

ANNUAL **RESULTS 2026**

For the year ending 31 March



Presentation to Portfolio Committee on Trade, Industry and Competition

10 November 2026

85 YEARS

IDC
Industrial Development Corporation

Agenda

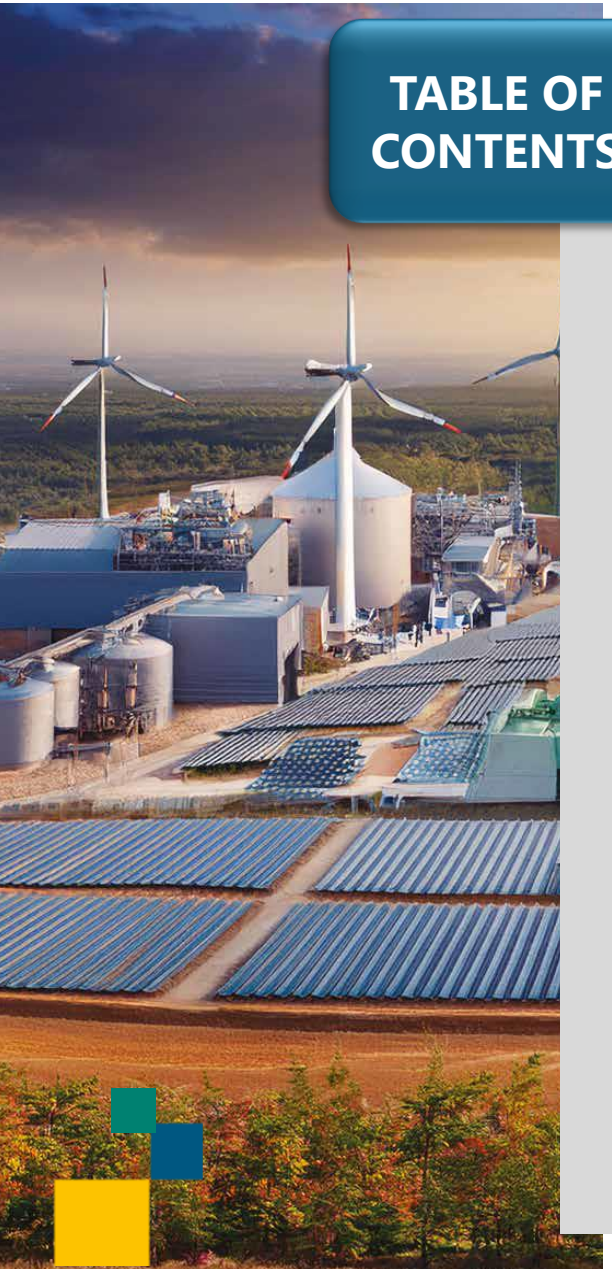


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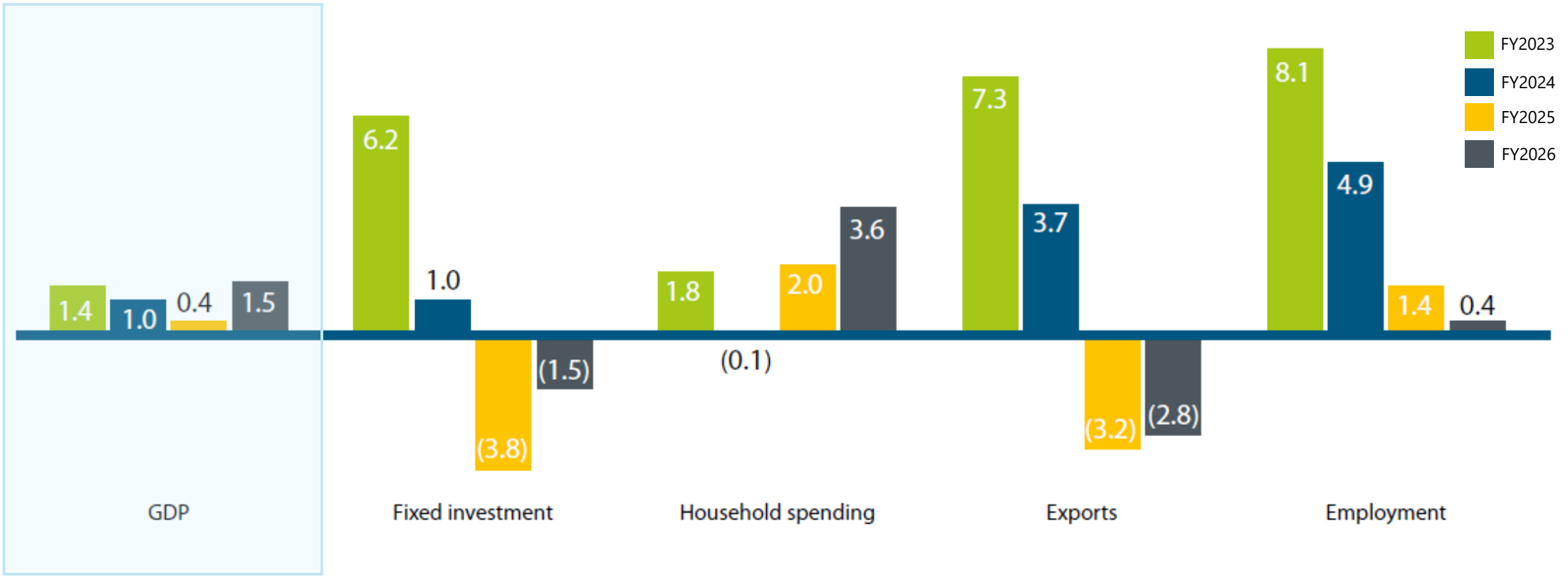
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OPERATIONAL PERFORMANCE FY2025/26



1. OPERATING ENVIRONMENT

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



A challenging environment required resilient execution

2. EXECUTIVE PERFORMANCE OVERVIEW

Resilient delivery on outcomes and financial performance

Total Assets (Company)

R166.8 bn

⬆ 8.2%

(2024/25: R154.2 billion)

Profit After tax (Company)

R2.3 bn

⬆ 27.8%

(2024/25: R1.8 billion)

Total Equity (Company)

R98.6 bn

⬆ 9.6%

(2024/25: R90.0 billion)

Cost-to-Income Ratio (Company)

25.3%

⬇ -17.9%

(2024/25: 30.8%

A stronger Company financial position provides capacity to deliver the mandate

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FY2025/26 Performance: progress, gaps and management response

Performance Delivered	Performance Gaps	Management Response	Progress since Year-End
R17.0bn disbursed	Exports declined	Deal-process redesign	Approvals accelerated
R1.3bn to SMMEs	Transformation funding declined	Executive transaction oversight	Turnaround performance improved
71,228 jobs supported	Crowding-in declined	Portfolio recovery and restructuring	NPL trajectory marginally improved
NPL ratio improved to 35.1%	NPL level remains elevated	Pipeline rebuilding	Stronger investment mobilisation

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KPI PERFORMANCE STRENGTHS AND GAPS



FY2026 performance was resilient

Audited FY2026 results across 17 primary KPIs

47%

8 of 17 achieved exceed target

Context: IDC met or exceeded its Exceed performance targets (3.5 score) on 8 of the 17 KPIs (47%). When measured against the base target (3), the IDC achieved 12 of 17 KPIs (71%).

Movement versus FY2025 **(Some KPIs have not been included on the comparative analysis due to changes in the assessment basis over the two years in question)**

Development Effectiveness

- **On-balance disbursements** R16.3bn → R17.0bn ▲
- **Off-balance disbursements** R2.9bn → R5.7bn ▲
- **Funding Crowded-in** R31.1bn → R28.0bn ▼
- **Exports generated** R7.4bn → R4.8bn ▼
- **Transformation Funding Disbursed** R3.8bn → R3.5bn ▼
- **Funding Disbursed to SMMEs** R411m → R1.3bn ▲
- **Jobs to be created and saved** 15 732 → 71 228 ▲
- **Work Opportunities (SEF & Other)** 45 673 → 53 346 ▲
- **Electricity Generation Capacity (MW)** 553 → 1085 ▲

Financial Sustainability

- **Impairments Ratio (%)** 30.6% → 30% ▼
- **NPL Ratio (%)** 41.7% → 35.1% ▼
- **Growth in Reserves (%)** -9.8% → 8.8% ▲

Internal Processes & Learning and Growth

- **Turnaround Times (%)** 57.4% → 57.1% ▼
- **Culture Entropy Score** 50% → 40% ▲

Key takeaway: Year-on-year gains were noticeable across most of the indicators. On-balance disbursements rose 4.3%, while off-balance disbursements grew 96.6% and SMME funding increased 216.3%. Jobs to be created rose 352.8%, work opportunities 16.8% and electricity capacity 96.2%, signalling greater delivery scale. However, exports fell 35.1%, transformation funding 7.9% and funding crowded-in 10.0%, showing that progress did not extend across all development measures. Credit-quality ratios improved: impairments fell 0.6 percentage points to 30.0% and NPLs fell 6.6 points to 35.1%, although portfolio risk remains material.

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Programmes delivered at scale in a challenging environment

Programmes and partnerships supported jobs and broadened SMME reach. Market and pipeline constraints, alongside prudent risk decisions, shaped delivery.

01 Programmes and partnerships enabled scale

Employment programmes supported jobs and work opportunities. Wholesale and intermediated lending broadened SMME reach, while existing channels drove off-balance funding. Through programmes and partnerships, the IDC supported the creation of 71 228 of jobs and 53 346 work opportunities.

02 Market and pipeline constraints limited delivery

Weak investment, manufacturing pressure, trade and market-access uncertainty constrained exports. Limited pipeline depth and slow conversion held back SEZ disbursements. Transformation-linked on-balance sheet disbursements achievement a similar level as the prior year

03 Prudent risk decisions reduced jobs saved

Avoiding further highly distressed transactions protected credit quality but reduced recognised jobs saved.

Financial resilience held, while execution barriers slowed delivery

Lasting development impact depends on faster, broader and more predictable execution.

Supporting financial resilience

Active portfolio management

Monitoring and disciplined credit oversight helped contain impairments and non-performing loans. Exposure remained concentrated in a few large business partners.

Improved portfolio resilience and value preservation

The growth in reserves reflected an improved portfolio resilience and value preservation. The Corporation maintained financial sustainability while continuing to support development finance in a challenging environment.

Constraining execution

Turnaround times of closing transactions

Extended transaction closure timelines were driven by multiple process hand-offs, delays in receiving required client information, and the complexity of deal structuring.

Unfavorable market conditions

Weak domestic and export demand, high operating costs, import competition, logistics inefficiencies and global trade uncertainty constrained business performance across most sectors supported by IDC.

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REMEDIAL ACTIONS UNDERWAY



Remedial Actions - Operations

Strengthening Client Experience and Operational Performance

Culture intervention

- Cultural entropy has reduced from **50% to 40%**, while the group culture score improved from **15 to 19.**

Efficiency and transaction turnaround

- **All-Hands-On-Deck**
- Redesign and digitalisation of the end-to-end deal-development process
- Earlier in the year, **80% of approved transactions were completed within the OPS turnaround thresholds**. For the first half of this financial year, **34 of 38 transactions, or 89%, were within the thresholds**, with only four exceeding them.

Process redesign and digitalisation

- The **end-to-end redesign** aimed at process simplification, standardisation, Microsoft Dynamics automation etc.
- The **future-state design** for earlier escalation and improved tracking of client applications.

Improved complaints management

- Complaints are increasingly being treated as a source of management insight rather than simply individual cases requiring resolution.
- The latest client-experience reporting shows that complaints reduced from **28 to 20** compared with the corresponding half-year period.

Supporting SMEs and improving rural coverage

- IDC is strengthening its SME and rural development approach through a differentiated, partnership-led and place-based model.In rural areas, the focus is shifting from individual transactions to building sustainable regional economic ecosystems around local strengths and partnerships.

IMPACT

The interventions are beginning to show tangible results.

- Gross approvals reached **R23.8 billion**, expected jobs increased to **8,896**, and **89% of approved transactions were processed within the operational turnaround thresholds**.
- The principal focus for the second half is now to **convert this stronger approval pipeline into signed agreements, cleared conditions precedent and disbursements**, while accelerating areas where performance remains weaker, particularly women and youth funding and exports.

Remedial Actions – Post-Year-End Progress

Significantly stronger mobilisation of investment

One of the clearest improvements is in the scale of funding invested in the economy. **In Q2 FY2027, total funds invested reached R17.864 billion, up from R5.081 billion in the same period last year**—an improvement of 252%.

Employment outcomes have improved materially

Last year's Q2 position reflected **4,182 jobs created and saved**. By Q2 FY2027, IDC reported **6,814 jobs expected to be created and saved – an improvement of 63%**

Improved operational efficiency

Complex transactions recorded an average turnaround time of **101 days against a target of 180 days**, equivalent to 178% achievement, while non-complex transactions achieved the **60-day target**.

New areas of strong performance

R8.3 billion was crowded in for spatial and rural development against a Q2 target of R3.813 billion, representing 218% achievement. This provides evidence that IDC's funding is increasingly leveraging investment into targeted developmental areas.

NPLs: Improving Trajectory, with Continued Focus Required

NPLs ratio has reduced from **35.1% at the start of the financial year to 34.9% at the end of Q2**. We the overall level remains elevated and requires continued management attention, the improvement is significant in demonstrating that the trajectory has begun to turn.

1 2 3 4 5

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DEVELOPMENT IMPACT DELIVERED



Development Effectiveness – Impact Delivered

Capital that create Jobs, Supports SMMEs and builds productive Capacity

Funding Disbursed to SMMEs

R1.3 bn

↑ 319%

(target: R411 million)

Social Employment Fund (SEF)

53 346

↑ 16.8%

(target: 45 673 jobs)

NORTHROOST



Supporting poultry production and food security

Northroost operates within South Africa's poultry value chain and plays an important role in supporting agricultural production and food security. IDC support facilitates long-term investment in the hatchery operation and future growth initiatives, enabling the business to expand operations and improve production capacity.

Poultry & Food Security

Sector	Poultry hatchery | Makhado, Limpopo
IDC Investment	Funding to support hatchery growth and ownership transition
Jobs	26 new jobs expected
dtic Alignment	Supports food security and agricultural development
Impact	Strengthens poultry value chains and economic activity in Limpopo

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Development Effectiveness – Impact Delivered

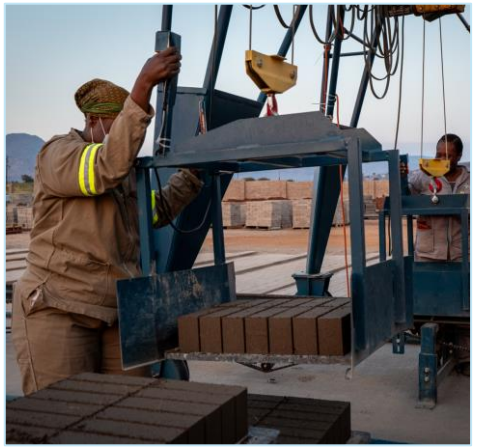
Capital that create Jobs, Supports SMMEs and builds productive Capacity

Jobs to be Created

71 228

Incl. jobs from Partnership Funds managed

(2024/25: 15 732)



DUFERCO STEEL PROCESSING



Advancing local beneficiation and value-added steel production

Duferco Steel Processing beneficiates hot rolled coil into cold rolled, coated and galvanised steel products. IDC support enables continued investment in downstream processing that adds value to local materials and serves manufacturing and export industries.

Steel Beneficiation

Sector	Steel processing and beneficiation | Saldanha Bay, Western Cape
IDC Investment	Counter-guarantee facility for downstream steel processing
Jobs	Approximately 600 jobs supported
dtic Alignment	Supports localisation and value-added exports
Impact	Employee ownership via a proposed ESOP; strengthens Saldanha Bay as an industrial hub

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Development Effectiveness – Impact Delivered

Capital that create Jobs, Supports SMMEs and builds productive Capacity

Funding Disbursed

R17.0 bn

⬆ 4.3%

(2024/25: R16.3 billion)

Transformation funding Disbursed

R3.5 bn

⬇ 7.9%

(2024/25: R3.8 billion)

TEFLA GROUP



Building infrastructure for economic growth

Tefla Group operates within the infrastructure sector and plays an important role in supporting development projects that underpin economic activity and growth. IDC support strengthens the company's ability to execute infrastructure-related projects, participate in strategic developments and contribute to regional economic growth.

Industrial Infrastructure

Sector	Industrial infrastructure | East London, Eastern Cape
IDC Investment	Revolving credit facility to strengthen delivery capacity
Jobs	Approximately 650 annualised jobs expected; 1,200 jobs supported
dtic Alignment	Supports infrastructure delivery and skills development
Impact	Significant regional economic impact in the Eastern Cape

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Development Effectiveness – Impact Delivered

Capital that create Jobs, Supports SMMEs and builds productive Capacity

Electricity Generation Capacity

1 085 MW

196%

(target: 553 MW)

DZIMUZWO ENERGY



Empowering black women participation in the energy transition

Dzimuzwo Energy Project 1 (BW6-Doornhoek) supports the clean-energy transition while advancing inclusive participation in utility-scale infrastructure. IDC support enables equity contributions into the project company, adding new generation capacity.

Renewable Energy

Sector	Utility-scale renewable energy | Klerksdorp, North West
IDC Investment	Equity funding for participation in renewable energy infrastructure
Jobs	Employment and supplier opportunities in construction and operations
dtic Alignment	Supports energy security and transformation objectives
Impact	Black women-owned businesses hold a combined 46.5% shareholding

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Advancing inclusive industrialisation






TRANSFORMATION	BLACK ENTREPRENEURS	BLACK INDUSTRIALISTS	BROADER INCLUSION
R3.5bn	**R1.48bn**	**R1.8bn**	**R1.3bn to SMMEs**
Disbursed	Black-owned and empowered	Disbursed	Women, youth, trusts & social enterprises

From access to capital to industrial impact: expanding productive capacity, localisation, ownership, jobs and participation in key value chains.

Transformation funding breakdown – FY2026

	Black Industrialists[1]	Black-empowered[2] and black-owned[3]	Women-owned[4]	Women-entrepreneur[5]	Youth-owned[6]	Youth-entrepreneur[7]
IDC funding approved	R3.8 billion (-31.4%)	R5.8 billion (-39.4%)	R1.6 billion (+39.0%)	R1.0 billion (-18.6%)	R0.3 billion (-72.2%)	R0.5 billion (-8.5%)
IDC funding committed	R1.2 billion (-77.9%)	R2.8 billion (-69.1%)	R0.3 billion (-76.3%)	R0.3 billion (-83.1%)	R0.1 billion (-89.8%)	R0.02 billion (-97.6%)
Total investment facilitated through committed funds	R2.0 billion (-93.0%)	R5.3 billion (-85.8%)	R1.2 billion (-86.5%)	R0.4 billon (-92.3%)	R0.2 billion (-98.2%)	R0.1 billion (-96.4%)

[1] A black industrialist is defined as a black entrepreneur who creates and owns industrial capacity and provides long-term strategic and operational leadership to the business and is by definition not a portfolio or purely financial investor. The following are characteristics of a black industrialist: 1) Provides strategic and operational leadership to the business; 2) Has a high level of ownership (>50%) and/or exercises control over the business; 3) Identifies opportunities and develops business to take advantage of these opportunities (entrepreneurial); 4) Takes personal risk in the business; 5) Does business in manufacturing and related sectors, with particular reference to IPAP and IDC focus areas; 6) Makes a long-term commitment to the business and is not a short- to medium-term investor.
[2] Businesses with more than 25% black shareholding.
[3] Businesses with more than 50% black shareholding.
[4] Businesses with more than 50% women shareholding.
[5] Businesses with more than 25% women shareholding and operational involvement in the business by the women shareholders.
[6] Businesses with more than 50% youth shareholding.
[7] Businesses with more than 25% youth shareholding (<35 years of age) and operational involvement in the business by the youth shareholders.

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Transformation funding – Portfolio Breakdown 31 March 2026

Black-industrialist	Black-owned	Women-empowered	Youth-empowered	Exposure at cost (R'm)
✓	✓	✓	✓	**1 137.2**
✓	✓	✓		**10 257.9**
✓	✓		✓	**428.6**
✓	✓			**5 401.0**
✓		✓		**10.0**
✓				**837.5**
	✓	✓	✓	**38.2**
	✓	✓		**2 574.8**
	✓		✓	**214.7**
	✓			**9 736.6**
		✓	✓	**1.2**
		✓		**258.5**
			✓	**77.7**
				66 103.2
18 072.2	**29 788.9**	**14 277.7**	**1 897.5**	**97 077.0**

Black-owned: >50% black shareholding
Women-empowered: >25% women shareholding
Youth-empowered: >25% youth shareholding

Of the R66.1 billion – not allocated to transformation:
- R11.3 billion is outside SA
- R17.1 billion has black shareholding between 25% and 50%
- R10.1 billion has black shareholding between 10% and 25

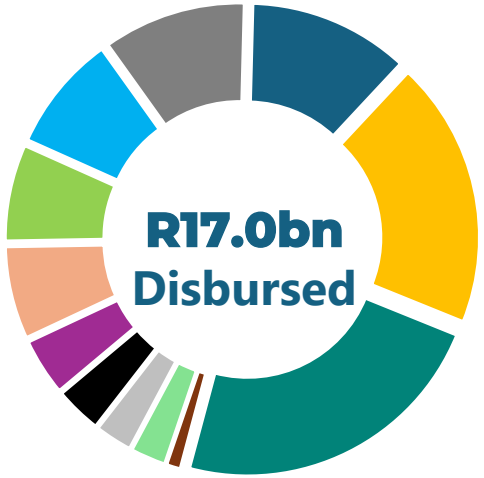
Of the remaining R27.5 billion, these are the largest exposures (R'm):

Northam Platinum Limited	3 500
Tongaat Hulett Ltd	2 302
BAIC Automobile SA (Pty) Ltd	1 537
Cast Products South Africa (Pty) Ltd	1 235
Trans Caledon Tunnel Authority	1 203
Duferco Steel Processing (Pty) Ltd	1 185
Transnet SOC Ltd	1 184
Smart Union Resources South Africa (Pty) Ltd	1 098

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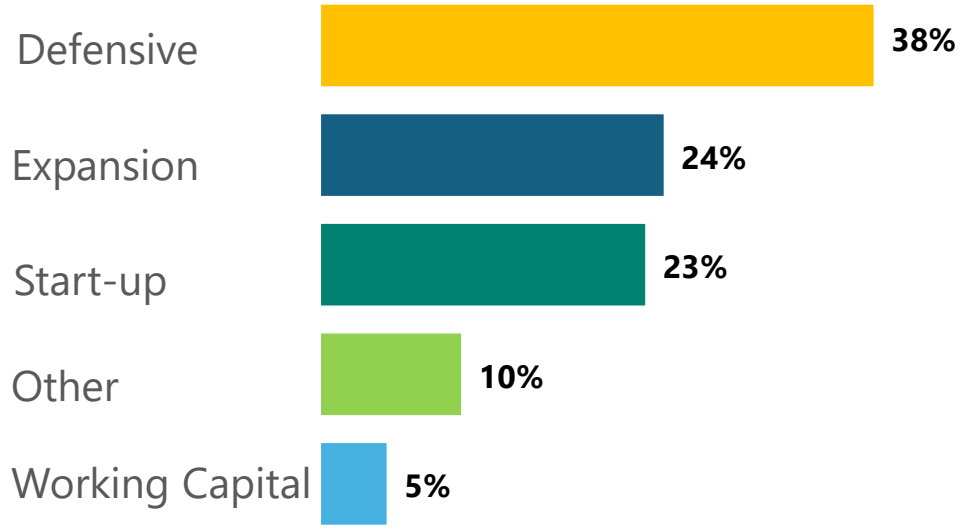
Development Effectiveness - Disbursements

By Industrial Sector



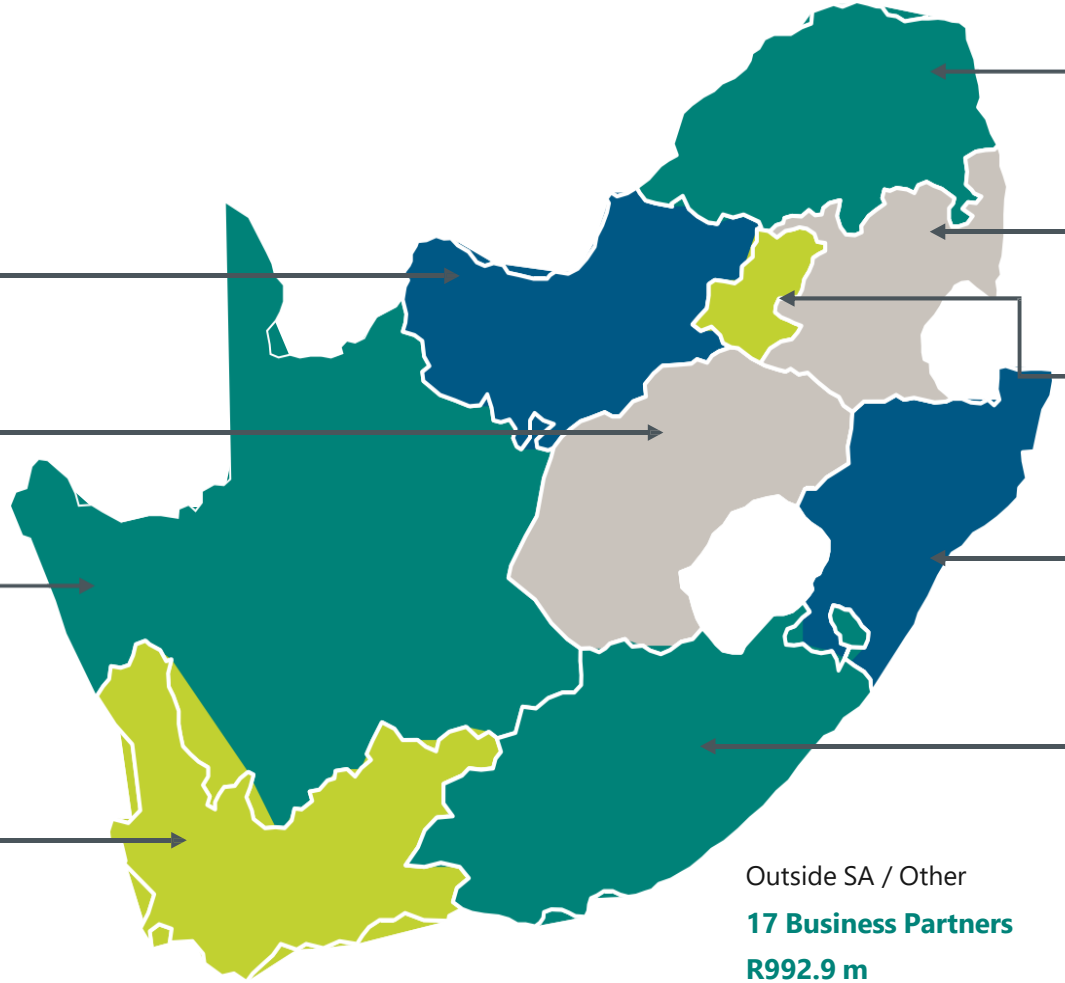
Agro-Processing and Agriculture	23.0%
Chemicals, Medical and Industrial Minerals	19.2%
Infrastructure	11.5%
Energy	10.3%
Automotive and Transport Equipment	8.4%
Machinery, Equipment and Electronics	7.0%
Mining and Metals	6.7%
Services	4.1%
Textiles and Wood Products	3.4%
Project Development	2.7%
Partnership Programmes	2.6%
Small Business Finance and Regions	1.1%

By Funding Type



On Balance Sheet Disbursements– Geographic Reach

Broad national and regional footprint through strategic partnerships



North West
8 Business Partners
R162.2 m

Free State
7 Business Partners
R95.1 m

Northern Cape
6 Business Partners
R385.7 m

Western Cape
21 Business Partners
R854.9 m

Limpopo
13 Business Partners
R4 328.7 m

Mpumalanga
5 Business Partners
R140.2 m

Gauteng
58 Business Partners
R3 830.7 m

KwaZulu-Natal
22 Business Partners
R4 370.3 m

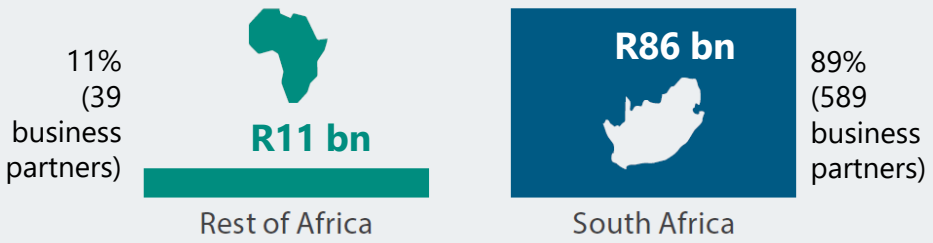
Eastern Cape
21 Business Partners
R1 843.2 m

Outside SA / Other
17 Business Partners
R992.9 m

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Our portfolio

Portfolio by exposure (R'billion)



R97.1 bn
is the portfolio under management, by exposure, as at 31 March 2026, spread across **628 clients**

R86 bn
or **89%** of this portfolio is distributed across all provinces of South Africa and **11% (R11 billion)** across the continent

Portfolio exposure by investment instrument



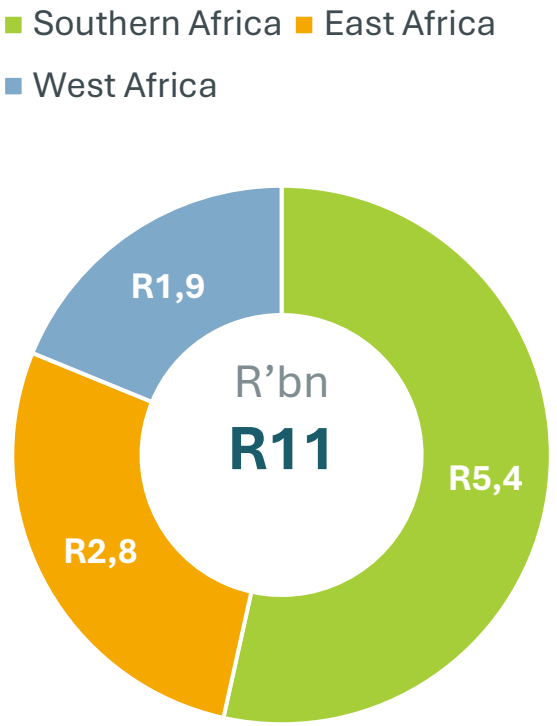
The portfolio comprises 77% debt and 23% equity, reflecting the deliberate use of risk-bearing capital in growth sectors. More than 90% of investments align with industrial policy priorities, namely manufacturing, mining, energy, agro-industry and infrastructure.

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Our portfolio across the continent



Across the continent, the IDC portfolio is spread across three economic regions:



IDC continues to invest across the continent in support of the AfCFTA

The rest-of-Africa portfolio spans 16 countries

- **Southern Africa R5.4 billion**
- **East Africa R2.8 billion**
- **West Africa R1.9 billion**
- **Rest of world R0.7 billion (4 investments)**

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Catalysing Partnerships

Enhancing our mandate through strategic partnerships

Public Investment Corporation on behalf of UIF

Investment Committed

R10bn

African Export-Import Bank (Afreximbank)

Investment Committed

US$8bn

African Development Bank (AfDB)

Investment Committed

R2bn

Africa Finance Corporation (AFC)

Partnership Stage

MOU Signed

Memorandum of Understanding

Fonds de Promotion de l'Industrie (FPI)

Partnership Stage

MOU Signed

Memorandum of Understanding

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6

FINANCIAL PERFORMANCE OVERVIEW



Financial Results Highlights

GROUP

Revenue
R20.6 bn
(2025: R21.7 bn)
(5.0%)

(Loss) / profit after tax
R(4.7) bn
(2025: R329m)
(>100%)

Total assets
R154.8 bn
(2025: R145.0 bn)*
6.8%

Reserves
R101.1 bn
(2025: R96.0 bn)*
5.3%

Borrowings
R31.2 bn
(2025: R31.1 bn)
0.3%

COMPANY

Revenue
R11.0 bn
(2025: R11.7 bn)
(6.0%)

Profit after Tax
R2.3 bn
(2025: R1.8 bn)
27.8%

Cost to income ratio
25.3%**
(2025: 30.8%)

Debt to Equity
30.9%***
(2025: 33.4%)

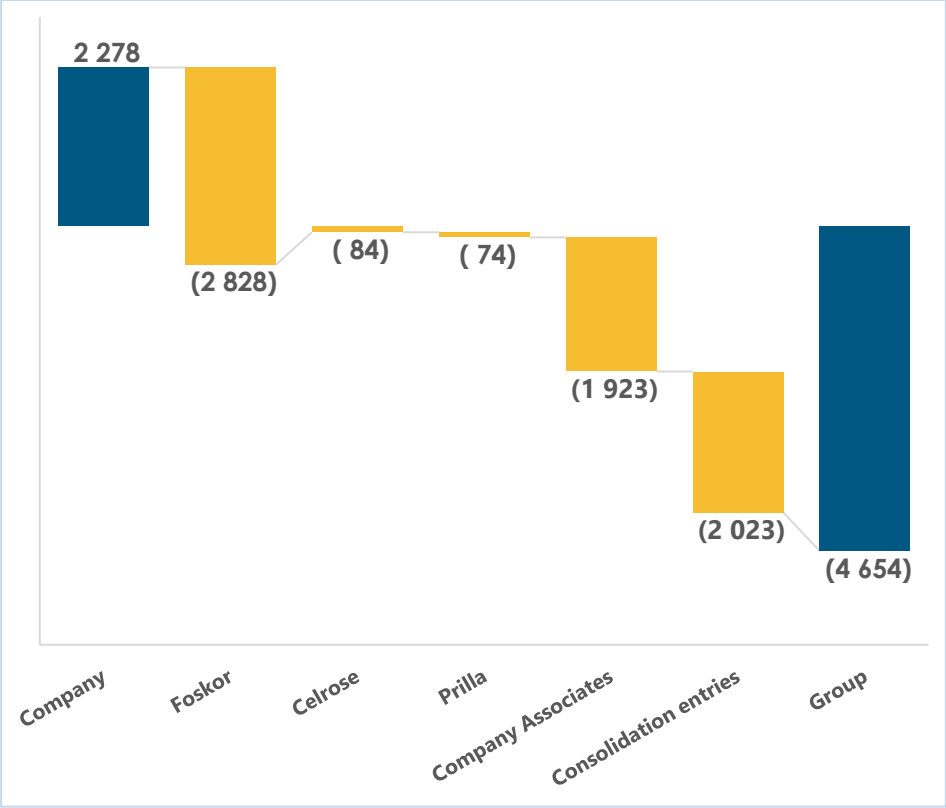
Impairments ratio
30.0%**
(2025: 30.6%)

Non-Performing Loans ratio
35.1%**
(2025: 41.7%)

FY2024/25 has been restated. Refer to Restatement Note 36 of the Annual Financial Statements.
*** This is ratio is for the IDC mini group which is IDC company and 3 wholly owned subsidiaries (Findevco, Konoil and Impofin).*
**** This ratio is for Mini group, whereas the IDC Company ratio is 47.7% (2025: 52.3%)*

Bridging Company Profit to Group Loss

Company profit to Group loss bridge (R'm)



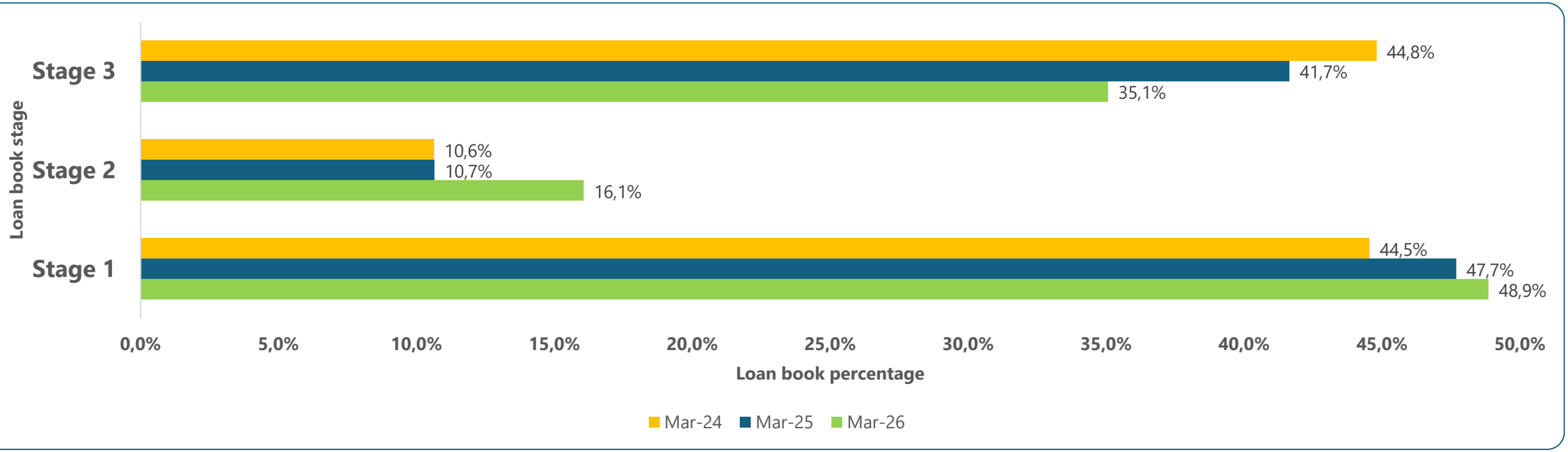
R millions	IDC Company FY2026	IDC Company FY2025	IDC Company % Change	IDC Group FY2026	IDC Group FY2025	IDC Group % Change
Revenue	**11 044**	**11 733**	**(6%)**	**20 639**	**21 666**	**(5%)**
Finance costs	(2 722)	(3 359)	**(19%)**	(2 863)	(4 095)	**(30%)**
Operating expenses	(3 209)	(3 071)	**4%**	(15 849)	(13 842)	**14%**
Other financial statement line items	879	734	**20%**	(215)	702	**(>100%)**
Profit before impairments, write offs and taxation	**5 992**	**6 037**	**(1%)**	**1 712**	**4 431**	**(61%)**
Expected credit losses	(994)	(3 303)	**(70%)**	117	(3 171)	**(>100%)**
Financial assets written off	(1 089)	(508)	**>100%**	(1 445)	(728)	**98%**
Taxation	(1 631)	(432)	**>100%**	(3 159)	(363)	**>100%**
Operating (loss)/profit after tax	**2 278**	**1 794**	**27%**	**(2 775)**	**169**	**(>100%)**
(Loss)/ Income from associates	-	-	0%	(1 879)	6	**(>100%)**
Profit from discontinued operations	-	-	0%	-	154	**(100%)**
(Loss)/Profit for year	**2 278**	**1 794**	**27%**	**(4 654)**	**329**	**(>100%)**

Asset Quality - IFRS 9 Loan Book Stage Migration 30

R68.0bn
Gross Loan Exposure FY2026
(2025: R66.1 bn)

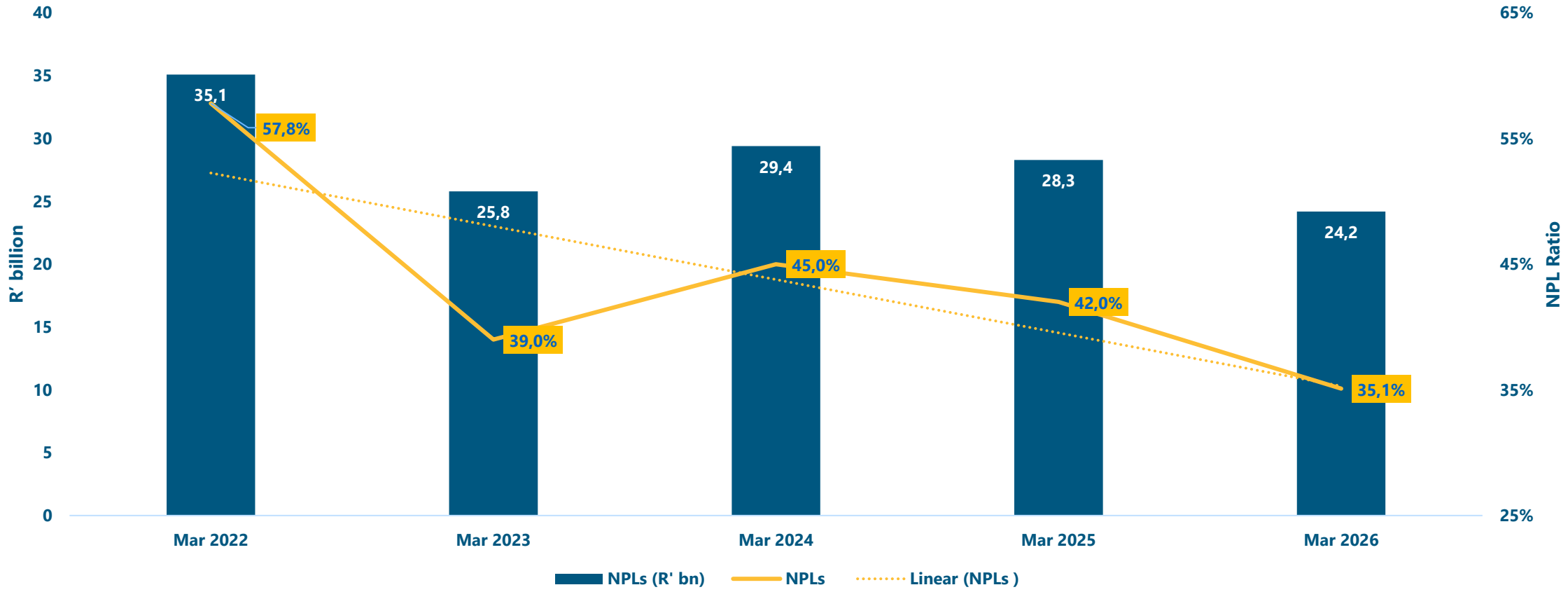
25.4%
Total ECL Coverage Ratio
(2025: 30.7%)

35.1%
Stage 3 (NPLs)
(2025: 41.7%)



Asset Quality – Improvement Over Time

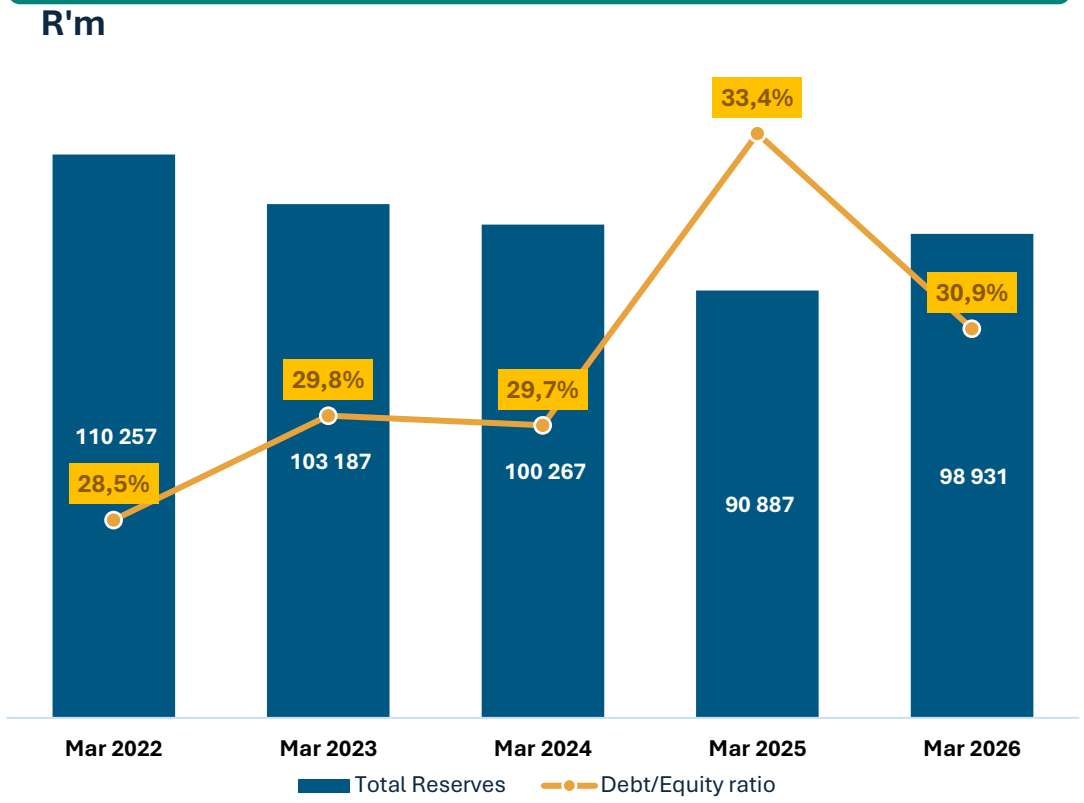
Non-Performing Loans 5-Year Trend



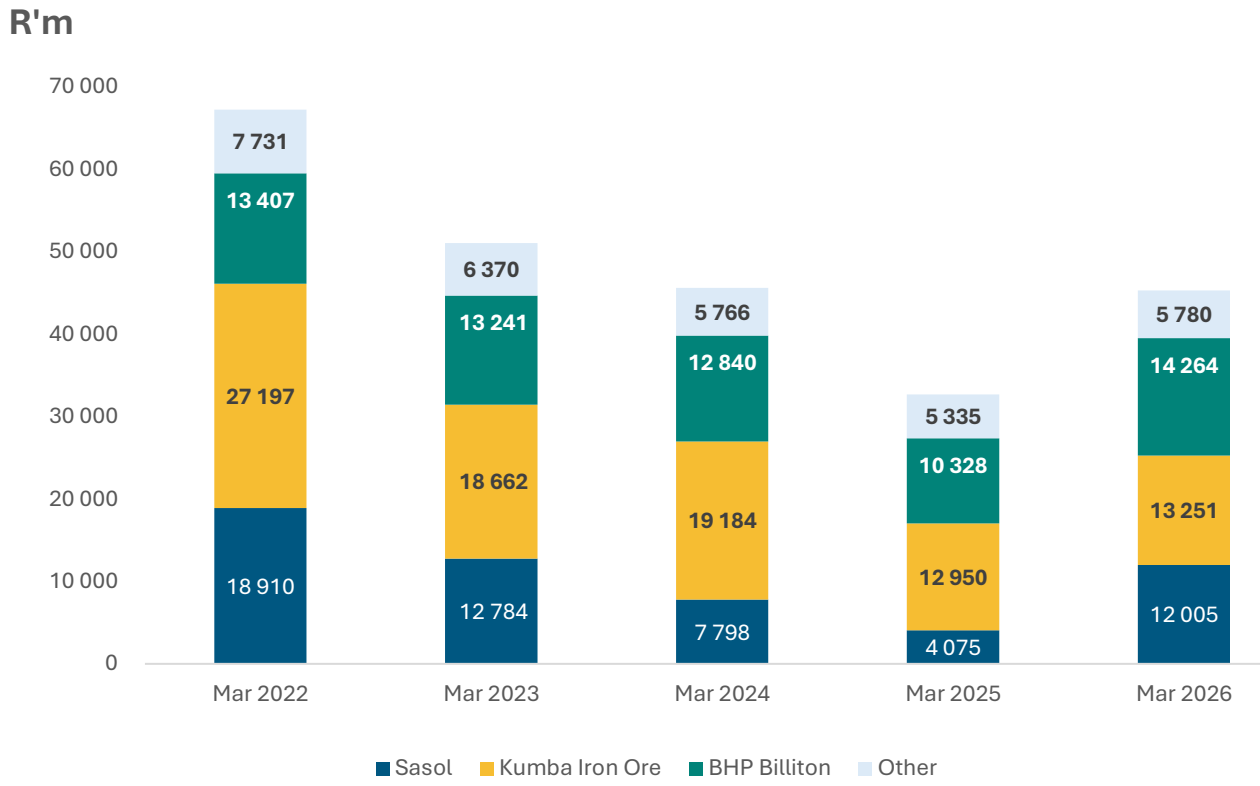
The March 2024 increase was primarily driven by new large NPLs in agriculture and chemicals, together with higher existing NPL exposure in mining.

Resilient capital base

Reserves and Gearing - 5 year trend



Listed Equity Portfolio - 5 year trend



Funding and Liquidity

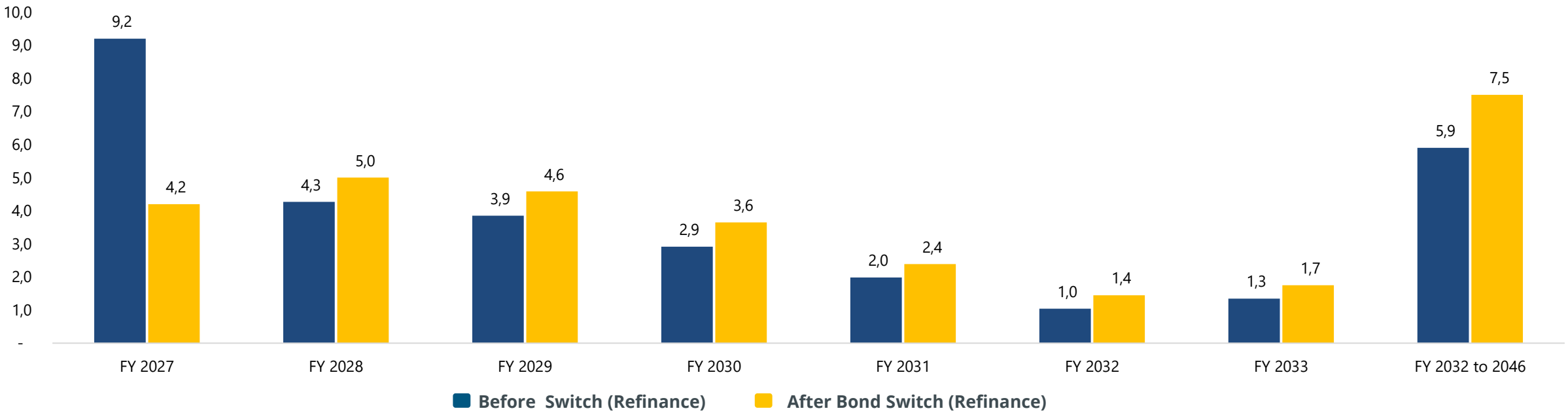
>100%
Liquidity Coverage Ratio (LCR)
R2bn buffer · R3bn committed facilities

R8.4bn
Borrowings Raised
Bonds R6.7bn · DFI's R216m · R1.5bn refinance

R7.4bn
Repayments
Bonds 41% · Banks 35% · DFI's 24%

R5.0bn
Bond Switch
R1.0bn/yr over 3 yrs + R4.0bn over 10 yrs

Debt Maturity Profile before and after the switch (R5.0 bn)



IDC Credit Rating – as affirmed 27 February 2026

Moody's Credit Rating

Ba3

Long-Term Corporate Family Rating

National Scale Rating

Aa1.za

P-1.za

Long-Term / Short-Term

Downside Scenario
Sovereign downgrade or weaker capital buffers

Ba3 Stable — CURRENT
Sovereign aligned: Ba2 Stable

Upside Scenario
Sovereign upgrade + sustained NPL reduction

85 YEARS | IDC Industrial Development Corporation

7. DRIVERS OF GROUP LOSS

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.

Foskor	▪ Loss of R2.8 billion. ▪ R1.2 billion of the loss mainly attributable to operational disruptions arising from flood-related mine closures, as well as the adverse impact of the Middle East conflict, which resulted in increased operating costs and reduced revenue generation. ▪ Includes approximately R1.6 billion deferred tax asset impairment linked to the nil valuation of Foskor.
Associate Companies	▪ Equity-accounted losses of R1.9 billion. ▪ Major contributor was Mozal's consolidated loss of approximately 2.6 billion , stemming from its placement on care and maintenance after it was unable to secure sufficient and affordable power supply beyond March 2026. ▪ Impact of Mozal's loss was partly offset by a R716 million reversal of the impairment of investments in associates.
Intercompany Eliminations	▪ Dividend and other related consolidation eliminations of approximately R2 billion further reduced Group results.

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.

85 YEARS | IDC Industrial Development Corporation

8. ASSET QUALITY: IMPROVEMENT AND REMAINING CONCENTRATION RISK

50.6%
Top 5 partners make up 50.6% (R12.4bn) of NPLs, of which Mining is 36.6%

20.8%
Excluding the Top 5, the NPL ratio declines to 20.8% (Total NPL ratio: 35.1%)

Business Partner	Sector	NPL (Rm)	% NPL	Tenure	Comments
1	Mining	**8,825**	**36.0%**	15+ yrs	Ongoing Litigation
2	Agriculture / Forestry / Fishing	**1,211**	**4.9%**	15+ yrs	Currently being exited
3	Wholesale / Retail	**947**	**3.9%**	15+ yrs	Currently being exited
4	Manufacturing	**726**	**3.0%**	15+ yrs	Strategic Investment in Steel Sector
5	Manufacturing	**712**	**2.9%**	5–10 yrs	Strategic Investment in Steel Sector
Total Top 5		**12,420**	**50.6%**		

Overall NPLs in value have declined by **R11 billion** from **R35 billion in Mar 2022** (a **30% decline**), while the Top 5 have reduced by **R3 billion** from **R15.4 billion** (a **20% decline**).

The Top 5 BPs remain sticky; however, proactive interventions to resolve NPLs have reduced NPLs from **58% in Mar 2022 to 35.1%** in the reporting period under review, with further improvement expected as current interventions are implemented.

85 YEARS | IDC Industrial Development Corporation

9

PORTFOLIO MANAGEMENT & CAPITAL RECYCLING



Collections sustain IDC's ability to recycle capital

Funding model
IDC raises funding from capital markets, is not fiscally recapitalised annually, and must preserve creditworthiness and financial sustainability.

Why collections matter
Repayments and recoveries provide liquidity, protect the balance sheet and recycle capital into new developmental investments.

CSG's contribution
Early engagement, accurate forecasts, timely restructures, arrears escalation and decisive intervention improve collectability.

Collection contribution by source split over the years

Typer	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27 YTD
Capital	46%	43%	39%	49%	60%	60%	64%	64%
Interest	14%	13%	8%	9%	13%	12%	13%	16%
Dividend - Listed	26%	29%	37%	30%	17%	20%	16%	14%
Dividend - Unlisted	10%	8%	11%	9%	6%	4%	4%	5%
Sale	3%	6%	4%	2%	2%	3%	2%	0%
Fee	1%	1%	1%	1%	1%	1%	1%	1%

Collection Performance by health index status (15 Sep 2027)

Portfolio Segment	Share of Billings	Billings (R bn)	Collections (Rbn)	Collection Rate	Share of Shortfall
Healthy and Early-Stage portion of the portfolio	35%	R3.7bn	**R3.4bn**	**92%**	7% (R0.3bn)
Struggle and Distressed portion of the portfolio	65%*	R6.9bn	**R2.9bn**	**42%**	93% (R4bn)
Total Portfolio	100%	R10.6bn	**R6.3bn**	**62%**	(R4.3bn) shortfall

Collections are strongest in the healthy portfolio, while the distressed book drives the majority of the shortfall, reinforcing the importance of proactive portfolio management and early intervention.

*-If Foskor, THL and Mtibwa are excluded from the billings the ratio change to 61% billings in healthy and 39% in distressed. With a collection rate of 92% in healthy and 28% in distressed
YTD = Year to Date

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REBUILDING THE PIPELINE IN PRIORITY AREAS

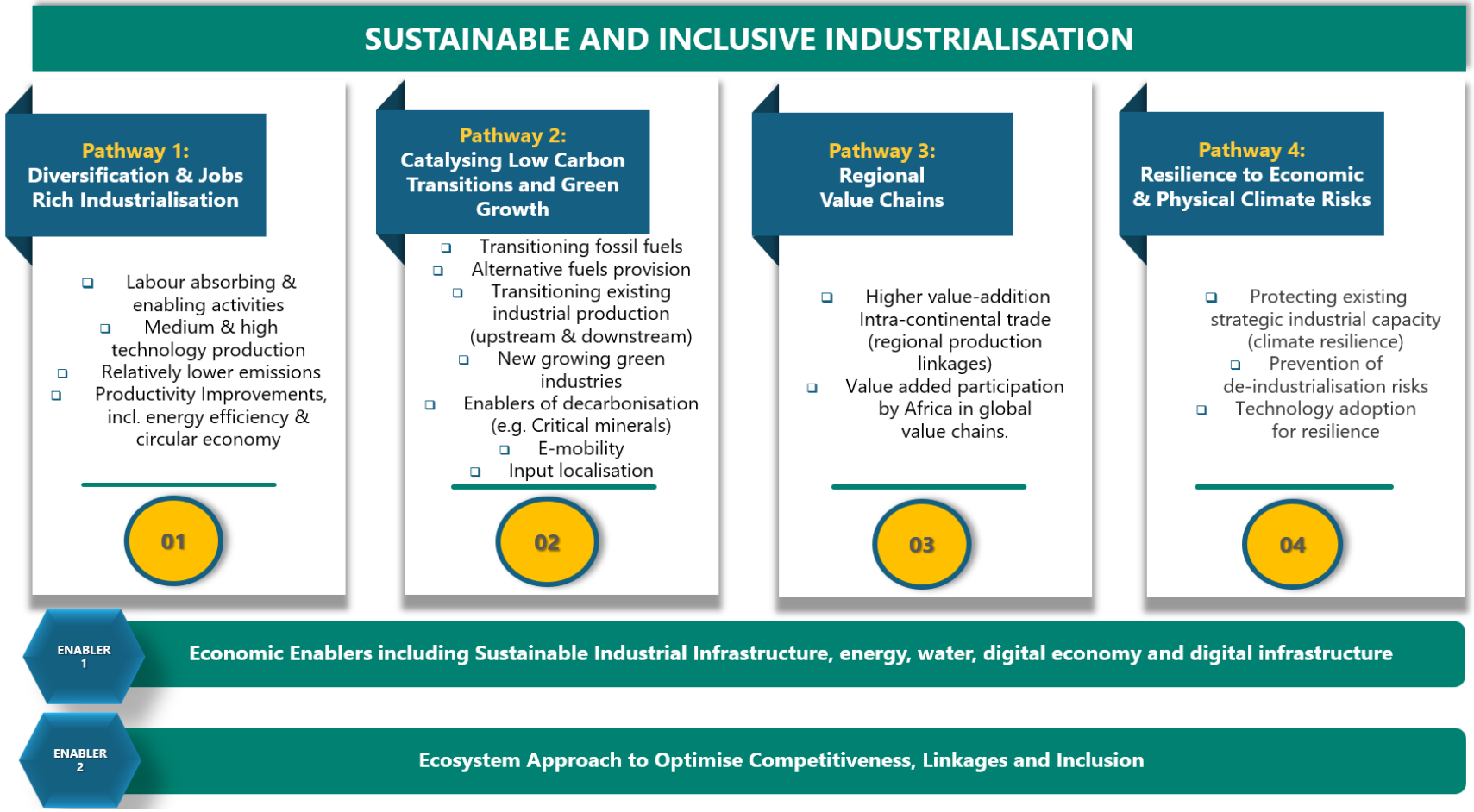


Our Strategic Direction

We are concentrating resources on competitive, future-focused, job-rich value chains

We have shifted from a sector-based to a value-chain & pathways approach.

- **Green Industrialisation:** Critical minerals & battery manufacturing, green hydrogen.
- **Digital & Blue Economies:** Digital infrastructure, aquaculture, marine services.
- **Services & Tourism:** High-employment growth via intra-African travel.
- **Tech Enabled :** Competitive agriculture, agro-processing, beneficiation.
- **Rural Development**-Build sustainable rural industrial ecosystems, Unlock local value addition, create employment



Case in Point

Our Critical Minerals strategy is not just about mining; it is about developing the entire battery value chain from precursors to gigafactory assembly, linking upstream resources with downstream market demand (automotive, energy storage).

11

INDUSTRIAL DEVELOPMENT STRATEGY IMPLEMENTATION



Our Mandate & Alignment to National Priorities

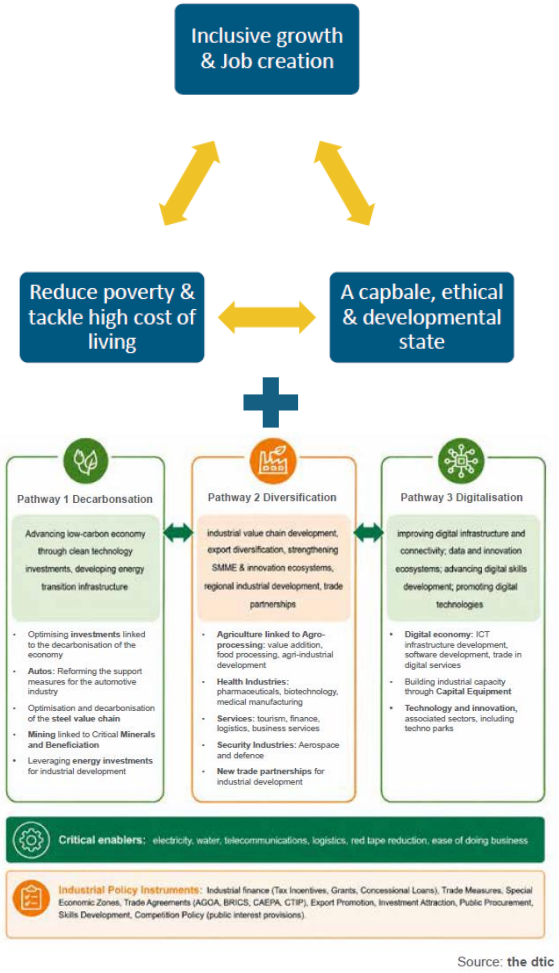
From National "what" to IDC's Industrial "how"

7th Administration priorities, Transformation Fund, National Industrial Policy, NDP, MTDP, GAIN & IDS

IDC's Proactive Interpretation

Our Strategic Focus (Destination)

Industrial Development Strategy (IDS) – 3D's



Source: **the dtic**

Solving market failures, positioning SA competitively

Long-term, patient investments & Short-term, growth-oriented financing
Value Chains
Pathways
Transformation

IDS Strategic Alignment with the IDC Corporate Plan

Corporate Plan Dimension	Assessment	IDS Alignment
Strategic Objectives	Well Aligned	Strong alignment around industrialisation, competitiveness, localisation and inclusive growth.
Investment Priorities	Well Aligned	Significant overlap across manufacturing, infrastructure, green economy, industrial upgrading and regional value chains.
Sector Priorities	Well Aligned	The majority of IDS priority sectors are already reflected within the IDC's investment focus.
Financing Role	Well Aligned	Strong alignment regarding catalytic finance, blended finance and crowding-in private investment.
Performance Orientation	Generally Well Aligned	Both frameworks emphasise industrial development outcomes.

Industrial Development Strategy: Implications for the IDC

The Industrial Development Strategy (IDS) validates IDC's direction, while raising the ambition for implementation and ecosystem delivery

TAKEAWAY: Alignment on the "what", focus should be on the "how". Strategic cycle should translate the 3Ds into prioritised value chains, productive capabilities and measurable industrial outcomes.

1 IDS STRENGTHS

- Contemporary anchors: decarbonisation, diversification and digitalisation
- Strong economic diagnosis and policy coherence
- Broad alignment with the Corporate Plan, Pathways and Industry Plans

2 REVIEW FINDINGS

- 3Ds are not yet translated sufficiently into firm-level productive capabilities
- Implementation, sequencing and accountability remain high-level
- Measurement does not yet fully show industrial transformation

3 IDC STRATEGIC RESPONSE

- Make capability development central to investment choices
- Consolidate Industry Plans around fewer priority value chains
- Elevate digitalisation and industrial services in the Pathways
- Strengthen ecosystem coordination and project preparation

IDS CALL TO ACTION TO IDC

Strategic implementation partner: mobilise investment, coordinate initiatives and strengthen industrial ecosystems

CRITICAL MINERALS

Operationalise the strategy; expand beneficiation, exploration and concessional finance

REFLECTED

Critical Minerals Initiative, Junior Mining Exploration Fund and concessional-finance mobilisation

STEEL & METALS

Finalise the takeover of AMSA

REFLECTED AT INDUSTRY LEVEL

Corporate Plan support is framed at industry level rather than by company name

AGRO-PROCESSING

Scale targeted and blended finance; assess required concessionality

REFLECTED

Agri-Industries SBU provides targeted and blended finance; concessionality requires assessment

INDUSTRIAL FINANCE

Expand blended finance, especially for SMEs and black-owned enterprises

REFLECTED

Green funding, sustainable bond and concessional finance support priority activities

IDC DIRECTION **The 2026/27 planning process to make clearer choices on prioritisation, institutional capability, delivery discipline and industrial-outcome measurement, including explicit treatment of trade-offs.**

IDS: Delivery against actions allocated to the IDC

IDC is progressing the allocated actions through targeted finance, project development and sector interventions

1 Critical minerals & beneficiation

- Launched the Critical Minerals Initiative in May 2026
- Supported the dtic with the draft Critical Minerals Beneficiation Strategy
- Approved R285 million for copper production and beneficiation
- Advanced lithium, graphite, manganese sulphate and battery-material projects

2 Steel & metals

- Continued support for strategic metals-processing capacity and industrial beneficiation
- Advanced a Direct Reduced Iron project linked to future low-carbon steel value chains
- Supported localisation and industrial capability through capital equipment

3 Agro-processing

- Approved R5.354 billion for Agriculture and Agro-Processing
- Supported food processing and forestry, including projects in rural areas
- Used blended finance in projects benefiting from a government grant

4 Low-carbon industry

- Mobilised grants and concessional finance for green hydrogen, critical minerals and steel decarbonisation
- Progressed battery and hydrogen value-chain initiatives
- Supported modernisation and industrial decarbonisation

The IDC's strongest contribution is where finance is combined with project preparation and value-chain development. Progress is visible across beneficiation, agro-processing and low-carbon industrialisation, while steel-sector restructuring remains an area requiring continued implementation focus.

Direct allocation lens: what the IDS specifically asked the IDC to deliver

IDC's wider portfolio is aligned to the IDS objectives

Operational performance supports investment mobilisation, strategic value chains, transformation and employment.

R23.8bn	R6.6bn	8 896	R411.5bn
APPROVED	**DISBURSED**	**JOBS SUPPORTED**	**TOTAL INVESTMENT**
38 transactions	productive investment	approved transactions	facilitated by R156.3bn IDC approvals, 2016/17–2025/26

Strategic value chains

- Approvals concentrated in metals; agriculture and agro-processing; and machinery, equipment and electronics
- Investment supports localisation, beneficiation, domestic production and industrial competitiveness

Inclusive industrialisation

- R3.236bn for black-owned enterprises
- R4.622bn for black-empowered enterprises
- R3.344bn for black industrialists
- R681m for women-empowered and R434m for youth-empowered enterprises

Developmental alignment

- Resource allocation advances productive capability, employment and economic inclusion
- Development impact is tracked through jobs, investment mobilisation, exports and transformation outcomes
- Portfolio activity supports diversification, localisation, decarbonisation and digitalisation

Alignment judgement: IDC's broader financing activity is strongly aligned to the IDS, but the ultimate test is conversion of approvals into sustained productive capacity and structural transformation.

IDC is a platform for catalytic industrial development

The IDS role requires the IDC to originate projects, coordinate industrial initiatives and strengthen delivery ecosystems.

ORIGINATE

01 PROJECT DEVELOPMENT

Project Development Unit pipeline spanning green hydrogen, critical minerals, infrastructure, tourism, agriculture and industrial manufacturing

PLAN & CO-ORDINATE

02 INDUSTRY PLANNING & COORDINATION

Industry Planning Unit initiatives covering battery value chains, digital economy, transmission infrastructure, green hydrogen, rail, defense, critical minerals and circular economy

MOBILISE & UNBLOCK

03 INDUSTRIAL ECOSYSTEM COORDINATION

Partnerships with NTCSA, PIC, DBSA, KfW, EIB, the dtic and other strategic stakeholders to coordinate investment, concessional finance and enabling conditions

Strategic implication: the IDC's contribution to IDS implementation goes beyond capital deployed, but also includes the investable projects developed, productive capabilities and coordinated industrial ecosystems that it helps create.

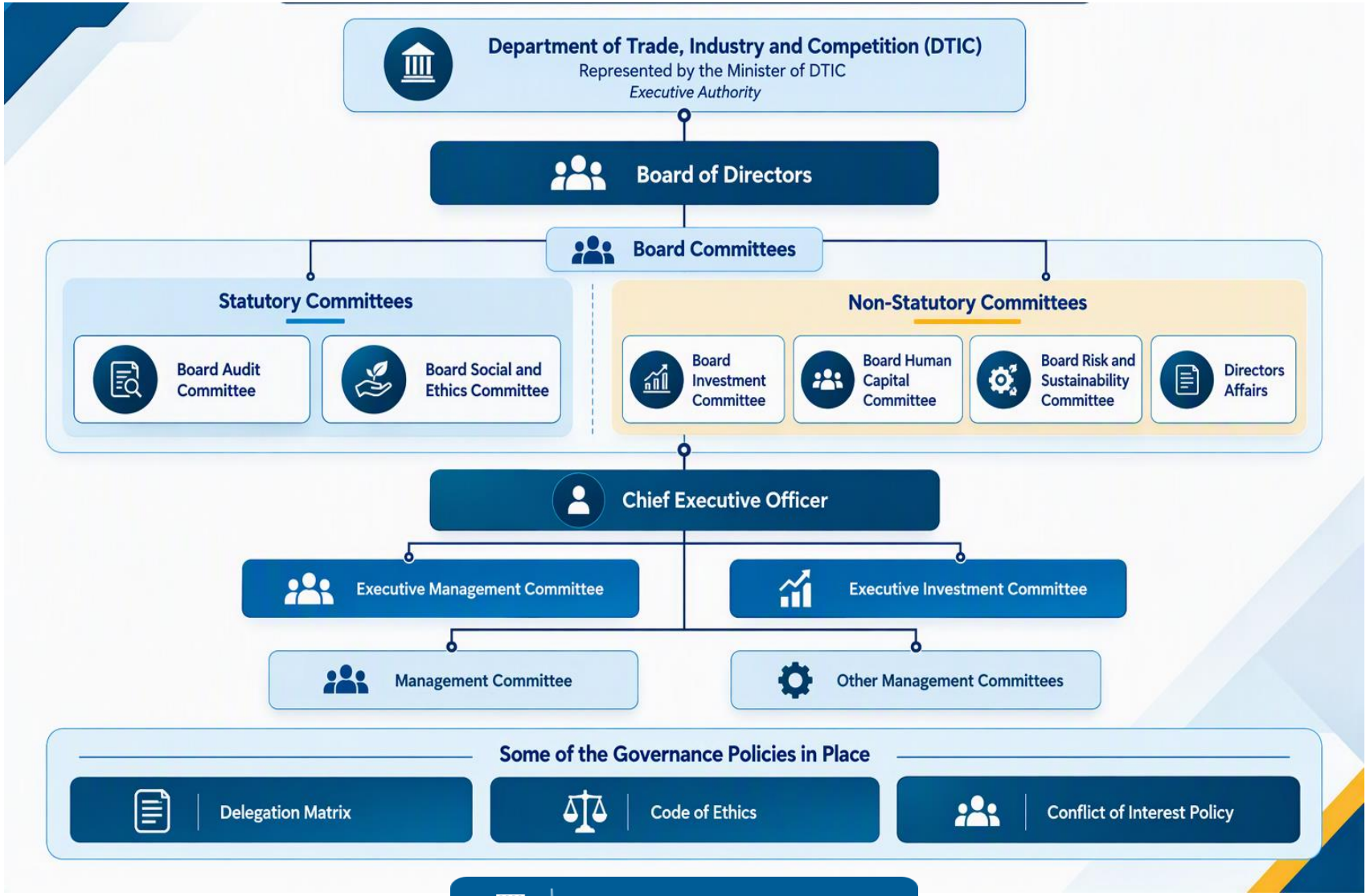
12

GOVERNANCE, ACCOUNTABILITY & TRANSPARENCY



IDC Governance Structure

The IDC governance approach is founded on the IDC Act 1940 (Act 22 of 1940) as amended, and the regulatory framework applicable to the Corporation, together with recognised corporate governance principles and best practices



- **Legal Stature:** The IDC is a juristic person established in terms of section 2 of the IDC Act and registered in terms of the Income Tax Act
- **PFMA Status:** Schedule 2 public entity in line with PFMA
- Complies with **JSE Debt and Specialist Securities Listing Requirements**
- **Voluntary compliance with the provisions of the** Companies Act, 2008, as amended
- Applies the **King V** Report principles & recommended practices

13. INDEPENDENT COMPLAINTS REVIEW PANEL – ESTABLISHMENT AND PROGRESS

Establishment:

The IDC Board approved the Panel's Terms of Reference on **29 May 2026**. The Panel was constituted as an independent advisory mechanism reporting to the Board, with oversight of the integrity and effectiveness of the framework exercised by BSEC. Its mandate is to assess whether due process was followed, decisions were fair and reasonable, and IDC policies and governance requirements were applied appropriately.

Operationalisation:

An independent secretariat was appointed to receive and screen complaints, compile case records, coordinate information requests and support the Panel's reviews. The Panel Chair and independent external members were formally onboarded on **7 August 2026**, followed by case induction on **28 August 2026**.

Initial case work:

During September 2026, the Panel conducted detailed reviews and stakeholder engagements on the SA Steel Mills/Alfeco and Busmark complaints. Sessions were held on **11, 15, 18, 21 and 22 September 2026**, involving examination of historical records, management submissions and engagement with complainants.

First matters submitted to the Board:

Following final Panel deliberations on **22 October 2026**, recommendations on **SA Steel Mills/Alfeco** and **Busmark 2000** were presented to the Board on **28 October 2026**. These were the first ICRP matters to complete the full process from independent review to Board consideration.

Outcomes and institutional learning:

The reviews clarified the boundary between independent complaints oversight and management, legal, forensic and commercial decision-making. They also identified areas requiring further management attention, including stakeholder engagement, distressed-business and business-rescue governance, consistency of institutional records, and the administration of the delinquent register.

Current work:

The Panel is progressing further complaints, including five NAFCOC-related matters considered on **30 October 2026**, for which additional financial, funding, restructuring, repayment and management-response information was requested by **9 November 2026**.

Key message: The Panel moved from Board approval in May 2026 to full operation in August 2026 and delivered its first recommendations to the Board within three months of onboarding, while also identifying broader governance and process improvements for IDC.

14

IDC REGIONAL STAKEHOLDER RESPONSIVENESS



Regional engagement sessions

PURPOSE

Re-introduce the IDC's mandate and funding approach, address misconceptions and strengthen relationships with organised business and entrepreneurs.

PROGRAMME REACH

- **7 provincial sessions completed**
- **1,315 stakeholders reached** through hybrid participation
- Delivered with **SACCI, the Black Business Council and regional business chambers**
- Further sessions planned for the **Free State and KwaZulu-Natal**

KEY TOPICS COVERED

- IDC mandate, economic role and funding priorities.
- Funding eligibility, application and approval processes, and development finance versus commercial lending.
- Governance, risk management and protection of public funds.
- Business support, investment monitoring, restructuring and recovery.

STAKEHOLDER ISSUES

- Funding access and readiness, turnaround times and communication.
- Governance and security requirements, and support for emerging and transformation-focused enterprises.

OUTCOME

Improved understanding of the IDC's operating model, direct engagement with decision-makers and a basis for continued regional and district engagement.

Regional engagement sessions













15. Outlook



- Supporting green growth and low-carbon sectors
- Driving value-chain diversification
- Strengthening regional value chains
- Investing in industrial enablers

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THANK YOU