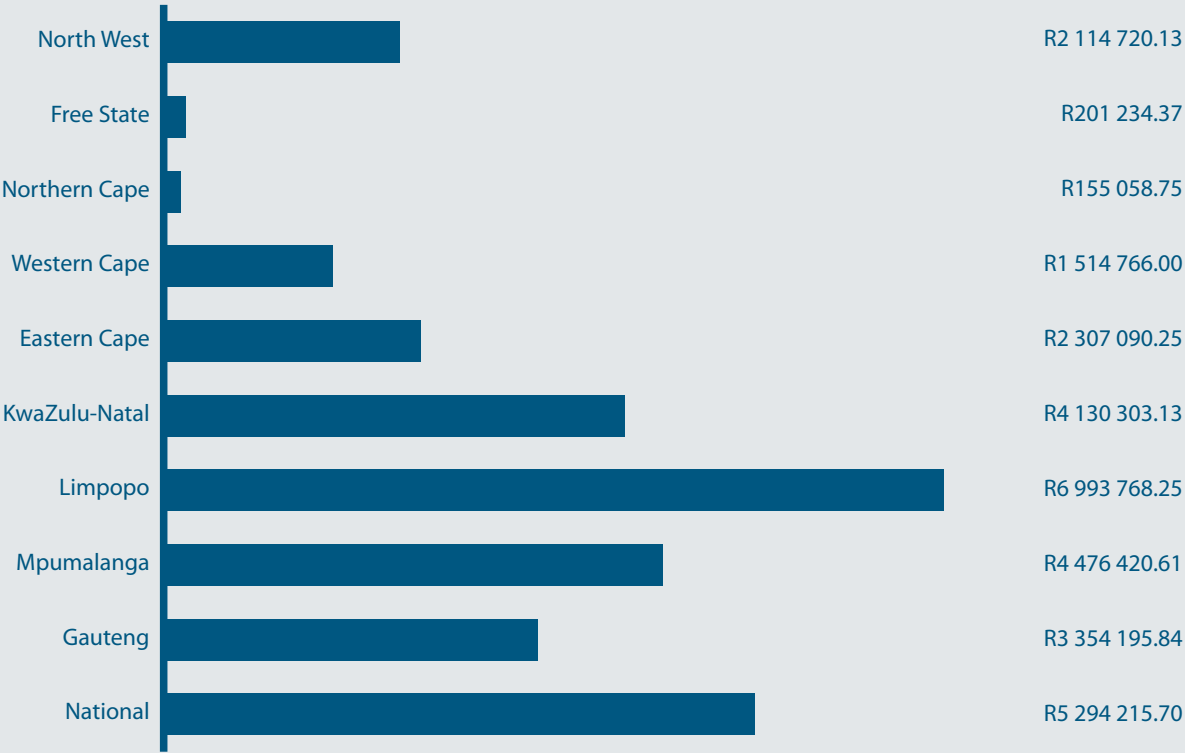
Disbursement per focus area



6%	Education and skills
48%	Entrepreneurship development
3%	Consumer education
24%	Humanitarian relief
4%	Special projects
15%	Employee volunteering and giving

CSI continues to prioritise initiatives in rural communities, with a strong focus on women and youth. During the year under review, funded interventions reached 87% women beneficiaries and 100% youth beneficiaries.

Disbursements per province



Highlights of CSI impact – FY2025/26

Education and skills development

The IDC’s CSI support in education and skills development remained focused on early childhood development (ECD) and technical and vocational education and training (TVET). During the year under review, two new initiatives were approved.

The first supports the accredited training of ECD practitioners in the North West. This responds to a recognised gap in formal training, which affects the quality of learning delivery in early learning environments. Through this support, the IDC prioritises organisations that provide accredited training leading to recognised certification.

The second initiative supports a renewable energy project at South Cape TVET College’s Mossel Bay Campus in the Western Cape. The project will assist the College to integrate renewable energy technology equipment into its vocational training programmes, enabling students to gain practical skills aligned with emerging technologies and the changing demands of employability, innovation and economic growth.

Entrepreneurship development

Entrepreneurship development remained a key focus area for the IDC’s CSI activities, with emphasis on supporting inclusive economic participation in rural and economically marginalised areas. During the year under review, R16.3 million was approved for 10 initiatives expected to benefit 5 476 people.

These initiatives are aimed at strengthening enterprise development, improving livelihood opportunities and supporting communities where access to economic opportunities remains limited.

Humanitarian relief

Heavy rainfall continued to affect several provinces during the year, displacing vulnerable communities and increasing the need for humanitarian support. In response, the IDC partnered with four non-governmental organisations with disaster management capability to deliver targeted relief in affected areas.

Through these partnerships, 2 975 households across 13 sites in Limpopo, KwaZulu-Natal and Mpumalanga received assistance. Total disbursements for humanitarian relief amounted to R6.3 million.

Consumer education

Consumer education forms part of the Corporation’s B-BBEE commitments. In terms of the B-BBEE Codes, financial services companies are required to support programmes that inform and educate the public about financial products and services.

During the year, the IDC continued to support three initiatives approved in FY2024/25. For example, My Dough Academy supported 65 black-owned small businesses to improve their operational readiness and growth prospects through financial education, compliance readiness, funding-readiness assessments and access to a platform that provides market access, funding support and business operational tools.

The Financial Services Consumer Education Foundation provided financial literacy workshops to 4 000 tertiary students at institutions across the country. African Response delivered financial literacy education to micro-enterprises in rural areas and townships, with a focus on enterprises operating in the environmental, circular economy and agriculture sectors in KwaZulu-Natal and Limpopo.

Employee volunteering and giving

The Employee Volunteering and Giving programme promotes active citizenship by enabling IDC employees to contribute directly to community upliftment. Through partnerships with non-profit organisations and other stakeholders, the Corporation identifies and implements meaningful volunteering opportunities each year.

During the year under review, seven initiatives were supported. Through the I Do Care Fund, employees made voluntary monthly salary contributions to approved causes, with the Corporation contributing R3 for every R1 donated by employees. A total of R763 864 was raised in 2025 and distributed to three organisations providing water and sanitation services.

For Mandela Day, IDC employees partnered with the Imbumba Foundation to pack and distribute dignity packs to learners with special educational needs. Twelve schools were supported across the country, including two in Gauteng and 10 through regional offices. A total of 275 volunteers supported Mandela Day activities.

The second annual NPO Business Challenge was launched in October 2025, giving employees an opportunity to use their skills to develop practical business solutions for non-profit organisations with youth development programmes. Four participating NPOs received cash prizes to implement the proposed solutions, with 32 employees volunteering in the initiative.

The IDC also launched its first From Waste to Wheels bottle-top sorting event in September 2025 in support of people living with disabilities. Employees sorted bottle tops for recycling, with proceeds used by the beneficiary organisation to purchase wheelchairs. A total of 95 employees volunteered for the initiative.





6



OUR PEOPLE



OUR PEOPLE

IDC’s development impact is enabled by people who originate, structure, fund and manage investments. Our human capital agenda is not defined by activity but by whether it builds, protects and directs the Corporation’s delivery capability.

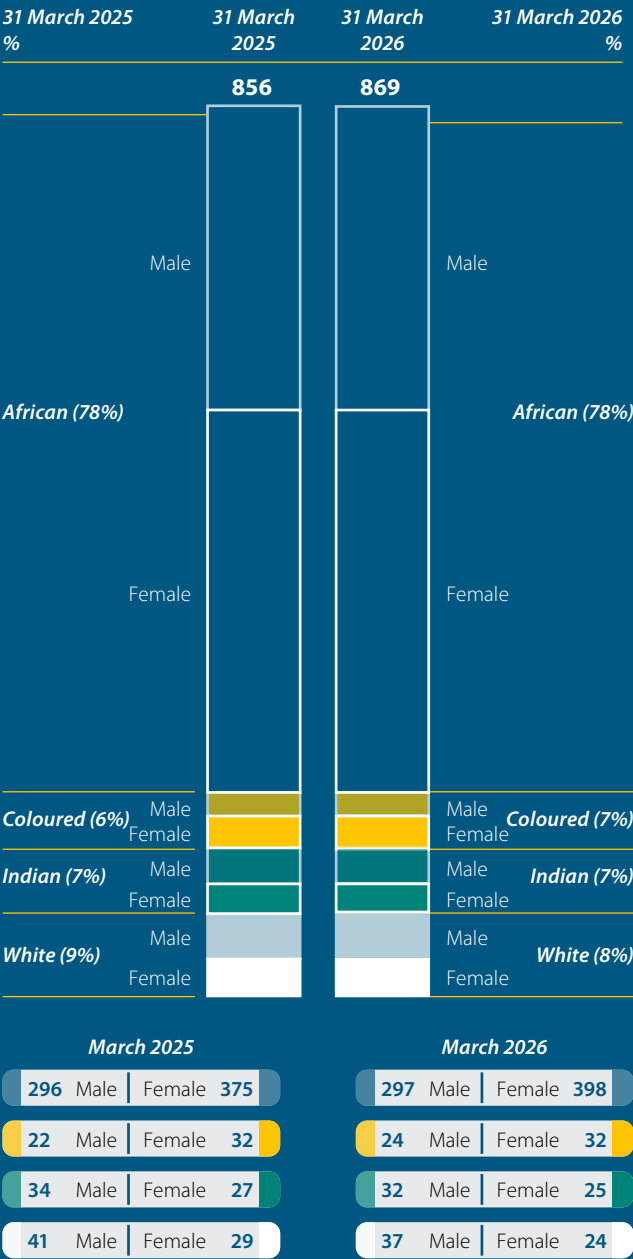
Capacity to deliver on our mandate rests on the capabilities, stability and ethics of our people. FY2025/26 was a demanding year for the organisation and its culture, and the human capital agenda was weighted accordingly. Priority was given toward stabilising the workforce, rebuilding leadership and culture from a system-level diagnosis, and defending the operational skills on which our investment pipeline is dependent.

Workforce profile and employment equity

The Corporation’s employment equity profile remains broadly aligned with the economically active population, with 94% of employees from designated groups (2024/25: 93%). Female representation improved to 55% (2024/25: 54%), and the proportion of people with disabilities rose to 3% of the complement (2024/25: 2.5%). Female senior-management representation improved by just under five percentage points to 38.3% (2024/25: 33.9%).

Women executive representation stood at 46% (2024/25: 67%), the reduction following the departure of two female executives during the year. Executive representation is a transformation measure; recruitment to vacant roles is being managed to ensure representation in line with the approved employment equity plan.

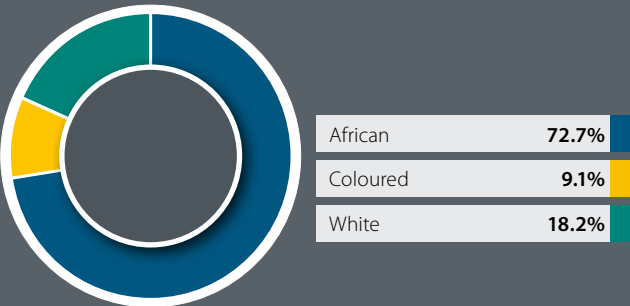
The staff profile for FY2025/26 is summarised below.



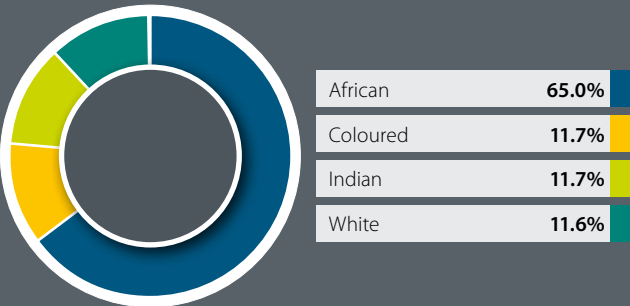
OUR PEOPLE CONTINUED

% breakdown by level and race as of 31 March 2026

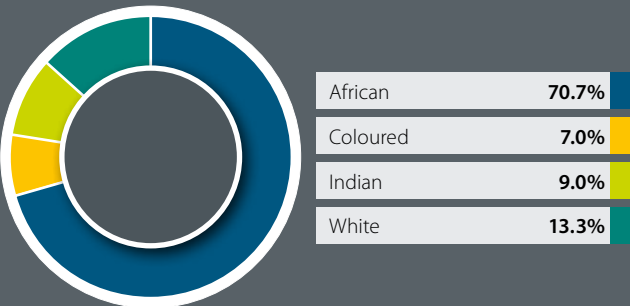
Executive (11 people)
1% of staff population



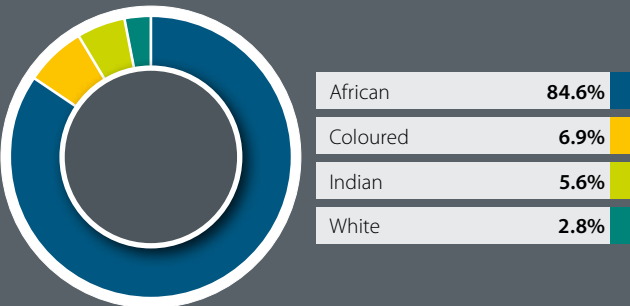
Heads, champions and managers (60 people)
7% of staff population



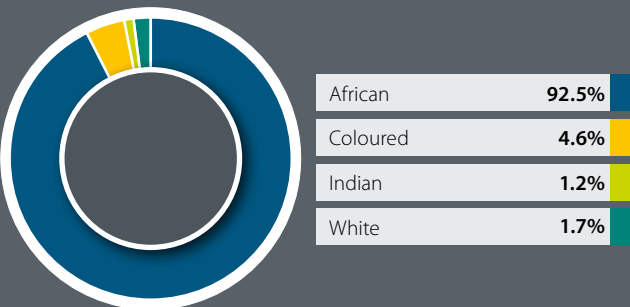
Senior professional staff (300 people)
34% of staff population



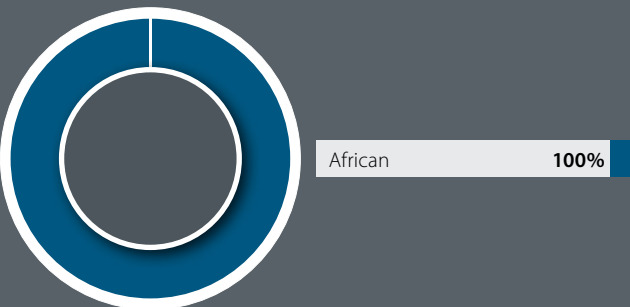
Professional staff (319 people)
37% of staff population



Admin staff (173 people)
20% of staff population



Support staff (6 people)
1% of staff population



In the year under review, the Corporation employed 869 people (2024/25: 856). The share of employees directly delivering operational objectives in client-facing and enabling units held at 74% (2024/25: 75%), while expertise and capacity in the operational units rose to 41% (2024/25: 40%), concentrating capability where transactions are originated and managed.

Capacitation continues to be informed by market and economic activity in priority sectors and by strategic shifts. In direct support of the continental strategy, the IDC will establish a dedicated operations team to build its footprint across the broader African continent, operating in time as a fully-fledged transaction team.

Attracting and retaining talent

The IDC’s talent attraction mandate draws talent motivated to contribute to industrial development, complemented by a competitive employee value proposition bringing in a significant proportion – approximately 60% – of skills from the private and specialist sectors.

Talent retention remains a priority as the loss of transaction and critical technical skills erodes the Corporation’s investment capacity directly and is costly to replace from the external market. Turnover improved across every category: voluntary turnover fell by almost three percentage points year on year, turnover in critical roles reduced by 1.2 percentage points, and overall turnover fell by almost three percentage points. All measures remain well within the Corporation’s risk appetite, though the type and nature of critical skills lost continues to be tracked closely.

Turnover rate	2025/26	2024/25
Overall turnover (all types)	4.9%	8.6%
Voluntary turnover	3.0%	5.8%
Turnover in critical roles	3.6%	4.8%

Retention is reinforced through growth and engagement mechanisms. Job rotation, secondments, external board placements and acting opportunities also build the experience base for succession. Work on a dual-career management approach progressed during the year; the review of the promotions policy was deliberately paused to integrate it with the career framework, and both will be prioritised in FY2026/27. Talent acquisition was strengthened through a specialist partner and process automation, facilitating over 140 permanent and fixed-term appointments, with continued focus on time-to-fill and on building pools for the hard-to-fill and critical roles that constrain delivery.

Talent and succession planning

A comprehensive talent review was undertaken during the reporting period at divisional and corporate level to confirm the bench strength required for leadership and key roles, to inform strategies to attract, develop and retain identified talent, and to enable talent mobility. We made measurable progress in developing internal talent, filling two executive roles with internal candidates and thereby converting development investment into leadership continuity.

Outcomes of desktop assessment against best practice showed that there was room to improve the maturity of the talent-management approach. Priorities for the year ahead, namely approved succession pipelines for the most critical roles with measurable development progress; broader awareness and education on talent management; and alignment of the career framework and promotions guideline, are aimed at mitigating leadership-risk exposure to delivery.

Learning and development

The Corporation broadened the reach and impact of its learning and development initiatives. In FY2025/26, 1 544 individuals benefited from these initiatives, representing a 37% increase from the 1 127 beneficiaries recorded in FY2024/25. Investment increased to R125.6 million, compared with R118 million in FY2024/25.

These initiatives comprised formal employee training, academic bursaries, internships and learnerships across technical, professional and leadership fields. Of the total beneficiaries, 880 were permanent and fixed-term contract employees who participated in formal training programmes. This included 493 women and 387 men.

Bursary programmes

The remaining 664 beneficiaries comprised 532 bursary recipients and 132 interns and learners. Bursaries help to build a pipeline of future talent and widen access to skills in areas where the economy faces shortages.

A total of 532 bursaries were awarded in FY2025/26, up 39% from 383 in FY2024/25. These were allocated through three schemes: further-education support for IDC employees; support for the children of employees; and assistance for deserving, underprivileged or “missing middle” South African youth, including unemployed young people.

Bursary scheme	2025/26	2024/25
Bursaries to IDC employees	136	98
Bursaries to children of employees	130	110
Bursaries to underprivileged youth	266	175
Total bursaries awarded	532	383

Youth development

Youth development builds the long-term skills pipeline while practising, internally, the inclusive job creation the IDC funds externally. A total of 132 interns and learners were supported in FY2025/26 (2024/25: 92), a 43% increase. A post-matric work-integrated learning initiative provided opportunities to five black youth living with disabilities, and ten interns and learners were absorbed internally.

The Youth Imbizo, launched in June 2025, gives professionals under 35 an annual platform to surface issues and shape solutions, supported by a standing youth committee. A 12-month Youth Coaching Programme engaged 40 young employees in monthly team-coaching sessions facilitated by senior and executive leaders and external specialists.

OUR PEOPLE CONTINUED

Core operations skills

Through the Dealmakers Programme, 16 cadets (chartered accountants and technical specialists) were admitted in FY2025/26, adding to the 12 already in the pipeline. The FY2025/26 cohort completed formal classroom training and has been deployed into business units for hands-on development, steadily building a sustainable pool of qualified dealmakers to support the long-term strategy.

Leadership and culture

The IDC’s Leadership Manifesto was formally launched during the year as a central enabler of the Culture Renewal Journey, articulating the leadership expectations required to unlock performance, restore trust and sustain culture change. It is built on three pillars:



SHIFTing how we lead, transforming how we deliver

Investment in a future-leader pipeline protects continuity of decision-making capacity and is beginning to pay back. Of 76 individuals in the pipeline, 18 have been promoted, 56 are engaged in job shadowing and other on-the-job development, and a new cohort of ten potential executive successors at senior-management level commenced in May 2026. Coaching circles and team-development initiatives continued to build the trust, cohesion and psychological safety on which cross-team problem-solving and timely decisions depend.

Leadership effectiveness: 360° leadership survey

IDC’s 360° Leadership Assessment continues to be a key instrument for strengthening leadership capability, supporting culture transformation and enhancing organisational performance. The IDC’s leadership capability remains strong and continues to improve incrementally. While executive leadership demonstrates consistent strength, targeted focus is required on the middle management layer and on embedding behavioural change to fully realise the intended culture transformation outcomes.

LA In FY2025/26, results indicate sustained leadership performance above benchmark, with the overall leadership index at 4.02 out of 5 (FY2024/25: 4.0), reflecting a marginal improvement from the prior year and signalling steady progress over time. This demonstrates the continued impact of leadership development interventions and organisational focus on building a high-performance culture.

- **Care Deeply:** respect, fairness, ethical conduct and psychological safety
- **Make It Happen:** decisive authority within clarified mandates and accountability for delivery
- **Create Real Value:** impact, collaboration and alignment to the developmental mandate.

Leadership masterclasses and peer-coaching sessions were used to embed these principles, and the Manifesto elements are being incorporated into the 360-degree leadership survey.

 For more information see CEO report/leadership manifesto on page 26.

Despite these improvements, the assessment highlights a gap between leadership capability and lived employee experience, with leadership results outperforming broader culture indicators. This underscores the need to translate leadership improvements into consistent, organisation-wide behavioural change.

From a forward-looking perspective, the FY2025/26 assessment marks a transition to a refreshed leadership model, with the introduction of a manifesto-aligned leadership standard from FY2026/27. This will further integrate leadership expectations with culture transformation, performance management and organisational effectiveness priorities.

Culture transformation

Culture transformation remains a strategic priority because, on the diagnostic evidence, culture is where delivery is currently being lost. The 2025 Culture Assessment recorded a 40% cultural-entropy score, indicating that organisational energy was being absorbed by bureaucracy, escalation and internal friction rather than delivery. The same evidence confirmed that employee intent and values remain strongly positive, with the binding constraints largely systemic. Management therefore repositioned culture as a system outcome and performance enabler rather than a values or engagement programme, redesigning the Culture Renewal Journey as a sequenced, phase-gated, multi-year transformation.

Milestones delivered during the year included a clear culture vision aligned to the mandate, defined culture values and behaviours, the approval and activation of the Leadership Manifesto, and anti-harassment, bullying and victimisation education, reinforcing ethical conduct and psychological safety. The FY2026/27 focus will be on embedding the Manifesto, clarifying decision rights, simplifying governance, strengthening the ethics infrastructure, and reducing cross-functional friction between core operations and enabling functions, targeting the specific sources of entropy that slow execution. Meaningful shifts in culture and ethics outcomes are expected only once these foundational conditions are embedded.

Enabling and managing performance

A modernised, enterprise-wide performance management model was initiated during the year. It strengthens accountability, clarity of decision rights and line of sight from corporate strategy to individual performance, with a disciplined annual cadence, upfront achievability (“Fit-to-Deliver”) assessments, balanced contracting between core operations and enabling functions, and standardised moderation supported by audit trails. A parallel review streamlined corporate targets for greater realism and alignment to the operating context, strengthening delivery confidence. The FY2026/27 focus is to embed the framework across all levels, aligning individual key performance areas to the Results-Based Management Framework so that the causal link from inputs to development outcomes – and accountability for it – is explicit.

Employee relations and organised labour

The Corporation maintained a stable and procedurally fair employee-relations environment, with full compliance with applicable labour legislation and alignment to International Labour Organisation standards.

FY2024/25 was characterised by a shift in case complexity rather than volume. A limited number of high-impact disputes, predominantly involving senior employees, required increased management attention and external legal support, but did not signal systemic instability. Declining grievance volumes point to improved early resolution and stronger line-management intervention. Management focus was directed at early intervention, consequence management, line-management capability and legal defensibility.

The relationship with the recognised trade union, the Public Servants’ Association (PSA), remained constructive, supported by structured consultation. The Corporation concluded a three-year multi-term agreement with the PSA, securing labour stability over the period, and undertook early engagement ahead of the 2026 salary negotiations to reduce the risk of adversarial bargaining. The focus for FY2026/27 is continued structured engagement to support stability through the negotiations and governance transitions.

Reward, recognition and wellbeing

We align our benefits value proposition across age cohorts in response to changing workforce demographics, supporting the attraction and retention of critical skills and workforce continuity. A structured recognition framework, including on-the-spot recognition, quarterly divisional awards and annual recognition awards, supports a culture of performance and appreciation, with on-the-spot nominations increasing materially during the year and contributing positively to engagement, morale and retention.

IDC management is engaging the relevant approval structures and proposing enhancement to the current Remuneration Philosophy and Policy, and aligned to our performance management processes. Proposed changes are envisaged for implementation in FY2027/28. Key considerations include:

- A revised on-target bonus pay mix approach (the ratio of short- and long-term incentives to annual guaranteed pay) that is more market aligned and fair across all IDC job levels.
- Enhanced short- and long-term incentive approaches that are simpler and ‘fit for purpose’ in driving IDC’s business performance.

Employee wellness is treated as an enabler of sustainable performance. Through our independent wellness service provider and the ‘Ask Nelson’ programme, employees and their dependants have confidential access to counselling, coaching, financial advisory and legal support. IDC-funded annual medical assessments are available to qualifying employees aged 40 and above. The annual wellness day provided clinical screenings alongside the crèche, gym and staff restaurant, and employees living with disabilities are encouraged to disclose voluntarily to enable verification and reasonable accommodation. Additional support during the year included clinical advice, bereavement support, extended sick leave assistance, group risk benefit information and annual influenza vaccinations.

Occupational health and safety

The IDC recorded five lost-time incidents during FY2025/26. While higher than the prior year, this reinforced management’s focus on preventative controls, oversight and behavioural safety interventions within the enterprise risk management framework, to return residual risk to within approved tolerance. Governance was strengthened through the formal establishment of the Safety, Health and Environment Committee, which held its inaugural meeting on 30 May 2025 and was joined by organised labour from its second meeting. The Committee functions as a key first-line and management oversight control over incidents, compliance and corrective actions. Hazard identification, risk assessment, awareness and training remained the primary preventative controls, supported by safety-awareness campaigns through the year.

Emergency preparedness was enhanced through expansion of the Emergency Response Team, recognising the risk associated with frequent due-diligence activity and external engagement. Contractor safety compliance was strengthened through a contractor-specific induction video and a mandatory permit-to-work system for all work at Head Office. Priorities for FY2026/27 include the triennial review of the Occupational Health and Safety Policy, reducing lost-time incidents through targeted hazard identification and root-cause analysis, strengthening safety, health and environment (SHE) governance and reporting with clearer risk escalation and integration into enterprise risk reporting, enhanced contractor risk management, improvement of the visitor safety induction, and continued safety-awareness, behavioural and emergency-preparedness interventions.

7



GOVERNANCE



GOVERNANCE **APPROACH**

Sound corporate governance creates stakeholder value and ensures accountability, transparency, ethical behaviour, fairness, responsibility and social development. These attributes underpin the long-term sustainability of the Corporation to ensure that strategic objectives are realised.

Our Board upholds the highest governance practices, underpinned by the IDC Act, PFMA, Companies Act, JSE Debt and Specialist Securities Listings Requirements and King IV™ and King V™ Code of Corporate Governance, amongst others. Sound corporate governance is a critical link to creating stakeholder value and ensuring accountability, transparency, ethical behaviour, fairness and responsibility in the business of the Corporation.

The core IDC values of passion, partnership and professionalism guide our responsible business practices and ensure long-term sustainability of the Corporation. These values are evident in our dealings with the stakeholders and are the cornerstone of decision-making within the Corporation.

Implementation of an online declaration platform demonstrates our commitment to integrity, good governance and continuous improvement. By transitioning to digital processes, the Corporation is enhancing transparency, supporting accountability while improving operational effectiveness. This also contributes to environmental stewardship by reducing reliance on paper-based documentation and lowering the Corporation's ecological footprint.

In addition, digital declarations strengthen information security, reduce administrative inaccuracies and enable more efficient engagement with stakeholders. Through this technology-driven approach, the IDC continues to advance sustainable business practices while aligning its objectives with its broader responsibilities as a responsible corporate citizen.

LA During the period under review, the Corporation achieved a 64.7% compliance rate for the annual online staff declaration process, remaining below the desired target. Management will continue efforts to improve participation and promote timely completion of declarations.

Executive authority and parliamentary oversight

The Minister of Trade, Industry and Competition is the Executive Authority and Shareholder Representative for the Corporation. The Board is appointed by the Minister and in terms of section 6(3) of the IDC Act. The Executive Authority ensures that the Board reflects an appropriate balance of knowledge, skills and experience while also embodying diversity in gender, race, tenure and socio-economic background. This deliberate composition strengthens Board's collective capacity to govern effectively and responsibly.

The Executive Authority provides oversight on the IDC through regular interactions on the approved corporate plan, quarterly reports, the annual report and annual general meetings (AGMs).

Being a public entity, the Corporation also accounts to Parliament through the Standing Committee on Public Accounts, which reviews the annual financial statements and the external auditors' report. In addition, Corporate performance is reported regularly to the Portfolio Committee on Trade, Industry and Competition ensuring transparency, oversight and alignment with national economic objectives.

Key governance considerations and activities during 2025/26 financial year

During the year under review, the Board approved the following key matters:

- The 2025/26 Corporate Plan and its alignment to the MTDP priorities.
- The Corporation's quarterly corporate performance reports for submission to National Treasury and **the dtic**.
- The audited IDC Group annual financial statements for the year ended 31 March 2025.
- The IDC Risk Appetite Framework.
- The revised Dividend Policy as submitted to the Shareholder.
- Its revised Charter, Committee Terms of Reference (ToRs) and the Governance Framework.
- The Financial Plan for 2026 to 2030, including the Mini-Group Financial Plan for 2026 to 2030 and the Borrowing Mandate and Operating Expense Budget for 2025/26 financial year.
- The appointment of the CEO, supported by the Shareholder.
- The establishment of Board Committees.

Governance framework

The Board's governance framework promotes efficiency and effectiveness in the operations of the Corporation. This is demonstrated through clearly assigned roles and responsibilities to board committees and management committees.

Although ultimately accountable, the Board formally delegates authority and certain functions to well-structured committees without abdicating its responsibilities and monitors performance and the application of delegated authority through regular reporting and disclosures.

The Board

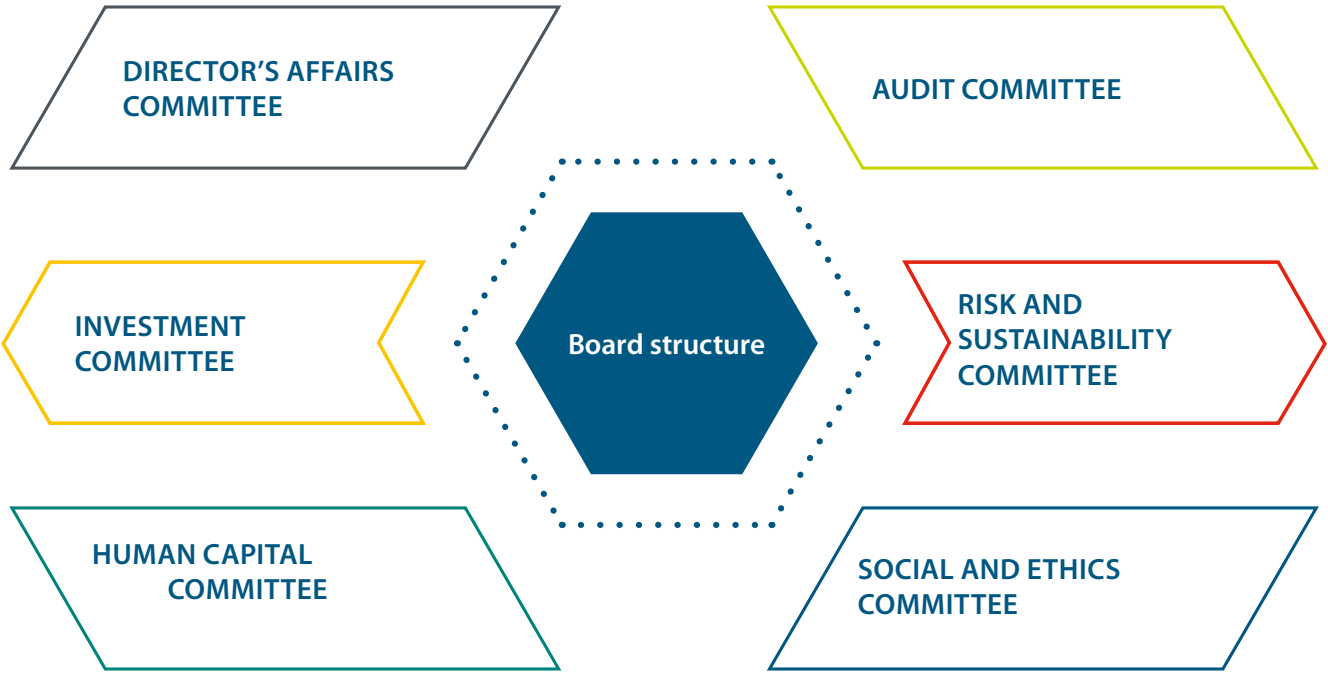
The Board is the primary custodian of governance.

The Board is responsible for directing, controlling and overseeing the Corporation in accordance with all applicable laws and governing rules. It steers and sets the strategic direction of the Corporation, approves policies and plans, ensures accountability and oversees the execution of approved strategy and policy by management.

The Board Charter outlines the roles and responsibilities of the Board, including adopting strategic plans, defining materiality parameters, promoting an ethical culture and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents and codes of conduct.

GOVERNANCE APPROACH CONTINUED

Governance structure



Composition

The Executive Authority ensures that there is an appropriate balance of skill, knowledge, expertise and diversity in race and gender when appointing the IDC Board. The IDC Act prescribes the size, with a minimum of five and a maximum of 15 members, appointed by the Executive Authority.

During the year under review, the Board comprised 11 non-executive directors, seven women and four men.

The Chairman serving as an independent non-executive director, provides leadership to the Board. A clear separation of responsibilities exists between the leadership of the Board (the Chairman) and the executive responsibility for leadership of the business (the CEO). The diverse range of skills and experience of the Board members play a pivotal role in driving the long-term sustainable success of the Corporation.

The Board is further supported by the Group Company Secretary, ensuring effective governance and compliance.

Board committees

The Board has delegated specific responsibilities to its committees. The committees operate according to ToRs and delegations of authority that are reviewed annually by the Board. The Board is satisfied that the ToRs and delegations are appropriate, relevant, effective and contribute to role clarity and

the effective exercise of authority within the Corporation. The committees are:

- Audit Committee
- Risk and Sustainability Committee
- Social and Ethics Committee
- Investment Committee
- Human Capital Committee
- Director's Affairs Committee.

The Director's Affairs Committee and Human Capital Committee were established with effect from October 2025. This came about when the responsibilities previously assigned to the Human Capital and Nominations Committee were split between the Human Capital Committee and the Director's Affairs Committee during the Board's review and constitution of its committees.

Committee members are appointed through the Director's Affairs Committee. Each committee is chaired by a non-executive director who reports to the Board on activities and makes recommendations for approval in line with the ToRs and delegation matrix relating to each committee.

The members of the Audit Committee, including external members, are appointed by the Shareholder at the AGM. The Board Chairman and the CEO are standing invitees to all committee meetings, while other executives attend when needed or invited.

Terms in office

Appointed 1 February 2025

Member	Number of years on the Board
Mmakgoshi Lekhethe	1 year and 4 months

Appointed 1 September 2025

Member	Number of years on the Board
Ms Gloria Serobe	7 months
Reon Barnard	7 months
Tanya Cohen	7 months
Ayanda Dlodlo	7 months
Dr Keitumetse Mothibeli	7 months

Appointed 1 October 2025

Member	Number of years on the Board
Busi Mabuza	15
Brian Dames	15
Adv Thandi Orleyn	11
Andrè Kriel	10
Tryphosa Ramano	6 months
Dr Tebogo Makube	5 months

External director's appointments

Member	Number of years on the Board
Mr Roger Pitot	11
Mr Patrick Mathidi	6

Retired* at the AGM held on 23 June 2025 with effect from 1 September 2025

Member	Number of years on the Board
Busi Mabuza**	15
Brian Dames**	15
Adv Thandi Orleyn**	11
Andrè Kriel**	10
Philisiwe Mthethwa	14
Bobby Godsell	14
Dr Sizeka Magwentshu-Rensburg	14
Nomavusa Mnxasana	10
Susan Mangole	1

* These retirements formed part of normal Board succession, tenure management and best governance practices. These directors served until new directors were appointed.

** Appointed 1 October 2025

The appointments above, excluding Ms Ramano's, were made to support continuity, drawing on the experience of former Board members and to strengthen the Board's collective expertise across key areas such as finance, governance, industry and public sector leadership. The phased approach to these appointments reflects careful succession planning and a deliberate effort to broaden expertise across critical areas.

Overall, these changes reflect an orderly transition that maintains continuity while strengthening the Board's oversight capacity and responsiveness to evolving priorities.

Board meetings and attendance

An annual work plan enables the Board to attend to its responsibilities in a structured and orderly way. During the review period, the Board held eight scheduled meetings, including a strategy session and one special meeting. The special meeting was necessitated by an urgent call for the Corporation to respond to an economic crisis in the steel and agro-processing industries.

The table below details attendance by the current board of directors:

Director	Scheduled meetings ⁽⁸⁾	Special meetings ⁽¹⁾	Strategy meetings ⁽²⁾	AGM ⁽¹⁾	Director Development ⁽¹⁾	Workshops ⁽⁸⁾
N Mnxasana	3	N/A (Retired)	N/A (Retired)	1	N/A (Retired)	2
Dr S Magwentshu-Rensburg	3	N/A (Retired)	N/A (Retired)	1	N/A (Retired)	1
B Godsell	3	N/A (Retired)	N/A (Retired)	1	N/A (Retired)	2
P Mthethwa	3	N/A (Retired)	N/A (Retired)	1	N/A (Retired)	2
S Mangole	2	N/A (Retired)	N/A (Retired)	1	N/A (Retired)	1
B Mabuza	8	1	0	1	1	7
BA Dames	4	0	0	1	0	4
A Kriel	7	1	0	1	0	6
Adv ND Orleyn	5	1	0	1	0	0
G Serobe	5	1	2	0	0	4
M Lekhethe	8	1	0	1	1	8
R Barnard	5	1	2	0	1	6
T Cohen	5	1	1	0	1	6
A Dlodlo	4	1	2	0	1	2
Dr K Mothibeli	5	1	2	0	0	4
T Ramano	4	1	0	0	1	6
Dr T Makube	4	1	0	0	0	5

GOVERNANCE APPROACH CONTINUED

Conflicts of interest

In leading ethically and effectively, the Board operates within the parameters of an approved and well-entrenched Conflict of Interest Policy that precludes directors from doing business with the Corporation. The policy is reviewed every three years. Directors must declare their interests annually, disclosing any conflicts of interest and determining the extent to which the conflict may affect the performance and independence of their duties at the Corporation.

Disclosed conflicts are managed through an established board process. A declaration of interest form is maintained by the office of the Company Secretary. Directors and executives are obliged to disclose any new or potential interest to the secretariat. Directors' personal interests are updated at each board meeting and the register circulated to ensure transparency. Every effort is made to prevent conflicts of interest from undermining governance protocols and eroding stakeholder confidence.

To enhance its efficiency, independence and the comprehensive application of good judgment in discharging governance responsibilities, the Board is supported by various committees. During the year under review, the Board was supported by five board committees. The responsibilities are delegated with clear ToRs and, where applicable, board resolutions.

Board members retain their fiduciary responsibilities and are bound to apply due care, diligence and sound judgment in fulfilling their duties, in strict alignment with their legal and ethical obligations.

Board and committee evaluation

Each year, the Board undertakes a rigorous review of its own effectiveness and performance, and that of its committees and individual directors. The last externally facilitated Board effectiveness review was undertaken in 2024, the results of which were reported in the 2025 Integrated Report. During the period under review, the Board resolved to defer its comprehensive internal evaluation of the performance of the Board and its Committees to the following year. This will allow sufficient time for the collection and consideration of relevant data and information to support a meaningful evaluation covering the following areas:

- Size, composition and independence
- Succession planning

- Director development and training
- Culture and teamwork
- Meeting procedures and reporting
- Duties, roles, delegations and agenda setting.

The Board achieved a positive average score of 4.35 out of 5-point rating scale, which endorses its satisfaction with how it provides strategic direction and fulfils its roles and responsibilities. The Committees scored an average of 4.83. Although these results are commendable, recommendations were made to enhance effectiveness further and a plan has been adopted to implement these.

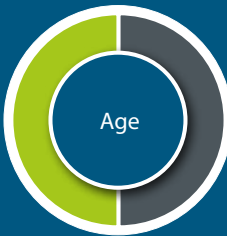
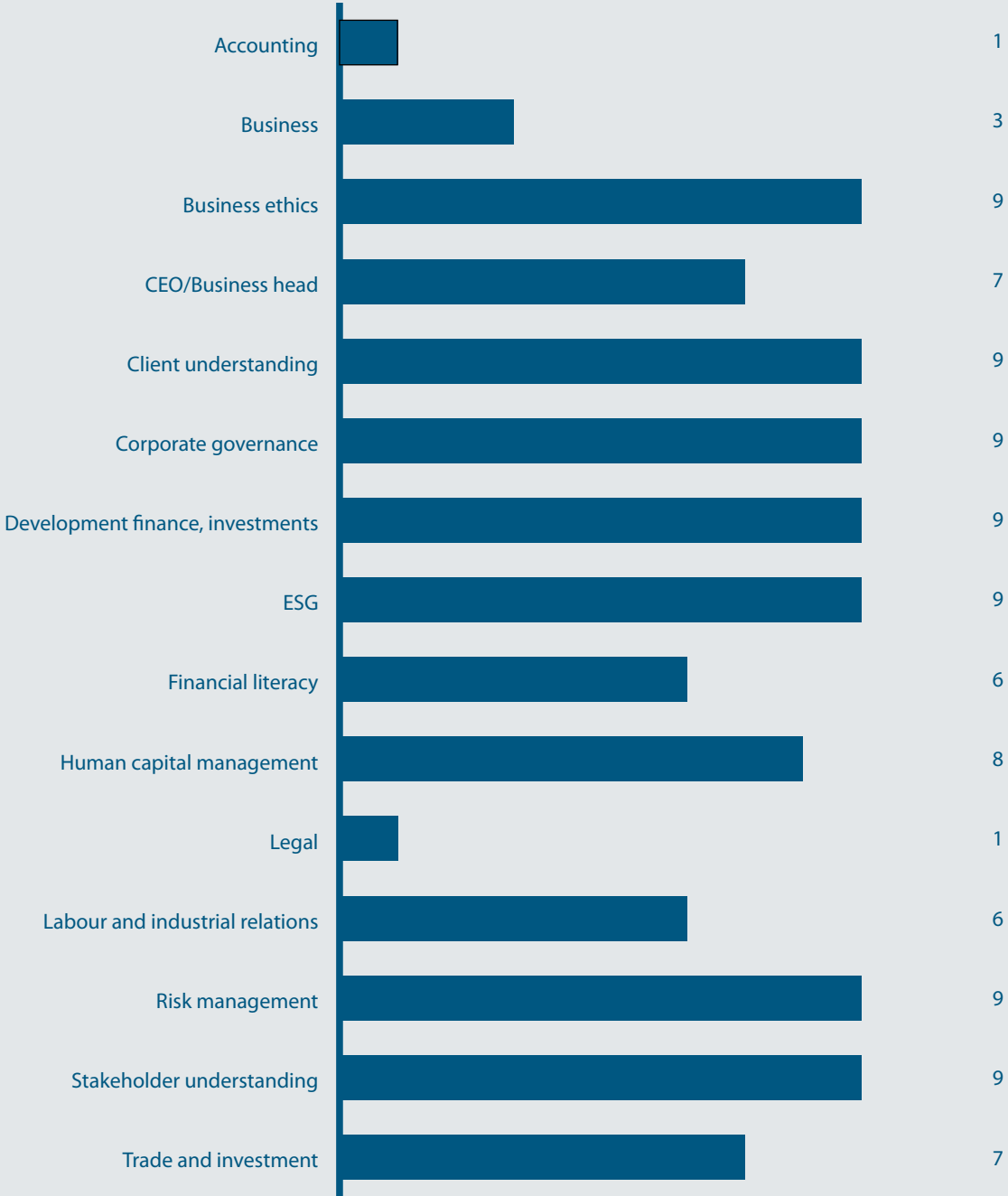
Board remuneration

Annual fees for non-executive directors are approved by the Shareholder at the AGM. In line with governance best practice, directors do not receive performance-based remuneration or retainers. This approach reinforces the principles of independence, objectivity and fiduciary responsibility, ensuring that directors' judgment is not influenced by short-term financial incentives or personal gain. Instead, their role is to provide unbiased oversight, strategic guidance and stewardship in the best long-term interests of the Corporation and its stakeholders. By avoiding performance-linked compensation structures, the organisation mitigates potential conflicts of interest and aligns director conduct with sound governance standards, transparency, and ethical accountability.

Company Secretary

In line with King IV™ and King V™ recommendations, the Board has appointed a group company secretary, Adv Maseapo Kganedi, to provide the Board and committees with professional governance services, including advice and guidance on their duties and responsibilities, compliance with governance principles, and adherence to laws and regulations. The Board assesses the Company Secretary's performance of governance responsibilities through a board evaluation process, and the CEO assesses her performance of other responsibilities. The Board is satisfied and has confirmed its confidence in the effectiveness and adequacy of the Secretariat office.

Board skills



Female (8) Male (4) Black (7) Coloured (3) White (3) 45-55 (6) 55-64 (6) 0-4 (8) 5+ (4)

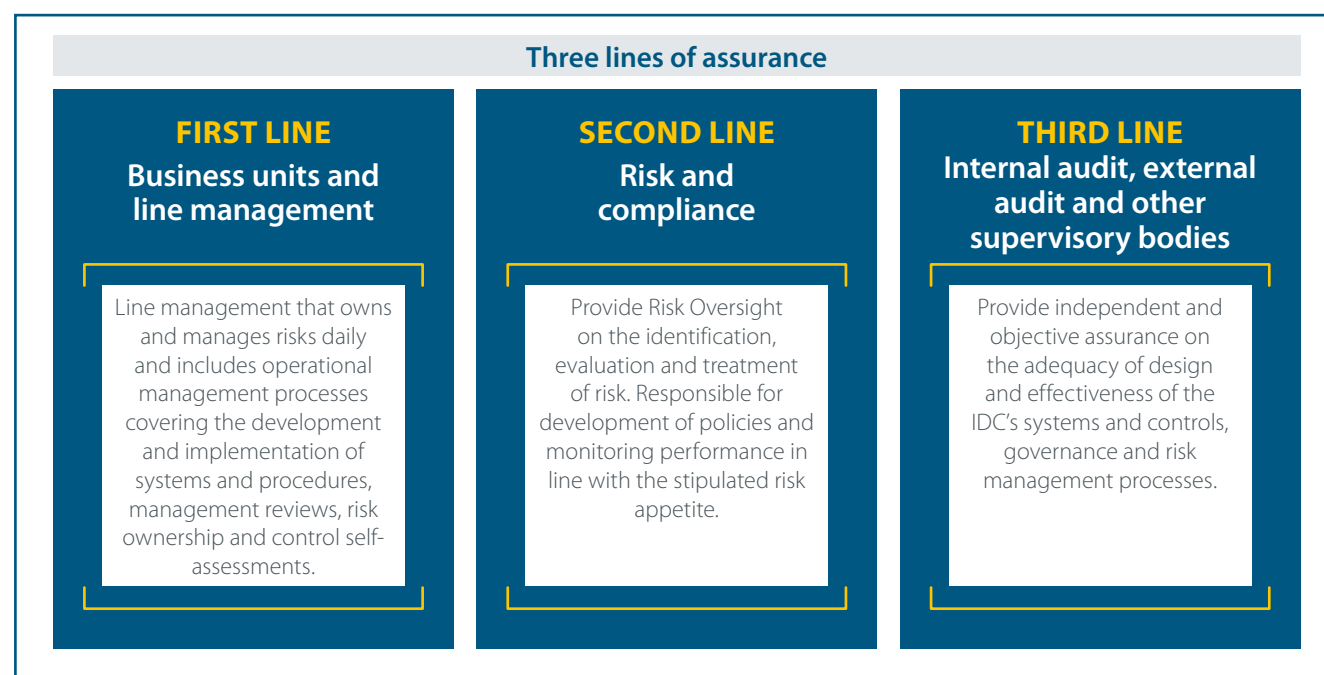


COMBINED ASSURANCE

The Board and its committees adopt an integrated approach to governance and risk management, as guided by the IDC's integrated risk management framework. This framework underpins the Corporation's strategy and sets the standard for strategic risk management.

It also forms the foundation of the combined assurance model, which coordinates and optimises all assurance providers and functions to support a cohesive and effective control environment. This integrated approach enhances the reliability and integrity of information used by management, the Board and its committees in decision-making processes.

In line with King V™, which expands the traditional three lines of defence, the IDC's combined assurance model will transition to a six-line of defence in the next financial year. During the current financial reporting period, the combined assurance model continued to operate within the three-line framework:



The Combined Assurance Forum plays a pivotal role in coordinating assurance activities and consolidating assurance outcomes. It brings together the expertise of internal audit, enterprise risk management and compliance and regulatory affairs departments under the sponsorship of the CRO and General Counsel. The Forum is responsible for overseeing the implementation of the combined assurance model, including the development of annual assurance plans, compilation of detailed assurance reports and ensuring alignment with organisational risk management strategies. It also promotes collaboration across assurance functions, enhances consistency in risk oversight and supports the implementation of recommendations from the Board Audit Committee to strengthen the overall effectiveness of assurance activities.

Internal audit

Internal audit constitutes the third line of defence within the Corporation's enterprise risk management framework.

The function provides independent and objective assurance to the Board on the adequacy and effectiveness of the Corporation's

governance processes, risk management practices and system of internal controls in mitigating key risks that may impact the achievement of strategic objectives. The function also provides ad-hoc support to subsidiaries upon request. Its roles and responsibilities are formally articulated in an internal audit charter approved by the Board Audit Committee, as well as in the Board Audit Committee ToRs approved by the Board.

Internal audit has a risk-based internal audit plan, informed primarily by the Corporation's risk registers, the revised IDC strategic plan and key emerging risks identified by audit experts.

The function also houses a dedicated forensic team responsible for investigating allegations of financial crime and any other irregular conduct. All stakeholders and employees who suspect irregular or dishonest activities and wish to report anonymously are provided with a dedicated anonymous hotline. This hotline is independently administered by Whistle Blowers, and all information received through Whistle Blowers is handled with strict confidentiality.

During the year, the Corporation assessed the design and operating effectiveness of internal controls supporting the reliability of financial and performance reporting, compliance with applicable laws and regulations, and adherence to the Board-approved delegation of authority framework. These controls safeguard assets against material loss and ensure that transactions are completely and accurately recorded.

Based on reviews conducted during the year, the overall control environment architecture was deemed adequate and effective in addressing most identified risks. Where improvements were indicated, management implemented appropriate remedial actions. Management remains committed to the continuous improvement of the control environment through regular review and enhancement of systems, processes, policies and governance frameworks.

During FY2025/26, Internal Audit, among others:

- Conducted reviews of key IT controls, including backup and disaster recovery, antivirus management, network security, user access management, and IT change management to enhance cyber security resilience and support business continuity.
- Assessed the adequacy and effectiveness of controls over post-approval processes and conditions precedent to ensure adherence with the approved delegation of authority framework and fulfilment of conditions precedent prior to first drawdown.
- Assessed whether risks associated with third-party funds are adequately reviewed, monitored and managed.
- Promoted fraud awareness among business partners and service providers to ensure ethical business practices and transparency aligned with the Corporation's values and code of business conduct. Email communication covering various topics such as Prevention and Combating of Corrupt Activities Act (PRECCA) was circulated.
- Conducted PRECCA training sessions across the Corporation to enhance awareness of employee obligations, alongside targeted training on financial crime schemes; 68% of employees completed training on anti-corruption policies and procedures.

Assurance activities continued to focus on the processes underpinning IDC core activities and operations, including due diligence, risk grading and pricing system controls – integral components of credit risk management and portfolio monitoring – as well as post-investment activities. Reports detailing management's remediation of control weaknesses identified by internal audit are submitted quarterly to the Board Audit Committee and executive management.

During FY2025/26, management continued to demonstrate a strong commitment to resolving issues noted during audits.

New staff members received training on fraud, including reporting crime and corruption and the role of Tip-offs Anonymous.

Twenty-eight cases were reported for investigation during the year, compared to 22 in 2024/25.

Focus for FY2026/27

Internal audit activities for the next financial year will include:



Continued **focus on reviewing information technology and digital transformation**, in response to the increasing prevalence of cyber security threats, digital disruption and risks to business continuity.



Continued **focus on reviewing the processes underpinning IDC core activities and operations**, including due diligence and post-investment activities.



Undertaking fraud awareness initiatives, while improving detection capabilities to support a strong tone of integrity.

Reviewing turnaround times for funding applications to assess efficiency, identify bottlenecks and support improvements in process effectiveness and service delivery.



Further **embedding and advancing the use of AI** in audit processes, alongside continuous auditing practices.





COMBINED ASSURANCE CONTINUED

Compliance – second line of defence

The Board charter requires the Board to ensure ethical behaviour and compliance with laws and regulations, and audit and accounting principles, including codes of conduct. The Board, through its Board Risk and Sustainability Committee (BRSC) approves a yearly compliance programme containing a detailed regulatory universe, a compliance monitoring plan and a compliance training plan.

Management is responsible for implementation of compliance requirements, but the Board monitors and reviews compliance with key regulatory and legal requirements through regular reports to the Social and Ethics, Audit and Risk and Sustainability Committees.

The Compliance and Regulatory Affairs Department (CRAD) performs day-to-day compliance activities and assists the Board in creating an enabling, compliance-based culture. It also assists the business units to identify and assess the regulatory risks of the various operations and develop plans to mitigate and control them. Regulatory risks are monitored constantly and reported to stakeholders.

Key focuses and regulatory developments

The department, on King IV™ recommendations, has a risk-based approach in line with the organisation’s materiality levels and ensures that internal stakeholders receive information relevant to their oversight responsibility.

King IV™ requires the governing body committee to ensure implementation of the combined assurance model to optimise all assurance services and functions so that, holistically, these form an effective control environment and support the integrity of information used for decision-making by management, the Board and its committees.

Every organisation encounters risks that can threaten its operations, reputation and bottom line. The CRAD responds to these risks with a robust and effective compliance programme, which includes staff training.

The Financial Intelligence Centre Act 38 of 2001, as amended (FICA), provides a regulatory framework for South Africa’s anti-money laundering and counter proliferation financing of terrorism programmes and positions the Financial Intelligence Centre as the supervisory body overseeing compliance with the framework. The FICA complements the Prevention of Organised Crime Act, the Protection of Constitutional Democracy against Terrorism-related Activities Act and PRECCA. It gives the Financial Intelligence Centre authority over accountable institutions such as the IDC, in South Africa.

The IDC runs a robust risk-based programme that specifies an annual review of all high-risk clients. Training of and engagement with staff and IDC subsidiaries is also a significant component in response to the IDC’s compliance with its FICA obligations. The Corporation complies with the Protection of Personal Information Act, with the Records Department being responsible for ensuring adherence across the organisation and its subsidiaries.

The IDC’s daily operations are regulated by the PFMA. The Corporation has sought exemptions from certain regulations and requested specific arrangements for itself and certain subsidiaries.

During FY2026/27, the Corporation will prioritise compliance monitoring across key legislative frameworks, including the PFMA, Treasury Regulations, FICA, RICA, the Competition Act, Labour Relations Act, Industrial Development Act, Protected Disclosures Act and Employment Equity Act.

Targeted follow-up reviews will be conducted within IDC subsidiaries to assess the adequacy of remediation actions taken in response to previously reported risk findings, particularly regarding the Preferential Procurement Policy Framework Act (PPPFA) and the Basic Conditions of Employment Act 75 of 1997 (BCEA).

Sustainability governance

Sustainability-related risks and opportunities are governed through the IDC’s integrated governance framework and are embedded within the Corporation’s strategy, risk management and investment decision-making processes. The Board retains ultimate accountability for oversight of sustainability matters and discharges this responsibility primarily through the Board Risk and Sustainability Committee, which oversees sustainability-related risks and opportunities, including climate-related considerations, portfolio sustainability exposures and the Corporation’s long-term resilience. Management supports this oversight through established governance structures, including the Sustainability Working Group and cross-functional management forums, which monitor sustainability performance, review ESG matters, and provide regular reporting to executive management and the Board. Sustainability-related considerations are integrated into strategic planning, investment approvals, portfolio monitoring and reporting processes to support the IDC’s ability to create, preserve and sustain value over the short-, medium- and long-term.

BOARD COMMITTEE REPORTS

BOARD AUDIT COMMITTEE

The Board Audit Committee (BAC) operates in accordance with the PFMA, King IVTM, the Companies Act 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.
- The integrity of the annual financial statements.

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

Composition and attendance

During the year under review, the Committee comprised five members, three IDC non-executive directors and two external members (who are not IDC non-executive directors). The CEO, CFO, Head of Internal Audit, IDC-appointed joint external auditors and a representative from the office of the Auditor-General of South Africa (AGSA) are permanent invitees at Committee meetings. The Committee held various meetings during the year under review.

The five members were elected at the AGMs of 20 July 2024 (for members whose term ended 1 September 2025) and 28 August 2025 for new members (whose term started effective 1 September 2025). The Chairman of the Board is not a member of the Committee.

The composition of the Committee changed during the year following the appointment of a new Board. The tenure of the outgoing Committee members ended on 31 August 2025, and the newly appointed members assumed office effective 1 September 2025.

Membership of the Committee was reviewed in October 2025, and additional members were appointed to the Committee effective 1 November 2025. Several changes were implemented by the Committee during the year under review, during which the Committee’s term ended in August 2025, and a new Committee was appointed effective 1 September 2025. Membership of the Committee was reviewed again in October 2025, and additional members were appointed effective 1 November 2025 to date.

The tables below depict members’ attendance:

Members of the previous Committee

Members	Scheduled meetings	Special meetings
NP Mnxasana (Chairperson)*	3/3	1
Dr SM Magwentshu-Rensburg*	2/3	0
R Pitot*	2/3	1
R Godsell*	2/3	1
P Mathidi*	2/3	1

* Committee term ended 31 August 2025

New members

Members	Scheduled meetings
R Barnard*	1/1
T Cohen*	1/1
R Pitot*	1/1
P Mathidi*	1/1

* Appointed to the Committee on 1 September 2025

Members	Scheduled meetings	Special meetings
T Ramano**	3/3	2
R Barnard	3/3	1
R Pitot	3/3	2
P Mathidi	3/3	2
B Dames**	2/3	0

** Membership reviewed in October 2025, and additional members were appointed to the Committee effective 1 November 2025

Activities and focus

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.
- Reviewed the appropriateness of the going concern basis of preparation.

BOARD COMMITTEE REPORTS CONTINUED

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.
- 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.
- 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.
- 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.

Integrated reporting

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

- The annual financial statements.
- Management reports.
- Operational and strategic information.
- 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.
- 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.



BOARD COMMITTEE REPORTS CONTINUED

Area	Identified risk	Actions taken	Outcomes expected	Governance oversight exercised
Portfolio monitoring	Distressed portfolio levels remain elevated, with NPL and impairment risk concentrated in a small number of material exposures.Although the NPL ratio improved over the reporting period, impairments remain a key focus area requiring continued intervention to protect value and support sustainable recovery outcomes.	Management strengthened oversight of distressed exposures through early risk identification, focused intervention plans and disciplined portfolio review. Key actions included turnaround support, restructuring of viable exposures, accelerated repayments, settlements, recoveries and selective write-offs where recovery prospects were limited. For material distressed exposures, board ad-hoc governance committees and Value Creation Plan initiatives were used to accelerate resolution, preserve value and improve portfolio quality.	These actions supported improved performance in selected exposures, including post-restructure resumption of loan service in some instances.Enhanced reporting on portfolio quality, impairment trends and intervention outcomes has improved stakeholder visibility of risk drivers and management’s response.	The Board and relevant governance committees exercised oversight through regular reporting on distressed exposures, NPL trends, impairment levels, recovery activities and the progress of intervention plans. Material exposures were escalated for focused governance attention, with ongoing monitoring of agreed remedial actions and recovery outcomes.
Risk grading	The risk relates to the consistent application of client risk grading across the portfolio. Risk ratings must accurately reflect each client’s performance, financial position and operating status, and should not be influenced by the subjective judgement of individual assessors. Inconsistent or subjective ratings may result in uneven treatment and monitoring of clients, and may lead to risk being either overstated or understated. This can affect the probability of default assessment, impairment levels, monitoring intensity and the timing of intervention activities.	Risk grading is done through an Automated Risk Grading Tool, managed by the Risk Division, which calculates the Internal Risk Rating (IRG) using financial information from Audited Financial Statements, together with relevant macro and micro-economic factors and operational performance considerations at the business partner level. The IRG outcomes are then reviewed at the Investment Monitoring Committee (IMC)to identify inconsistencies or anomalies and adjusted accordingly, where ratings do not accurately reflect the client’s risk profile.	These governance actions have improved the consistency and credibility of risk ratings, strengthened management oversight of the portfolio, clarified accountability for interventions, and supported timelier and evidence-based decision-making.	The IMC exercised oversight by reviewing IRG and staging outcomes, challenging anomalies and inconsistencies, and ensuring that approved ratings reflect the underlying risk profile of each client. Group Finance and the Risk Division retained responsibility for the integrity and operation of the risk grading process and any judgmental overrides applied on the basis of forward-looking information.
Valuations of IDC’s unlisted investments	There is a risk of inadequate governance oversight on the determination of the fair value of unlisted investments.	Management has initiated the procurement process to appoint independent valuers for IDC’s unlisted investments and to support the establishment and ongoing functioning of a Valuations Committee.	Strengthened independent oversight and assurance over IDC’s unlisted fair valuation processes.	Management to establish a Board-level Valuations Committee to independently review and challenge portfolio valuations, supported by an independent external expert.
ECL	Enhancements were required to strengthen model governance, data integrity, automation and independent review controls to improve the accuracy, completeness and consistency of impairment calculations and financial reporting outcomes.	Implemented a comprehensive ECL governance enhancement programme encompassing process automation, strengthened data governance, enhanced model oversight and formalised review and validation controls. The programme was further supported by the implementation of the SAS Viya® Risk Modelling platform, providing a controlled and auditable end-to-end environment for ECL modelling, monitoring and reporting, thereby enhancing the robustness, reliability and sustainability of the Corporation’s impairment framework.	The enhancements are expected to improve the robustness, reliability and sustainability of the Corporation’s impairment framework; strengthen the accuracy, completeness and consistency of ECL calculations; improve the timeliness and transparency of reporting; and support more effective identification and management of impairment risk.	Oversight was exercised through the Corporation’s model governance and financial reporting structures, including formal review and challenge of model assumptions, parameters, inputs and outputs. Governance was further strengthened through enhanced validation processes, documented review controls, independent challenge mechanisms, and ongoing monitoring of ECL model performance.
Tax	• Risk of inconsistent application of tax treatments and the delayed identification of technical tax implications. • Increased complexity of tax reporting, particularly in areas involving significant accounting judgments, complex financial instruments, and evolving tax legislation. • Tax capacity constraints. • Weaknesses in the tax control environment.	• Consideration of measures to increase the doubtful debt allowance on the IDC’s tax position. • Assessment of the adequacy of tax function skills and capacity. • Strengthening of internal controls relating to the preparation and review of income tax and deferred tax computations, including their automation.	A strengthened tax control environment, improved quality and consistency of tax reporting that support more proactive management of tax risks and technical matters.	Approval of an external expert to support the IDC’s application to SARS for the increase in the doubtful debt allowance.

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.

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Ms T Ramano
Chairperson

26 August 2026

BOARD COMMITTEE REPORTS CONTINUED

BOARD INVESTMENT COMMITTEE

The Board Investment Committee (BIC) is a standing committee established to support the Board in considering transactions where the IDC’s cumulative exposure to a business partner is between R300 million and R1.5 billion, and Group counterparty exposure is between R500 million and R5 billion. Transactions exceeding these limits are recommended to the Board for approval.

The Committee plays a key role in supporting the Board through the evaluation and approval of investment transactions within its delegated authority. During the 2025/26 financial year, the Committee continued to provide oversight of significant investment decisions, ensuring that funding approvals were aligned with the Corporation’s strategic objectives, developmental mandate and governance standards.

This report outlines the Committee’s composition, activities and performance during the year, including its consideration of transactions amounting to R7.66 billion in funding approvals. It highlights the Committee’s contribution to sustainable job creation, transformation, industrial development and economic resilience, while maintaining a balanced approach to financial sustainability and developmental impact. The report also reflects the Committee’s role in supporting strategic interventions aimed at preserving industrial capacity, safeguarding employment and strengthening key sectors of the South African economy.

Composition and attendance

During the period under review, the Committee comprised six Board Members. The CEO, CFO and CRO were permanent invitees to all Committee meetings.

The Committee was reconstituted during the year, as new members were appointed to the Board. The term of the outgoing members ended on 31 August 2025, with six newly appointed members assuming office with effect from 1 September 2025. In addition, a member from the previous Board was reappointed in November 2025. This approach ensured continuity in governance and alignment with the Corporation’s goals.

The Committee held a total of 16 meetings during the year, including four special meetings. The table below shows attendance, illustrating the number of meetings attended by each member out of a total number of meetings held.

Previous members of the Board, April 2025 – September 2025

Members	Scheduled meetings	Special meetings
S Magwentshu-Rensburg	5/5	0/1
B Mabuza	5/5	1/1
N Mnexasana	4/5	1/1
T Orleyn	4/5	1/1
P Mthethwa	4/5	1/1
S Mangole	1/5	0/1

Term of office as Board of Directors ended on 1 September 2025

Current members of the Board, September 2025 – March 2026

Members	Scheduled meetings	Special meetings
T Ramano*	4/5	2/3
R Barnard	7/7	3/3
A Dlodlo	5/7	2/3
K Mothibeli*	2/3	N/A
T Cohen	6/7	3/3
G Serobe	7/7	2/3
T Orleyn*	3/5	3/3

* Appointed from November 2025

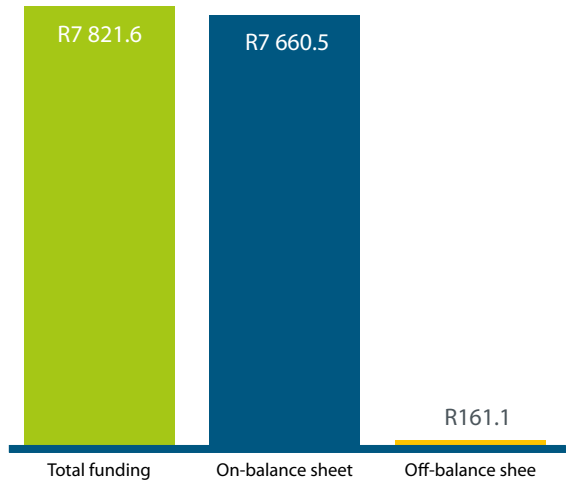
* No longer a member from November 2025

Activities and focuses

During the 2025/26 financial year, the Committee continued to play a critical role in driving investment decisions aligned with strategic development objectives of the Corporation. The Committee demonstrated disciplined capital allocation, focusing on sustainable economic impact, job creation and targeted transformation support.

The Committee approved a total of 21 transactions during the reporting period, representing on-balance sheet funding of R7.66 billion and an additional R161.1 million in off-balance sheet commitments. These investments are expected to deliver significant socio-economic benefits, including 6 929 jobs expected to be created and 32 jobs expected to be saved. Overall, the funding approvals reflect a deliberate and strategic allocation of capital towards high-impact projects with strong development multipliers, particularly in driving sustainable employment growth.

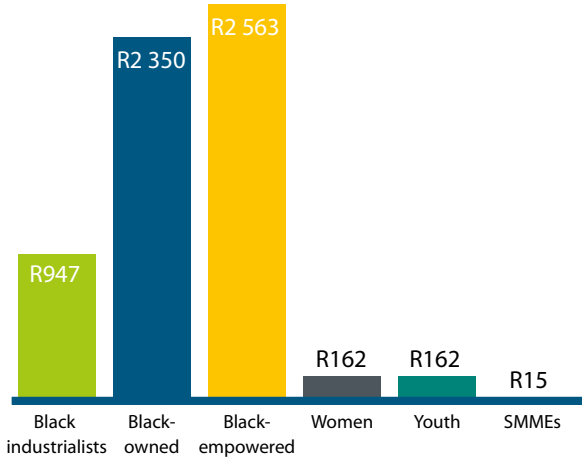
Funding overview (R million)



The Committee sustained its commitment to transformation and inclusive economic participation through targeted investments across key priority segments. During the reporting period, funding was extended to black industrialists through six transactions valued at R947.5 million, supporting the creation of 425 jobs, while black-owned enterprises accounted for nine transactions totalling R2.35 billion, expected to generate 2 682 jobs. In addition, 12 transactions valued at R2.56 billion were directed towards black-empowered enterprises, contributing to 2 964 jobs.

The Committee also advanced inclusivity by supporting women and youth entrepreneurs, each category benefiting from a transaction of R161.8 million expected to create 596 jobs respectively, alongside targeted support to SMEs through a R15 million investment with a previously approved amount of R356 million and minimal direct job impact reported. Collectively, these investments demonstrate a sustained commitment to advancing transformation, empowering historically underrepresented groups and strengthening the broader entrepreneurial ecosystem.

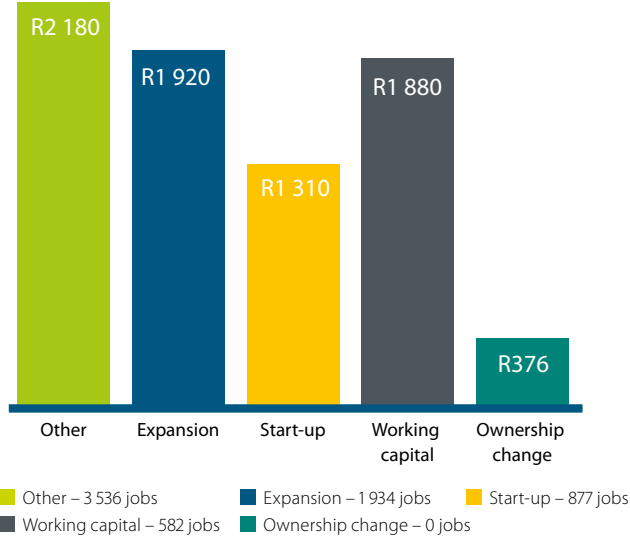
Transformation funding by category (R million)



During the period under review, the Committee continued to grow and diversify the Corporation’s portfolio by balancing the acquisition of new clients with ongoing support to existing partners. During the reporting period, 10 transactions valued at R3.80 billion were concluded with new clients, resulting in the creation of 2 178 jobs and the preservation of 32 jobs. At the same time, 11 transactions amounting to R3.86 billion were approved for existing clients, supporting the creation of 4 751 jobs. This balanced approach reflects a dual strategy of expanding the client base while deepening established relationships, thereby enhancing both the Corporation’s developmental reach and the overall impact of its investment activities.

The Committee approved funding across a diversified portfolio of business needs, reflecting a balanced approach to development and sustainability. Other strategic investments comprising three transactions valued at R2.18 billion, were the largest contributor to employment, accounting for 3 536 jobs created and 32 jobs saved. This was complemented by expansion funding, with five transactions totalling R1.92 billion and expected to generate 1 934 jobs, while start-up funding through six transactions of R1.31 billion supported emerging enterprises and created 877 jobs. In addition, working capital funding of R1.88 billion across five transactions helped sustain operations and funded 582 jobs, alongside two ownership change transactions valued at R376 million. Overall, this diversified funding strategy reflects a deliberate balance between growth financing, new enterprise development and operational resilience.

Funding by purpose with job creation (R million)



BOARD COMMITTEE REPORTS CONTINUED

During the reporting period, Committee approvals demonstrated a strong alignment with the Corporation’s strategic priorities of inclusive growth, transformation and sustainable job creation. The significant capital deployed, coupled with measurable development outcomes, reinforces the Committee’s role in driving impactful investments that contribute meaningfully to economic development. The continued emphasis on black industrialists, black-owned businesses and underrepresented entrepreneurs reflects a steadfast commitment to transformation and long-term socio-economic progress.

Overall, the investment profile for FY2025/26 reflects a deliberate and targeted approach that balances financial sustainability with transformation objectives, while prioritising strategic interventions to stabilise and revitalise key industries such as sugar and steel, thereby safeguarding employment and supporting broader economic resilience.

Risk considerations

In fulfilling its mandate, the Committee considered the financial risks associated with each transaction as part of its investment decision-making process. Oversight of the Corporation's overall risk management framework remains the responsibility of the Board Risk and Sustainability Committee. Further information on the Corporation's risk governance framework, principal risks and mitigation measures is provided in the BRSC report (pages 99 to 100).

Strategic sector interventions

During the year under review, the Committee considered a number of transactions involving strategically important sectors of the economy, including the sugar, steel and mining industries. In doing so, the Committee sought to balance financial sustainability with the Corporation's developmental mandate, recognising the importance of preserving productive capacity, supporting industrial value chains and safeguarding employment.

Particular consideration was given to interventions relating to distressed assets within the sugar and steel sectors. These included the restructuring and recovery of Tongaat Hulett Limited and the ongoing challenges facing ArcelorMittal South Africa's long steel business. Through its consideration of such transactions, the Committee supported efforts aimed at preserving industrial capacity, protecting jobs and livelihoods, and maintaining critical value chains that contribute to South Africa's broader industrialisation objectives.

The Committee recognises that DFIs play an important role in supporting the recovery of strategically significant industries during periods of distress. As such, investment decisions continued to consider both developmental outcomes and the long-term sustainability of key sectors of the economy.

Industrial preservation and employment protection

In addition to supporting new investments and business expansion, the Committee considered a number of transactions aimed at preserving strategic industrial capacity and employment in sectors facing financial and operational distress. These interventions reflected the Corporation's commitment to supporting economic resilience, safeguarding productive assets and sustaining critical industrial value chains.

A notable example was the Committee's consideration of transactions relating to the restructuring and recovery of Tongaat Hulett Limited. The intervention sought to support the continued operation of a strategically important agricultural and industrial value chain, with the potential to preserve an estimated 250 000 jobs and livelihoods across the broader sugar industry, while also creating a platform for future growth opportunities within the emerging agro-energy sector.

The Committee also considered initiatives relating to ArcelorMittal South Africa's long steel business, recognising the importance of the steel sector to South Africa's industrial base and downstream manufacturing value chains.

Through its consideration of these transactions, the Committee supported efforts aimed at preserving industrial capability, maintaining employment and enhancing the long-term sustainability of strategically important industries.

Future focus

The Committee is currently undertaking a comprehensive review of the Delegation Matrix elements relating to its functions, to ensure the Delegation Matrix overall, once approved by the Board, aligns with the IDC operational needs and strategic goals. Additionally, the Committee continues to consider regular updates on the performance of approved transactions, allowing for ongoing assessment and timely adjustments to optimise outcomes.

Looking ahead, the Committee will focus on strengthening the investment pipeline, particularly within the SME and early-stage segments, while enhancing its deal origination and development capabilities to improve the flow of high-quality transactions. The Committee will continue to uphold robust governance and due diligence standards to ensure sound investment decisions, while maintaining a balanced approach that supports both financial sustainability and meaningful, transformative socio-economic impact.

The Committee is satisfied that it met its responsibilities for the reporting period, including reviewing transactions, ensuring compliance and monitoring performance.

Ms T Ramano
Chairperson

26 August 2026

BOARD HUMAN CAPITAL COMMITTEE

The Board Human Capital Committee (BHCC) is a standing committee of the Board, established to assist the Board with strategic direction and oversight of human capital. The Committee also provides strategic guidance and monitors the Corporation's performance against targets.

The Committee underwent changes during the period under review. At the beginning of the financial year, the Committee was established as the Board Human Capital and Nominations Committee (BHCNC); however, it was reconstituted when changes occurred at Board level, with the appointment of a new Board on 1 September 2025. The reconstitution of Board committees led to the establishment of the BHCC (responsible for the functions referred to above) and the Directors’ Affairs Committee (DAC). The DAC took over the functions of the BHCNC relating to: IDC Board skills and capacity; approval of nomination of non-executive directors to key IDC subsidiaries and major investee companies; as well as performance, salary reviews and succession planning for the CEO role. The membership of the BHCC also changed during the reporting as discussed below.

Composition and attendance

During the year under review (from 1 April to 31 August 2025), the Committee comprised five non-executive directors, including the Board Chairperson. The CEO, COO, Divisional Executive: Human Capital and Divisional Executive: Corporate Strategy were permanent invitees to committee meetings throughout the financial year, including when changes occurred in committee composition. The Committee held three meetings and one workshop.

The tables below depict members’ attendance for the reporting period:

Members	Scheduled meetings	Workshop
B Dames (Chairperson)	3/3	1/1
B Mabuza	3/3	1/1
T Orleyn	3/3	0/1
A Kriel	3/3	0/1
B Godsell	3/3	1/1

When the Board was reconstituted with new members appointed on 1 September 2025, BHCNC composition changed when the following members were appointed to the Committee: Ms A Dlodlo (Chairperson), Ms G Serobe, Mr R Barnard, Dr K Mothibeli, Ms T Cohen (see table below). It was during this period that the BHCNC was reconstituted into BHCC and DAC.

Members	Scheduled meetings
A Dlodlo (Chairperson)	1/1
G Serobe	1/1
R Barnard	1/1
K Mothibeli	1/1
T Cohen	1/1

Membership of the BHCC was revised when some members from the old Board were reappointed to the new Board on 1 November 2025 to facilitate transition and continuity from the old to new Board. The BHCC membership was revised as follows: Ms T Cohen (Chairperson), Ms G Serobe, Dr K Mothibeli and Mr A Kriel (see table below).

Members	Scheduled meetings	Workshop
T Cohen (Chairperson)	1/1	1/1
G Serobe	1/1	0/1
K Mothibeli	1/1	1/1
A Kriel	1/1	0/1

Activities and focuses

The Committee discharged its governance responsibilities in line with its mandate. The Committee reviewed its ToRs that were approved by the Board as part of the Board Governance Framework, thereby reinforcing its role in supporting effective governance. In addition, the Committee approved its AWP for FY2025/26, which sets out its key priorities and areas of focus.

With regards to monitoring the employment equity status of the Corporation, the Committee considered the progress made towards the achievement of employment equity targets against the Corporation's three-year Employment Equity Plan. In the last year of the plan, progress had been made with regards to female representation at management levels and female representation overall, as well as increasing the number and percentage of people with disabilities through greater accommodation

BOARD COMMITTEE REPORTS CONTINUED

In terms of its responsibility for performance management, the Committee reviewed the corporate plan targets and recommended them to the Board for approval. The Committee assessed the Corporation’s performance against full-year targets for FY2025/26, including how transactions contributed to its performance against KPIs. It also reviewed the corporate performance against targets for FY2026/27, with the benefit of a far more rigorous evidence based process to set targets.

The Committee engaged on the Corporation’s talent and succession plans for executive roles and considered the leadership development framework and interventions to build capability and improve the current leadership bench strength.

Annual salary adjustments for staff and executives for 2025/26 were considered and approved in line with the Corporation’s remuneration philosophy and policy.

The Committee held a workshop on the corporate culture survey conducted early in 2025, and provides oversight over the actions plans to improve corporate culture.

Future focus

In addition to its regular functions, key areas of focus for the Committee will include:

- Maintaining oversight regarding the filling of executive positions ensuring stability and capability at the most senior levels in the IDC
- Finalising the IDC Remuneration Philosophy and Policy and Employee Relations Policy to ensure that they are aligned with current trends, legislation and still fit for purpose
- Overseeing the ongoing culture transformation process underway targeted at improved staff engagement levels and high performance, while monitoring the culture shifts that have taken place
- Monitoring and providing strategic input on the Corporation's performance in relation to financial sustainability and developmental objectives.

The Committee is satisfied that it fulfilled the responsibilities in its ToRs for the reporting period.

Ms T Cohen

Chairperson

26 August 2026

BOARD SOCIAL AND ETHICS COMMITTEE

The Board Social and Ethics Committee (BSEC) is a statutory committee is constituted in terms of section 72(4) of the Companies Act, read together with Regulation 43 of the Companies Regulations, 2011, and guided by the principles of the King IV™. The Committee fulfilled its mandate during the year under review.

The Committee ensured that the Board and management considered stakeholder interests, fostered positive stakeholder relationships, embedded an ethical culture and acted responsibly in all operations. The Committee further provided oversight on the management of significant reputational risks and reinforced the IDC’s commitment to being a responsible corporate citizen.

Given the measurable impact of IDC’s financing activities and social initiatives on stakeholders, the Committee closely monitored these activities to assess their social and economic outcomes. In doing so, it safeguarded the Corporation's integrity, promoted accountability and ensured that IDC’s operations contributed positively to society, while advancing sustainable development.

Composition and attendance

During the year under review, the Committee comprised of six members, four non-executive directors and two executives. The CEO, COO and CRO attended committee meetings as permanent invitees. The Committee met six times during the year, and no special meetings were convened.

The composition of the Committee changed during the year following the appointment of a new Board. The tenure of the outgoing committee members ended on 31 August 2025, and the newly appointed members assumed office on 1 September 2025. An additional member was appointed to the Committee on 1 November 2025. The executive members’ term ended on 28 February 2026. This transition ensured continuity in governance and alignment with the Corporation’s strategic objectives.

Members	Scheduled meetings
T Orleyn (Chairperson) [#]	2/2
S Mangole [#]	2/2
PM Mthethwa [#]	0/2
A Kriel [#]	2/2

[#] Term as directors ended 31 August 2025

Members	Scheduled meetings
A Dlodlo (Chairperson)*	4/4
T Cohen*	4/4
K Mothibedi*	4/4
B Dames**	2/4
T Legodi ^{##}	4/4
D Jarvis ^{##}	4/4

* Appointed to the committee on 1 September 2025

** Appointed to the committee on 1 November 2025

^{##} Members of the committee until 28 February 2026

Activities and focuses

During the year under review:

- The Committee approved the establishment of the High-Risk Client Review Committee (HRCRC) and its ToRs. The HRCRC was established to improve operational efficiency by addressing low reputational risk matters, enabling the BSEC to focus on material and strategic oversight.
- The Committee executed its mandate by reviewing its ToR and recommending them to the Board for approval. The ToR were amended to factor in legislative changes such as the Companies Amendment Act 16 of 2024 and the governance framework such as King V™, which include expanding the scope of the BSEC and changing its composition. It also approved its AWP and monitored compliance with activities stated in the plan.
- The Committee reviewed the elements of the Delegation Matrix relevant to its work, ensuring clarity of roles and responsibilities within the governance framework.
- An annual review of the Committee’s performance was conducted, the findings of which were noted and submitted to the Board.
- A total of 20 investee companies and subsidiaries were targeted for corporate governance assessments. Committee discussions centred on partnering with the Client Support and Growth (CSG) division to strengthen portfolio monitoring and broaden the scope of governance assessments. The reviews are designed to assess compliance with statutory requirements, alignment with corporate governance best practices and the overall effectiveness of governance structures.
- The Committee noted the Corporation’s continued promotion of an ethical culture through awareness initiatives, including ethics sessions and the annual Ethics Awareness Week in November 2025. An ethics survey was conducted in November 2025. The Committee noted that the ethics survey results reflected strong commitment to integrity and accountability, while identifying opportunities for improvement in communication, leadership and staff empowerment. Out of 1 050 IDC employees, only 318 employees completed the survey. This represents 30% of the total number of employees. The results indicate that the overall organisation score is low, specifically on areas related to ethical treatment, leadership commitment and middle management commitment. Unfair people practices, conflict of interest and client relations are some of the areas of concern. There are some areas where the organisation scored well, however gaps have been identified which will assist with improving the ethical culture within the organisation. In

BOARD COMMITTEE REPORTS CONTINUED

- line with its mandate, the Committee provided oversight in managing reputational risk matters by considering the risk associated with the transaction and supporting the proposed mitigants presented in view of the high money laundering and terrorist financing.
- The Committee also approved the disclosure list of IDC-funded business partners for publishing on the Corporation’s website in line with the directive of the JSE Register. In terms of the JSE Debt Listings Requirements, the IDC is required to publish on its website a register of transactions/dealings/loans which it concluded with its Board of Directors or Prescribed Officers who are classified as Domestic and Foreign Politically Exposed Persons (D/FPEPs) during the reporting period. The IDC is also expected to attest to the negative if there are no dealings/transactions/loans concluded or offered during the reporting period.
 - Additionally, as part of its mandate, the Committee reviewed a Register of Reputationally Sensitive Litigation matters which are closely monitored to proactively manage matters which are identified as “reputationally sensitive” and pose reputational risk to the IDC.
 - The Committee reviewed a summary of forensic investigations conducted over the past year. The review included a trends analysis of the forensic findings and details of the training and awareness initiatives undertaken by Internal Audit. These sessions underscore the IDC’s unwavering commitment to maintaining integrity. Management efforts in addressing areas of improvement are acknowledged in line with the Committee’s mandate of providing oversight with implementation strategies to improve B-BBEE status. During the year under review, an annual B-BBEE audit process was completed. The IDC achieved an excellent outcome with a Level 2 B-BBEE Contributor Status without any penalty. This is a positive and significant improvement compared to the past two financial years when a Level 4 B-BBEE status was achieved. The highlight for the year was the implementation of the IDC’s Supplier Development (SD) Programme for the second year running. The overall achievement of 96.34 points on the scorecard compared with the previous year’s 92.50 points assisted the Corporation to move to Level 2.
 - The Committee considered and noted the results of the annual client experience survey received for three quarters of the 2025/26 financial year. A total of 425 clients, representing various stages within the deal development process, were selected to participate in the client experience survey. Out of 425 clients, only 156 successfully participated, resulting in an overall response rate of 37%, with participation levels varying across different stages of the process. While the response rate of 37% is moderate and uneven, the results provide credible

- insights into client sentiment and engagement patterns.
- The Committee considered and noted a report on the procurement transactions involving D/FPEPs, and Special Interest Persons (SIPs) in line with the IDC’s Risk Management and Compliance Programme (RMCP) and the Delegation Matrix.
 - During the year under review, as part of monitoring conflicts of interest, the Committee considered the online declaration process. The declaration process is a fundamental part of the IDC governance framework, ensuring transparency, accountability and compliance with policy provisions. The process is underpinned by the IDC Code of Ethics and Conflict of Interest Policy. The online declaration system was enhanced to include automated reminders to relevant approvers for any outstanding approvals.
 - The Committee considered the CSI activities of the Corporation. It was noted that the IDC is playing a crucial role to empower the disadvantaged communities and people affected by natural disasters. IDC employees also volunteered to assist our communities by dedicating their time and effort. The CSI was allocated a budget of a R45 million, of which R40.2 million was disbursed, benefiting over 23 000 individuals, with a focus on women, youth and people with disabilities in rural and peripheral communities. The key areas of support included entrepreneurship development, education and humanitarian relief.

Future focus

Looking ahead to the new financial year, the Committee will continue to discharge its mandate while strengthening reporting to enhance oversight. Key focus areas will include:

- Review of the Code of Ethics
- Review of the Conflict of Interest Policy
- Oversight of the Board’s Complaints Review Panel
- Environmental and Social Management System
- Responsible Investment Policy
- Reputation and Public Relations Management.

On behalf of the Committee, we thank you for your interest and look forward to engaging with you in the new year.

Ms A Dlodlo

Chairperson

26 August 2026

BOARD RISK AND SUSTAINABILITY COMMITTEE

The BRSC is a standing Committee of the Board established to assist the Board in discharging its responsibilities relating to risk management, compliance and the long-term sustainability of the Corporation. The Committee provides oversight of the Corporation’s risk management framework and risk appetite, financial and portfolio risks, the quality of the investment portfolio and impairments, compliance, sustainability-related risks and opportunities, and technology and information management risks. It also monitors whether material risks are being managed within the risk appetite and tolerance levels approved by the Board.

Composition and attendance

During the period under review, the Committee initially comprised four (4) non-executive directors from the former IDC Board of Directors, including the Chairperson of the Board Audit Committee (BAC). This reflected vacancies on the Board pending its reconstitution.

Following the reconstitution of the Board, five (5) newly appointed members assumed office with effect from 1 September 2025. An additional member was appointed to the Committee on 1 October 2025, resulting in a total Committee membership of six (6), including the BAC Chairperson. The Chief Executive Officer, Chief Financial Officer and Chief Risk Officer are permanent invitees to Committee meetings.

The Committee held six (6) meetings during the year, comprising four (4) scheduled meetings and two (2) special meetings.

Former members

Members	Scheduled meetings	Special meetings
PM Mthethwa (Chairperson)#	2/4	1/2
BA Dames#	2/4	0/2
A Kriel#	0/4	1/2
NP Mnxasana#	2/4	1/2

Term of office as Board of Directors ended 31 August 2025

New members

Members	Scheduled meetings	Special meetings
R Barnard (Chairperson)	2/4	1/2
A Dlodlo	2/4	1/2
Dr K Mothibeli	2/4	1/2
B Mabuza	0/4	1/2
T Ramano	1/4	1/2
Dr T Makube*	1/4	1/2

* Appointed to the Committee on 01 October 2025

Activities and focuses

During the year under review, the Committee discharged its responsibilities in accordance with its Terms of Reference and Delegation Matrix. This included reviewing the Committee’s Terms of Reference and Annual Work Plan and providing input on those sections of the Delegation Matrix relevant to its mandate.

The Committee considered a range of risk, compliance and governance frameworks and policies during the year, approving matters falling within its delegated authority and recommending others to the Board for approval. Key areas considered included:

- Enterprise and Operational Risk Management;
- Risk Appetite and Concentration Limits;
- Credit and Portfolio Risk;
- Pricing and Treasury-Related Risk;
- Regulatory Compliance;
- Information Security and Technology Risk; and
- Sustainability and ESG-related matters.

The Committee also reviewed the Corporation’s strategic risk profile and Management’s actions to mitigate identified risks. Particular attention was given to the impact of material risks on the achievement of the Corporation’s strategic objectives and financial sustainability. Portfolio oversight remained a significant area of focus. The Committee monitored the overall quality of the investment book, concentration risk and the performance of the Corporation’s non-performing loans, including consideration of the top 20 non-performing loans in coordination with the BAC where matters affected financial reporting and impairments.

The Committee continued to oversee the embedding of risk management across the Corporation and considered reporting arising from the combined assurance process. This included oversight of Management’s responses to identified control and risk-management weaknesses and the implementation of remediation actions. The Committee also monitored regulatory compliance, including the Corporation’s compliance with the Financial Intelligence Centre Act (FICA), and continued its oversight of the resilience and effectiveness of the Corporation’s technology and information environment.

Sustainability considerations continued to be incorporated into the Committee’s oversight responsibilities. This included oversight of the Corporation’s sustainability and ESG frameworks and consideration of sustainability-related risks and opportunities. The IDC commenced a phased transition towards IFRS S1 and IFRS S2 during the reporting period, with climate-related considerations forming part of the broader sustainability risk agenda.

Certain matters, including the Equity Price Risk Management Policy and Liquidity Risk Management Policy Suite, were considered but referred back to Management for further refinement. These matters will be reconsidered during FY2026/27.

BOARD COMMITTEE REPORTS CONTINUED

Future focus

During FY2026/27, the Committee will continue to strengthen its oversight of the Corporation’s principal and emerging risks. Areas of focus will include:

- Portfolio quality, non-performing loans and concentration risk;
- Financial sustainability, liquidity and funding risk;
- Regulatory compliance;
- Sustainability and climate-related risks;
- Cyber security, digitalisation and data management;
- Implementation of Management remediation plans arising from assurance activities; and
- Emerging technology risks, including Artificial Intelligence (AI), subject to the Board formally confirming the Committee’s mandate in this regard.

The Committee will also monitor the Corporation’s transition from JIBAR to ZARONIA and the associated risk-management implications ahead of the cessation of JIBAR at the end of 2026. The Committee has reviewed the risk management reporting contained in this Integrated Report and considers it comprehensive, timely and relevant. In accordance with its Terms of Reference, the Com-mittee has formed an annual opinion on the effectiveness of the Corporation’s system and pro-cess of risk management.

Having considered the reports received from Management, the Chief Risk Officer, Compliance, Internal Audit and other assurance providers, the Committee is of the opinion that the Corporation maintained an operational system and process of risk management during the year under review, which provided a reasonable basis for the identification, assessment and management of its material risks. The Committee also notes that areas requiring improvement remain and will continue to oversee the implementation and effectiveness of Management’s remediation actions during FY2026/27.

Mr R Barnard
Chairperson

26 August 2026

DIRECTORS AFFAIRS COMMITTEE

The DAC is a standing committee of the Board, established to support the Board in ensuring a transparent, fair and rigorous process for the appointment of the CEO, succession planning, director appointments and Board performance. The Committee promotes an appropriately balanced Board composition by overseeing matters relating to diversity, skills, experience and overall Board effectiveness.

The Committee further assists the Board in the oversight of governance frameworks and processes relating to the appointment of nominee directors to large investee companies and major subsidiaries. Through its work, the Committee contributes to strengthening governance practices and maintaining compliance with applicable legislative, regulatory and corporate governance requirements.

Composition and attendance

The Committee comprised of five members who are chairpersons of the various Board Committees. It is chaired by the Chairman of the Board. During the period under review, the Committee held one scheduled meeting, marking its inaugural meeting following the establishment. The CEO attends Committee meetings as a standing invitee. The table below outlines members’ attendance.

Members	Scheduled meetings
G Serobe (Chairman)	1/1
R Barnard	1/1
A Dlodlo	1/1
T Cohen	1/1
T Ramano	1/1

The Committee achieved an overall attendance rate of 100%, reflecting a strong commitment by members to discharge of their responsibilities.

Strategic activities and areas of focus

During the reporting period, the Committee successfully discharged its responsibilities in accordance with its mandate and contributed to strengthening governance structures across the Corporation.

As part of establishing and embedding the governance foundations required to execute its mandate effectively, the Committee considered and recommended its ToRs to the Board for approval. The Committee also approved its AWP for the 2026/27 financial year.

A key achievement was the approval of the Nominee Director Framework, which provides clear principles, roles and procedures for the nomination, appointment, management and rotation of IDC nominee directors on investee company boards. The framework enhances consistency, accountability and governance oversight across the Corporation’s investment portfolio.

The Committee also considered amendments to the Procedure on the Appointment of Directors to ensure continued alignment with prevailing governance, legislative and ethical requirements. These amendments are intended to support the appointment of directors who possess the skills, experience and independence required to advance the Corporation’s developmental and strategic objectives. It also considered the Board and Committee Evaluation Framework, which provides a structured approach to assessing the effectiveness of the Board, Board Committees and individual directors. The Meetings Protocol Framework was noted, supporting consistent meeting practices, improved documentation, stronger follow-up and more disciplined governance administration.

Succession planning remained an important area of focus. The Committee reviewed Board composition, capacity and effectiveness with reference to the skills, experience, independence, diversity and sectoral insight required to support effective oversight. This work assists the Board in maintaining an appropriate balance of expertise and continuity in a changing operating environment.

In addition, the Committee considered matters relating to directorships within the Corporation’s large investments and major subsidiaries. This oversight supports robust governance arrangements across the Group and promotes the appointment of suitably qualified and experienced nominee directors who can contribute to responsible stewardship and sustainable long-term outcomes.

Future focus

IDuring the 2026/27 financial year, the Committee will continue to support the Board in strengthening succession planning, Board composition and director effectiveness. Focus will be placed on maintaining an appropriate balance of skills, experience, independence and diversity, including progress against gender and race representation objectives in line with the IDC’s transformation commitments.

The Committee will also oversee the implementation of recommendations arising from the external Board performance evaluation. This will include tracking agreed improvement actions and ensuring that evaluation insights are used to enhance Board effectiveness, governance maturity and the Board’s ability to provide strategic direction and independent oversight.

The Committee is satisfied that it fulfilled its responsibilities for the reporting period and remains committed to supporting effective governance, ethical leadership and long-term value creation.

Ms G Serobe
Chairman

26 August 2026



8

CHIEF FINANCIAL
OFFICER’S REPORT



PERFORMANCE OVERVIEW



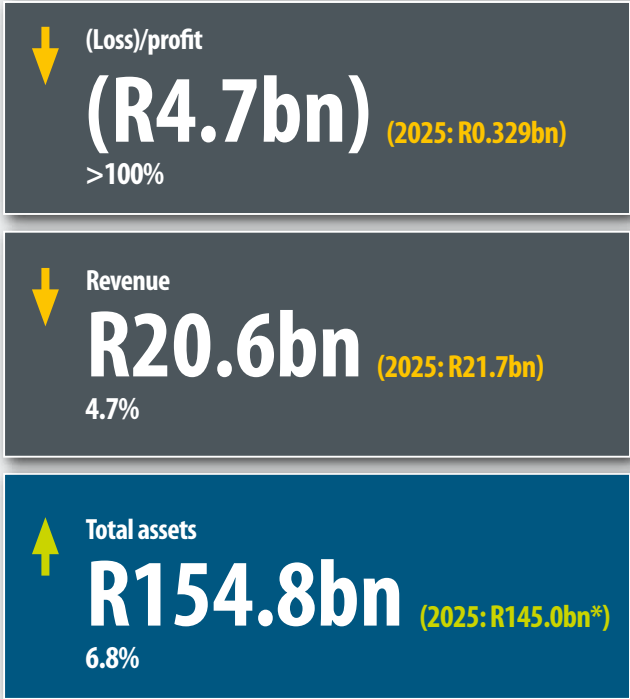
Isaac Malevu
Chief Financial Officer

The Group’s financial performance for FY2025/26 reflects the impact of constrained operating environment, while demonstrating continued capacity to preserve value and support developmental outcomes. Notwithstanding the prevailing operating challenges, the Group maintained financial resilience supported by growth in total assets, and continued to deploy capital in support of industrial development, job creation and inclusive growth.

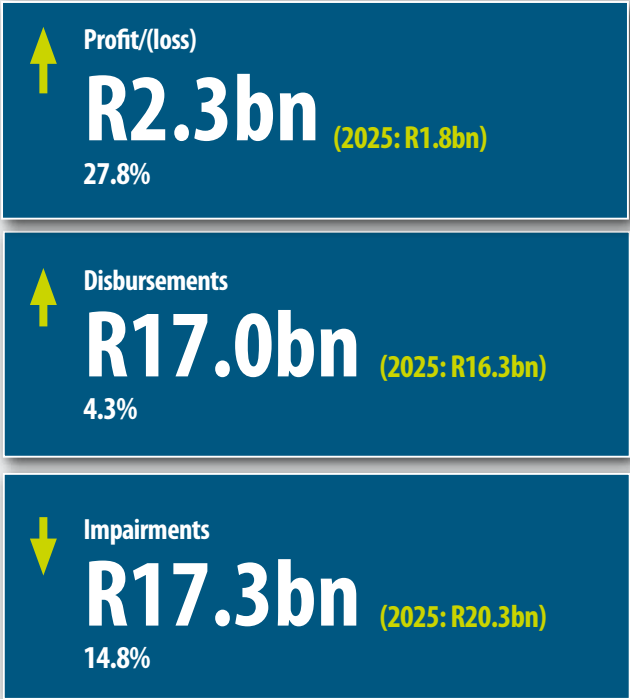
Sectors in which the IDC has significant exposure were affected by a number of sector-specific challenges, particularly in manufacturing, mining and mineral-related activities.

- Manufacturing:** The sector remained under pressure, with weak demand, softer new orders, higher input costs and logistics constraints weighing on production. This affected manufacturing-linked business partners, particularly those exposed to metals, machinery, automotive components and export-oriented value chains. The challenging operating environment was evident in the difficulties experienced by major industry players such as ArcelorMittal South Africa, reflecting the broader strain across the steel and metals value chain and its impact on downstream manufacturers and suppliers.
- Mining and mineral-related exposures:** Performance remained under pressure during FY2025/26, with the recovery in selected commodities offset by weaker demand, price volatility, logistics constraints and entity-specific challenges. The most significant impacts arose from Mozal’s placement on care and maintenance due to power supply constraints and Foskor’s continued operational and financial underperformance, both of which materially weighed on the IDC Group’s consolidated results.

IDC Group Financial Performance
Highlights – FY2025/26



IDC Company Financial Performance
Highlights – FY2025/26



* Restated

PERFORMANCE OVERVIEW CONTINUED

The Group recorded a loss of R4.7 billion for FY2025/26, compared with a profit of R329 million in FY2024/25. This outcome was mainly attributable to weaker revenue in a difficult trading environment, as well as losses and negative performance across selected subsidiaries and associates. The decline was further compounded by Mozal's impairment of R2.6 billion, following the placement of the plant on care and maintenance effective 15 March 2026 after it was unable to secure sufficient and affordable power supply beyond March 2026, which contributed materially to the Group's share of losses from associates. Foskor's continued losses also weighed on Group performance and resulted in the reversal of a R1.6 billion deferred tax asset, following the external auditors' reassessment of the recoverability assumptions. When comparing the Company profit of R2.3 billion to the Group loss of R4.7 billion, the movement is mainly attributable to subsidiary losses of R3.0 billion, net losses from associates of R1.9 billion, and the elimination of inter-company transactions of R2.0 billion.

Disbursements increased by 4.3% to R170 billion, underscoring the IDC's countercyclical role and continued commitment to supporting industrial activity, transformation and inclusive growth in a constrained economic environment.

The IDC Group's total assets increased by 6.8% to R154.8 billion in FY2025/26, mainly driven by growth in loans and advances, as well as investment securities, particularly the fair value of listed equity investments. This growth reflects the Group's continued capacity to support its developmental objectives while maintaining financial resilience.

The Corporation's debt-to-equity ratio (excluding balances of third parties) improved to 47.7% from 52.3% (restated) in the prior year. This improvement indicates a stronger capital position and provides additional headroom to support future funding requirements, manage market volatility and maintain stakeholder confidence.

At a Company level, the IDC's performance indicators for the year reflect continued focus on disciplined execution, financial resilience and support for key developmental outcomes, while strengthening organisational capability and maintaining market credibility in a constrained operating environment.

Restatement of previously published results

During the preparation of the Group's FY2025/26 annual financial statements, management identified prior period errors requiring the retrospective restatement of the 2024 and 2025 statement of financial position and statement of changes in equity and 2025 statement of cash flows in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. The restatements relate to investments in associates, investment securities/equity, and the accounting treatment of cash, loans and advances held or administered on behalf of third parties.

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.

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.

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.

A SENS announcement was issued on the date of publication of the Integrated report, advising noteholders that the audit report includes an emphasis of matter relating to the restatements. The external auditors have provided an unmodified audit opinion.

Assessment of the control environment

In line with the BAC report, management is committed to strengthening the control environment through the implementation of targeted remediation and enhancement initiatives. These include capacity interventions within the Finance function and enhancements to the financial statement close and reporting process to improve efficiency, accuracy and control effectiveness.

Further details on the control environment assessment are addressed in the BAC report on page 87.

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.

PERFORMANCE OVERVIEW CONTINUED

Statements of profit or 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 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 activities¹		(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 note¹	14	13 486	15 074	13 159	15 064

¹ Restated, refer to Note 36.

Quality of earnings

At Group level, the FY2026 loss of R4.7 billion compared to the Company profit of R2.3 billion was primarily driven by Foskor's after-tax loss of R2.8 billion and losses from associates of R1.9 billion.

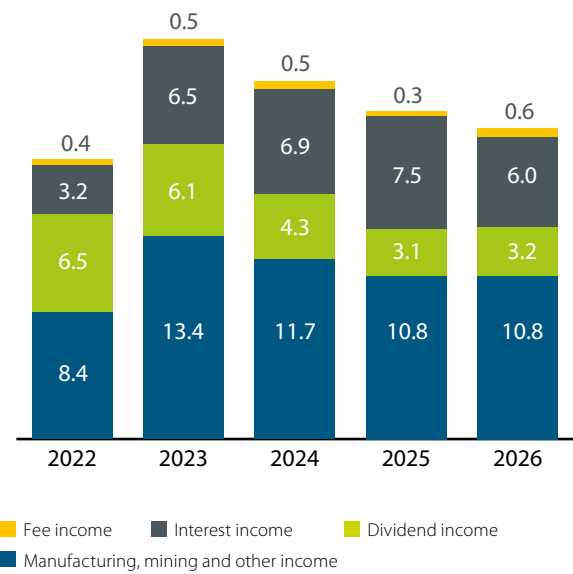
At Company level, FY2026 earnings demonstrate the resilience of IDC's portfolio and improved reported profitability; however, earnings quality was materially influenced by non-cash items. Profit before tax of R3.9 billion included approximately R1.1 billion in unrealised fair value gains and a R2.3 billion reduction in the ECL charge, highlighting that a significant portion of reported earnings did not translate into cash inflows during the year.

Over the past five financial years, the Corporation's revenue has declined, reflecting pressure on its traditional revenue-generating activities. Dividend income has largely been influenced by the commodity cycle, logistical and other entity specific operational challenges. The declining interest rate cycle has also been a contributing factor to the steady decline in interest income.

Management remains focused on improving cash realisation, collections, liquidity and earnings quality, while supporting sustainable long-term growth and developmental impact.

PERFORMANCE OVERVIEW CONTINUED

Group revenue R'bn



Subsidiary and associates performance

The performance of IDC’s subsidiaries and associates reflected the challenges of a difficult economic environment, with lower export volumes, operational disruptions and sustained cost pressures weighing on their overall profitability. The Group results were mainly impacted by losses reported by Foskor, selected subsidiaries and equity-accounted associates, partly offset by consolidation adjustments and tax effects.

Foskor’s FY2025/26 results remained under significant pressure and materially affected the IDC Group’s consolidated performance. The company reported a loss of R2.8 billion, compared to a loss of R277 million in FY2024/25, while revenue declined by 6.8% to R9.0 billion in FY2025/26. The sustained losses also resulted in the reversal of a R1.6 billion deferred tax asset, following the external auditors’ reassessment of the recoverability assumptions, further weighing on Group. The deterioration was driven by operational disruptions, including flood-related mine closures, lower fertiliser and acid sales, ageing infrastructure, energy-intensive operations and sustained cost pressures. IDC Management continues to monitor Foskor closely, including progress on recovery plans and sustainability initiatives aimed at improving operational resilience.

The Group’s performance was most notably affected by the deterioration in Foskor and the significant losses arising from Mozal, with additional pressure from selected subsidiaries, including Celrose and Prilla. Foskor’s losses and the reversal of its deferred tax asset weighed on consolidated performance, while Mozal’s placement on care and maintenance resulted in a material impairment and a significant equity-accounted loss.

Equity-accounted investments were a significant contributor to the Group’s FY2025/26 loss. Associates recorded an equity-accounted loss of R1.9 billion, mainly due to Mozal’s R2.6 billion loss after the plant was placed on care and maintenance from 15 March 2026. This followed Mozal’s inability to secure sufficient and affordable power supply beyond March 2026, resulting in an impairment of its cash-generating unit. The impact of Mozal’s loss was partly offset by a R716 million reversal of the impairment of investments in associates.

Overall, the performance of subsidiaries and associates reflects the continued impact of sector-specific pressures, operational constraints and market volatility on the Group’s investment portfolio. Management will continue to exercise active oversight over these investments, with a focus on stabilising underperforming entities, strengthening operational resilience and improving the quality of earnings over time. These actions remain central to protecting value, supporting long-term financial sustainability and ensuring that the Group’s portfolio continues to contribute meaningfully to the IDC’s developmental mandate.

Non-performing loans, impairments and write-offs

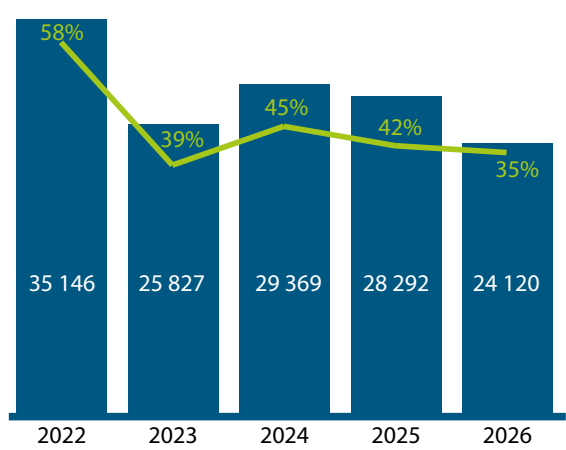
The Corporation continued to strengthen the quality of the loan book through active portfolio monitoring, targeted interventions on distressed exposures and disciplined origination of new business. The non-performing loan (NPL) ratio improved to 35.1% in FY2025/26, representing R24.1 billion (FY2024/25: 41.7% representing R28.3 billion). The improvement was supported by enhanced collections, restructurings, settlements and write-offs on non-recoverable exposures.

However, the credit risk remains elevated because the improvement is largely driven by write-offs of legacy transactions, where recovery prospects are low. Gross write-offs remain a key concern at R5.7 billion, an improvement from FY2024/25’s levels of R7.3 billion. The Corporation’s adequate write-off provisioning has cushioned the net write off impact to net profit to the year, to R1.1 billion in FY2025/26, which was slightly higher than R508 million in FY2024/25.

Impairments remained elevated at R173 billion but an improvement compared to FY2024/25 of R20.3 billion, reflecting continued stress in selected sectors, weak trading conditions among certain business partners, operational and liquidity pressures, and lower recoverability expectations on distressed exposures.

Management has intensified efforts to contain credit losses through early identification of risk, enhanced collections, restructurings, payment arrangements, partial settlements and, where appropriate, write-offs. These interventions are aimed at preserving value, improving recoveries and strengthening the overall quality of the asset base.

NPL trend, R'million



Group asset base

Total assets increased by 6.8% to R154.8 billion, supported primarily by an R11.7 billion recovery in fair value adjustments on listed equity investments, largely driven by stronger valuations in Sasol and BHP.

- **Sasol** (R7.9 billion) as the share price was highly correlated with Brent crude oil prices, which spiked sharply due to the escalating Middle East conflict involving the US, Israel and Iran.
- **BHP** (R3.9 billion) increased year-on-year due to a combination of stronger commodity prices, standout copper performance and improving China and India demand outlook.

The fluctuation in the fair value underscore the urgency of diversifying IDC’s portfolio to mitigate sectoral concentration risk. The Corporation is actively pursuing reallocation strategies to stabilise its investment base and shield performance from cyclical downturns in the resources sector.

More information can be found on our financial sustainability on page 38 of the Integrated Report.

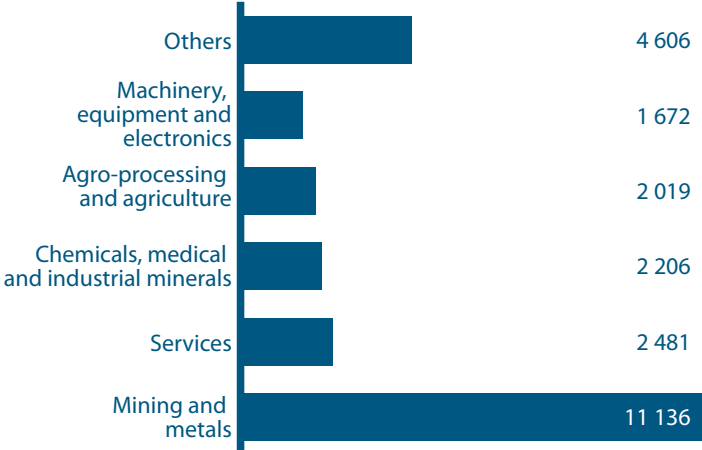
Asset growth was further supported by higher loans and advances and increases in the fair value of listed and unlisted equity investments, partly offset by lower cash due to higher disbursements, bond repayments and provisional tax payments.

Borrowings and funding model

The IDC primarily funds its business operations through a combination of income generated from its lending, investment in equities, divestment from mature equity investments, and domestic and international borrowings.

Detailed information can be found on the Integrated Report on page 14.

NPL per SBU as at 31 March 2026, R'million



The IDC’s total borrowings increased modestly by 0.4% to R31.2 billion in FY2025/26, compared with R31.1 billion in FY2024/25, supported by strong liquidity access and capital market participation. During the year, the Corporation raised R8.4 billion in borrowings, primarily through R6.7 billion in bonds, with a further R216 million drawn from committed facilities. As part of its debt management strategy, R1.5 billion of maturing debt was refinanced. Total repayments amounted to R7.4 billion, with bonds accounting for 41%, DFIs for 24% and banks for 35%. This resulted in net borrowings of R1.0 billion. The IDC’s funding strategy is supported by its Sustainable Bond Framework, which enables the issuance of green, social, sustainability and transition bonds. Aligned with ICMA principles, the Framework strengthens governance, transparency, reporting and investor confidence while supporting the Corporation's development mandate.

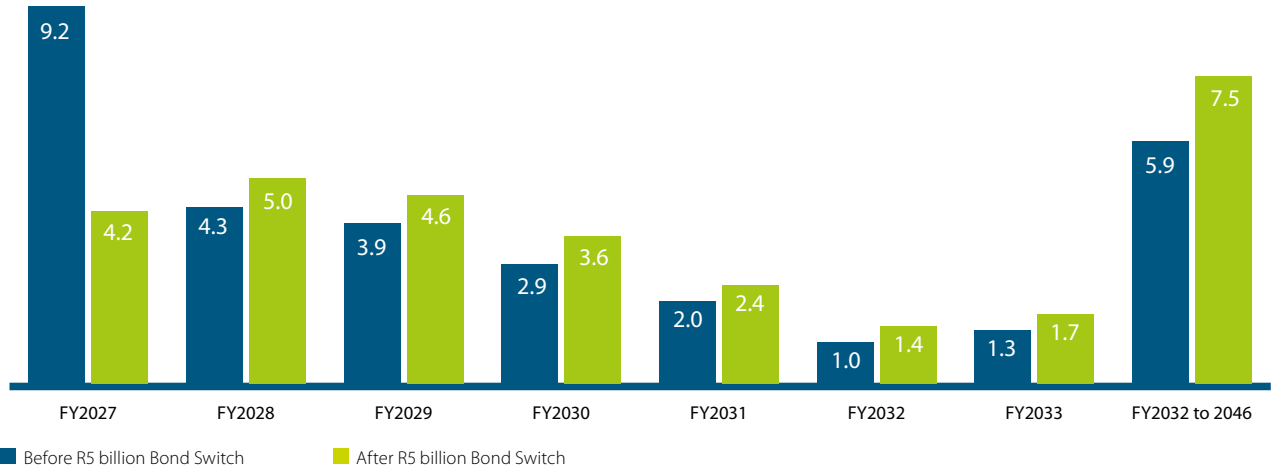
The Corporation’s debt-to-equity ratio (excluding balances of third parties) has remained resilient at 47.7% (FY2024/25: 52.3% (restated)). This is below the Corporation’s sustainability guideline of 60%. The Corporation remains vigilant in managing its gearing to preserve financial flexibility while funding its developmental commitments.

FY2026/27 scheduled principal debt maturities amount to R4.2 billion, excluding the R5.0 billion privately placed bond refinancing transaction due. The R5.0 billion exposure is being addressed through a proposed refinancing and switch into amortising tranches of R1.0 billion over three years and R4.0 billion over ten years. The transaction is at an advanced stage and is expected to be concluded within the required timeframe, supporting funding stability and adequate liquidity. The resulting capital repayments have been incorporated into the relevant future debt service projections.

Accordingly, the Corporation's debt maturity profile remains manageable and well-distributed, supported by the successful execution of the refinancing, the maintenance of prudent liquidity buffers, and continued access to diversified domestic and international funding markets.

PERFORMANCE OVERVIEW CONTINUED

IDC debt maturities - excluding interest and balances of third parties



Irregular expenditure

Reconciliation of irregular expenditure

Figures in R'000	Group		Company	
	2025/26	2024/25	2025/26	2024/25
Opening balance	32 037 984	27 574 813	33 289	33 062
Add: Irregular expenditure confirmed	4 461 364	4 463 171	1 930 231	227
Closing balance	36 326 647	32 037 984	1 963 521	33 289

a) Reconciling notes to the annual financial statement disclosure

Figures in R'000	Group		Company	
	2025/26	2024/25	2025/26	2024/25
Irregular expenditure for the current year	4 461 364	4 463 171	1 930 231	227
Total	4 461 364	4 463 171	1 930 231	227

b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)

Figures in R'000	Group		Company	
	2025/26	2024/25	2025/26	2024/25
Irregular expenditure under assessment	7 771	–	7 771	–
Total	7 771	–	7 771	–

At Group level irregular expenditure remained unchanged at R4.5 billion in FY2025/26 (FY2024/25: R4.5 billion).

From October 2020, subsidiaries became fully subject to the requirements of the PPPFA where previously they were exempt. As IDC assumes responsibility for entities in which it acquires a controlling interest, compliance with the PPPFA became mandatory. However, the operating environments and market conditions of certain subsidiaries have created challenges in achieving full compliance while maintaining commercial competitiveness.

Foskor accounted for R2.5 billion of the Group's irregular expenditure. This primarily relates to legacy contracts entered under procurement exemptions and deficiencies in procurement delegations relating to the acquisition of raw materials. A significant portion of the irregular expenditure balance accumulated in prior years is expected to be reduced pending the condonation process.

At Company level, irregular expenditure increased significantly to R1.9 billion in FY2025/26, compared to R0.227 million in FY2024/25. The increase is mainly attributable to the recognition of approximately R1.9 billion relating to loan and advance write-offs identified during the year as potentially not complying with applicable legislative and regulatory requirements. Consequently, these transactions have been classified as irregular expenditure. Management has engaged National Treasury to obtain clarity on the interpretation and application of the irregular expenditure definition in relation to these transactions. Accordingly, the final classification remains subject to the outcome of National Treasury's review.

No fraud, corruption, financial loss, or evidence of intentional misconduct has been identified in respect of the irregular expenditure reported.

Outlook

Looking ahead, the Group remain focused on restoring sustainable profitability while preserving its developmental impact. This will be achieved through disciplined capital allocation, enhanced revenue generation, managing down impairments, prudent funding management and continued strengthening of the portfolio.

Management will continue to protect the quality of the asset base by intensifying active portfolio monitoring, strengthening collections and recoveries, and ensuring early identification of risk across the investment portfolio. Targeted interventions will be prioritised for distressed exposures, supported by robust impairment management and a sharper focus on risk-adjusted returns.

The Corporation will continue to direct its strategic investments towards industrialisation, job creation and inclusive growth. For details on strategic initiatives refer to page 32 of the Integrated Report.

Basis of presentation

This report has been prepared with reference to the audited annual financial results of the IDC Group FY2025/26. Financial information is presented in South African Rand, in millions and has been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). Where applicable, comparative information for FY2024/25 has been restated to ensure consistency and comparability. Key financial ratios and balances are presented on a consolidated Group basis and should be read in the context of the Group's overall financial performance and position.

Management has applied appropriate review and governance processes to ensure that the information presented provides a fair and balanced view of the IDC Group's financial position, performance and operating context for the year under review.

Materiality has been addressed in detail in the Integrated Report on page 46.

Appreciation

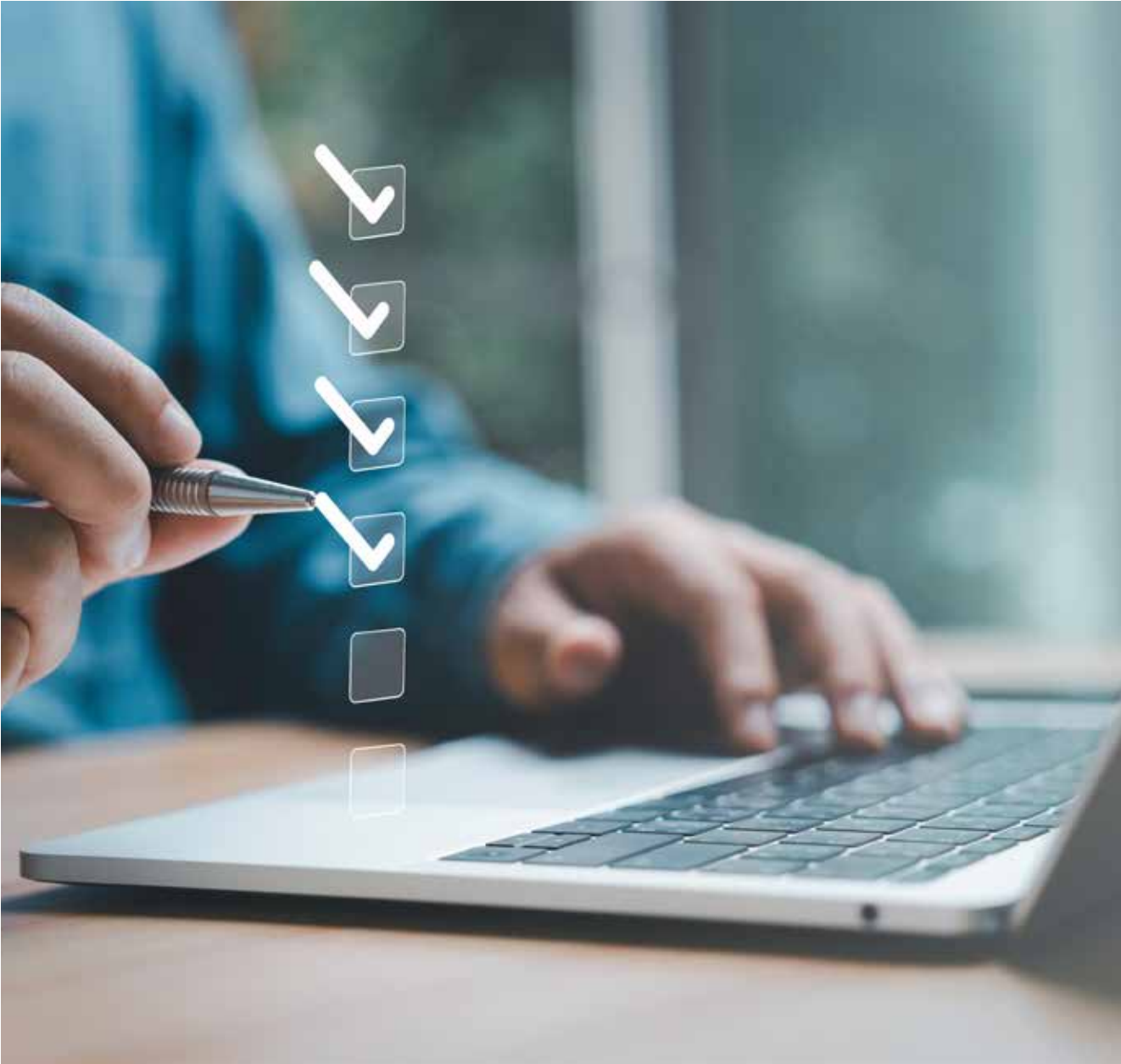
As the Corporation continues to play a fundamental role in South Africa's industrial development agenda, its ability to deliver on its mandate remains anchored in the dedication, expertise and resilience of its people. In a year shaped by a challenging and evolving operating environment, the collective commitment across the organisation enabled the IDC to sustain its focus on financial stewardship, development impact and long-term value creation.

I extend my sincere appreciation to the Executive Management, Financial Management team and colleagues across the Corporation for their professionalism, diligence and continued contribution during the year under review. Their efforts have strengthened the integrity of our financial reporting, supported sound financial management and contributed to the IDC's ability to create, preserve and protect value for its stakeholders.

I also wish to thank the Chairman of the Board, the Board Audit Committee and all Board members for their guidance, oversight and continued support. Their leadership has been invaluable in reinforcing governance, accountability and stakeholder confidence as the IDC advances its developmental mandate and responds to the opportunities and challenges ahead.

Isaac Malevu
Chief Financial Officer

26 August 2026



INDEPENDENT ASSURANCE PRACTITIONER’S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

To the Directors of the Industrial Development Corporation of South Africa

Report on selected key performance indicators

We have undertaken a limited assurance engagement on selected sustainability key performance indicators (selected KPIs), as described below and presented in the Integrated Report of the Industrial Development Corporation of South Africa (“IDC”) for the year ended 31 March 2026 (the Report). This engagement was conducted by a multidisciplinary team including specialists with relevant experience in sustainability reporting.

Subject matter

We have been engaged to provide limited assurance conclusion on the following selected KPIs marked with a “LA” on the relevant pages in the Report. The selected KPIs below have been prepared in accordance with IDC Reporting guidelines “(Reporting Criteria)” as set out on page 116 of the IDC Integrated Report.

Material matter	Key performance indicator	Unit of measurement	Boundary
 Human capital	Talent Retention (voluntary turnover rate of individuals in critical roles)	%	IDC Ltd
	Leadership index (360 leadership survey)	Number	IDC Ltd
 Socio-economic development	Number of Social and Solidarity economic enterprises and initiatives funds approved	Number	IDC Ltd
	Value of Social and Solidarity economic enterprises and initiatives funds approved	Rands	IDC Ltd
	Number of workers’ and community funds approved	Number	IDC Ltd
	Social and solidarity economic enterprises and initiatives funds disbursed	Rands	IDC Ltd
	Workers’ and community funds disbursed	Rands	IDC Ltd
 Environment	Scope 1 Carbon emissions	tCO ₂ e	IDC Sandton Office
	Scope 2 Carbon emissions	tCO ₂ e	IDC Sandton Office
	Scope 3 Carbon emissions (Financed emissions)	Kt CO ₂ eq	IDC Ltd
 Client expectations	Customer satisfaction index (scale of 1-10)	Number	IDC Ltd
	Percentage of application where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 64 business days for non-complex transactions and 180 days for complex transactions (excluding projects, time waiting for client and days between ECIC approval and BIC/Board submissions)	%	IDC Ltd
 Partnerships	Spend on corporate memberships	Rands	IDC Ltd
 Governance, risk and compliance	Percentage of employees who completed training on anti-corruption policies and procedures	%	IDC Ltd
	Percentage of employees who completed the on-line staff declarations	%	IDC Ltd

INDEPENDENT ASSURANCE PRACTITIONER’S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS CONTINUED

Directors’ responsibilities

The Directors of IDC are responsible for the selection, preparation, and presentation of the selected KPI’s in accordance with the accompanying IDC reporting criteria. This responsibility includes the identification of stakeholder and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal controls relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPI’s and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality, and the accuracy of data are subject to individual assumptions and judgments. We will not conduct any work outside of the agreed scope and therefore restrict our conclusion to the assurance objectives set out herein.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (“IRBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. 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 apply International Standard on Quality Management 1: Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion that the selected KPIs are prepared, in all material respects, in accordance with IDC reporting criteria. Our engagement will be performed in accordance with ISAE 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 is an overarching assurance standard which addresses all assurance engagements (both reasonable and limited) other than audits or reviews of historical financial information. The ISAE 3000 Standard requires us to plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the measurement of the selected KPIs and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor’s professional judgement, including the assessment of the risks of material misstatement of the selected KPIs, whether due to fraud or error.

A limited assurance is a lower level of assurance, conducted in accordance with ISAEs, but is not a guarantee that it will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 subject matter information.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

In a limited assurance engagement, our engagement does not constitute an audit or review performed in accordance with the International Standards on Auditing or International Standards on Review Engagements and consequently an audit opinion or review conclusion will not be expressed. We shall not be responsible for reporting on any transactions beyond those covered by our limited assurance engagement. As part of an assurance engagement in accordance with ISAEs, we exercise professional scepticism throughout the engagement.

Given the purpose of the engagement, in performing the procedures listed above, we:

- Made enquiries with management to obtain an understanding on how the subject matter information was prepared, the internal controls environment, and information systems relevant to the sustainability reporting process.
- Performed walkthroughs of the systems, processes, and controls to collate, aggregate, validate and reported data.
- Reviewed information provided by third parties where applicable and make additional enquiries where necessary.
- Inspected supporting documentation on a sample basis and performed procedures to verify management’s reporting processes against the reporting criteria.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by management in the preparation of the selected sustainability information.
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at IDC.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express any reasonable assurance opinion about whether IDC selected KPIs have been prepared, in all material respects, in accordance with the accompanying IDC reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected key performance indicators as set out in the Subject Matter paragraph above for the year ended 31 March 2026 are not prepared, in all material respects, in accordance with the reporting criteria.

Other matters

Our report includes the provision of limited assurance on social and solidarity economic enterprises and initiatives funds disbursed and workers’ and community funds disbursed. We were previously not required to provide assurance on these selected KPIs.

The maintenance and integrity of IDC website is the responsibility of IDC management. Our engagement and procedure did not involve the consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of presentation on the IDC website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of IDC in accordance with the terms of our engagement and for no other purpose. We do not accept or assume liability to any party other than IDC, for our work for this report, or for the conclusion we have reached.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

S Dolamo

Director

Registered Auditor

26 August 2026

Wanderers Office Park

52 Corlett Drive

Illovo, 2196



IDC KPIs **CRITERIA**

KPI no.	KPI	Definition
1	Customer Satisfaction Index (Scale 1–10)	Measures how satisfied customers are with the IDC’s products, services, or overall experience.
2	Leadership Index (360 Leadership Survey)	Measures the aggregated performance of a leader across multiple leadership dimensions in the IDC operations.
3	Number and value of Social and Solidarity economic enterprises and initiatives funded	Measures the total count of IDC social and solidarity economic enterprises and related initiatives that have been supported through funding.
4	Social and Solidarity economic enterprises and initiatives disbursed	Measures the total value of funds disbursed by the IDC during the reporting period to approved Social and Solidarity Economy initiatives.
5	Workers’ and community trust disbursed	Measures the total value of funds disbursed by the Industrial Development Corporation (IDC) during the reporting period through the Employee Realisation of Benefits Project (EROP) to procure approved assets or services on behalf of Workers’ and Community Trusts.
6	Number of approved workers’ and community trust	Measures the IDC’s commitment to fostering broad-based and inclusive development through its investment activities.
7	Percentage of application where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 64 business days for non-complex transactions and 180 days for complex transactions (excluding projects, time waiting for client and days between EIC approval and BIC/Board submissions)	Measures the efficiency and effectiveness of the process from the receipt of an application to the signing of legal agreements within predefined service time standards.
8	Percentage of employees who completed the communication and training on anti-corruption policies and procedures	Measures the IDC’s commitment to anti-corruption and ethical practices. This measures the proportion of employees within the IDC who have successfully participated in and completed programs designed to educate them about anti-corruption policies, ethical behaviour, and compliance procedures.
9	Scope 1 carbon emissions	IDC’s direct emissions from their owned fleet petrol and diesel, diesel from generators and refrigerant gases.
10	Scope 2 carbon emissions	IDC’s indirect emissions from electricity consumption at the Head Office.
11	Scope 3 financed emissions	IDC’s indirect emissions from investments quantified based on the IDC’s Top-Down Methodology.
12	Talent Retention (Voluntary Turnover Rate of Individuals in Critical Roles)	Measures the percentage of employees in strategically important or business-critical roles who voluntarily leave the organisation within a specific time period.
13	Corporate Membership Spend	Rand value spend on IDC’s formal affiliation with a professional, industry, business, or development organisation through the payment of annual membership fees.
14	Percentage of employees who completed the annual on-line staff declarations	The proportion of eligible employees within the IDC who have successfully submitted their required declarations through the designated online platform within the specified reporting period.

ABBREVIATIONS

Abbreviation	Full term
AfCFTA	African Continental Free Trade Area
AGM	Annual General Meeting
AI	Artificial Intelligence
AWP	Annual Work Plan
B-BBEE	Broad-Based Black Economic Empowerment
BAC	Board Audit Committee
BDO	BDO South Africa
BHCC	Board Human Capital Committee
BHCNC	Board Human Capital and Nominations Committee
BIC	Board Investment Committee
BP	Business partner
BRSC	Board Risk and Sustainability Committee
BSEC	Board Social and Ethics Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRAD	Compliance and Regulatory Affairs Department
CRO	Chief Risk Officer
CSI	Corporate social investment
DAC	Directors’ Affairs Committee
DFI	Development finance institution
DO	Development outcome
DRC	Democratic Republic of the Congo
dtic	Department of Trade, Industry and Competition
ECIC	Export Credit Insurance Corporation of South Africa
ECL	Expected credit loss
ESG	Environmental, social and governance
ESRG	Environmental, social, resilience and governance
EU	European Union
EUR	Euro
EV	Electric vehicle
FICA	Financial Intelligence Centre Act
FY	Financial year
GDP	Gross domestic product
GHG	Greenhouse gas
GW	Gigawatt
HRCRC	High-Risk Client Review Committee
IDC	Industrial Development Corporation*

Abbreviation	Full term
IDC Act	Industrial Development Corporation Act 22 of 1940, as amended
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures
IP	Intellectual property
IRBA	Independent Regulatory Board for Auditors
ISAE 3000	International Standard on Assurance Engagements 3000
IT	Information technology
JET-IP	Just Energy Transition Investment Plan
JSE	Johannesburg Stock Exchange
KfW	KfW Development Bank
King IV	King IV Report on Corporate Governance for South Africa
King V	King V Report on Corporate Governance for South Africa
KPI	Key performance indicator
LA	Limited Assurance
MM	Material matter
MTDP	Medium Term Development Plan
MW	Megawatt
NDP	National Development Plan
NEV	New energy vehicle
NPL	Non-performing loan
OEM	Original equipment manufacturer
PCAF	Partnership for Carbon Accounting Financials
PFMA	Public Finance Management Act 1 of 1999, as amended
PGM	Platinum group metal
PPPFA	Preferential Procurement Policy Framework Act
PRECCA	Prevention and Combating of Corrupt Activities Act
PSA	Public Servants’ Association
R	South African rand
RA	Reasonable Assurance
RICA	Regulation of Interception of Communications and Provision of Communication-related Information Act
SA	South Africa
SA-H2	South Africa Hydrogen Fund

* Throughout this document, references to “IDC” or “the Company” denote Industrial Development Corporation of South Africa SOC Limited. Where the term “Group” is used, it refers to the Company together with its subsidiaries.



ABBREVIATIONS CONTINUED

Abbreviation	Full term
SADC	Southern African Development Community
SD	Supplier Development
SDG	Sustainable Development Goal
SENS	Stock Exchange News Service
SEZ	Special economic zone
SME	Small and medium enterprise
SMME	Small, medium and micro enterprise
SOE	State-owned enterprise
SR	Strategic risk
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
UIF	Unemployment Insurance Fund
USD	United States dollar

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Emalahleni

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Kimberley

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