



IDC STRATEGIC PLAN AND APP

2025/26 – 2027/28

PRESENTATION TO PORTFOLIO COMMITTEE ON TRADE,
INDUSTRY & COMPETITION

16 July 2025



What will be discussed today

i

Overview of the IDC

ii

Our Strategy and APP 2026 - 2028

iii

Closing Remarks



Who we are

- South Africa's largest development finance institution.
- Builds industrial capacity to fuel the country's economic growth, by funding viable businesses.
- Focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.
- Proactively identifies new industries and looks to grow existing pivotal sectors.
- Supports transformation of ownership through support to black industrialists, black-owned companies, workers' trusts, women and youth entrepreneurs.



The primary mandate of the IDC is the development of industrial capacity - anchored in the IDC founding Act of 1940

IDC's founding Act is as valid today as it was back in 1940:

"...to facilitate, promote, guide and assist in the financing of new industries and industrial undertakings and schemes for the expansion, better organisation and modernisation of, and the more efficient carrying out of, operations in existing industries and industrial undertakings, to the end that the economic requirement of the Union (South Africa) may be met, and industrial development within the Union may be planned, expedited and conducted on sound principles."

Achieved through identifying **sector development opportunities** aligned with policy objectives from the relevant government policies primarily the 7th administration's MTDP and the draft Growth and Inclusive Strategy (GAIN)

While developing industrial capacity, IDC seeks to achieve specific outcomes:



Facilitating sustainable direct and indirect **employment**



Promoting **entrepreneurial development** and growing the **SME** sector



Supporting the **transformational impact** of communities and development of black industrialists, women and youth



Growing **sector diversity** and increased localised production



Improving **regional equity**, including the development of South African rural areas, underdeveloped provinces and economic development in the rest of Africa



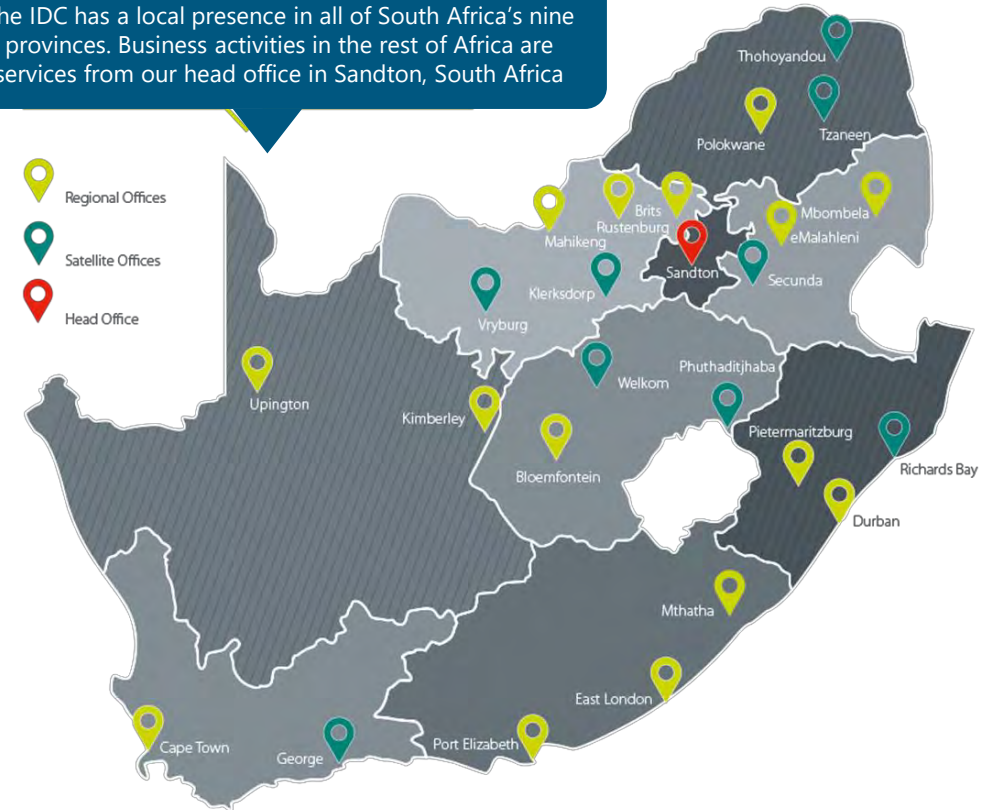
Promoting environmentally **sustainable** growth



IDC Overview

- **Established:** 1940 through an Act of Parliament
- **Type of organisation:** Development Finance Institution (DFI)
- **Ownership:** State owned company, 100% owned by the SA government
- **Total assets:** R133.5 billion (31 March 2025)
- **Total liabilities:** R37.2 billion (31 March 2025)
- **Funding status:** Fund operations and growth from investments, pay dividends & income tax
- **Credit rating:** Ba3 (Moody's) with SA's rating at Ba2
- **Main business area:** Providing funding for entrepreneurs & projects contributing to industrialisation
- **Geographic activities:** South Africa and the rest of Africa
- **Products:** Custom financial products above R1 million to suit project's needs including debt, equity, guarantees or a combination of these
- **Small and Micro enterprise coverage:** Enhanced offerings within Small Business Department
- **Stage of investment:** Project identification and development, feasibility, commercialisation, expansion and modernisation
- **Number of employees:** 856 (as at end March 2025)

The IDC has a local presence in all of South Africa's nine provinces. Business activities in the rest of Africa are services from our head office in Sandton, South Africa



Operational Footprint:

- Head Office - Johannesburg
- 24 Regional and Satellite offices





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Global uncertainty impeding growth - Trade wars, Middle East instability, and regional conflicts exacerbate economic risks, dampening investment and demand worldwide.

- 1. Global Growth Downgrade** – Erratic US trade policies and tariffs create market volatility, weakening US growth and undermining China's 5% target as more nations impose import duties (e.g., on steel & EVs).
- 2. Eurozone & Defense Shifts** – EU explores policies like a European defense fund to bolster domestic industries, while Germany relaxes debt rules for infrastructure and military spending.
- 3. Geopolitical Strains** – Rising tensions between Pakistan and China, Middle East conflicts (e.g., Iran-Israel, Red Sea disruptions) add pressure on global trade routes.
- 4. Commodities & Safe Havens** – Gold demand surges as central banks pivot from forex reserves; industrial commodities weaken, but green-energy metals stay resilient amid growth concerns.
- 5. Sub-Saharan Africa's Mixed Outlook** – Growth slows to 3.8% in 2025 (global trade tensions) but rebounds to 4.1% (2025–27). South Africa's recovery lags due to low employment and weak mining/manufacturing.
- 6. SA's Structural Challenges** – Port/rail inefficiencies hurt mining and other sectors, despite reduced loadshedding in 2024.
- 7. Monetary Policy Shift** – SARB cut interest rates in late 2024 as inflation fell below the 4.5% target.
- 8. Political Stability Boost** – The 7th Administration's formation post-elections improved business sentiment, reducing uncertainty.
- 9. Muted 2025 Growth (1%)** – Gradual recovery from 2023–24 lows, with long-term gains expected from infrastructure investments and policy reforms.
- 10. Long-Term Optimism** – Growth to accelerate over 5 years as operational reforms and public/private investments take effect.

Global GDP
growth
forecasts:
2025: 2.5% (f)
2026: 3% (f)
(IMF)

Sub-Saharan
Africa
real GDP
growth:
2025: 3.8% (f)
2026: 4.2% (f)
(IMF)

South African
Growth
Outlook
(% change):
2025 = 1.0%
2026 = 1.6%
2029 = 2.1%
(IDC forecast)

National Priorities where the IDC will contribute

Growth and Inclusion Strategy (GAIN)

ECONOMIC REFORM	PUBLIC SERVICE REFORM	INDUSTRIAL POLICY REFORM
Fix the fundamentals	Build a state that delivers	Pursue new areas of growth
Maintain a clear and stable macroeconomic framework	Build the capability of the state to deliver on its developmental mandate	Position South Africa as a leading player in the green economy
Implement economic reforms for growth	Strengthen local government and improve the delivery of basic services	Implement a forward-looking industrial policy that creates jobs
Accelerate infrastructure investment	Harness digital transformation as a driver of growth and inclusion	
Support employment, entrepreneurship and productive livelihoods	Fix the basic education system and improve learning outcomes	



Economic Infrastructure deficit

- o Energy
- o Logistics

Agriculture development

- o High impact agro programmes
- o Protein Manufacturing
- o Export Crops

Economic transformation

- o Increased Funding towards BI's, women and youth.
- o Employee & community ownership schemes

Capable state

- o (dtic) and other State-Owned Companies (SOCs)

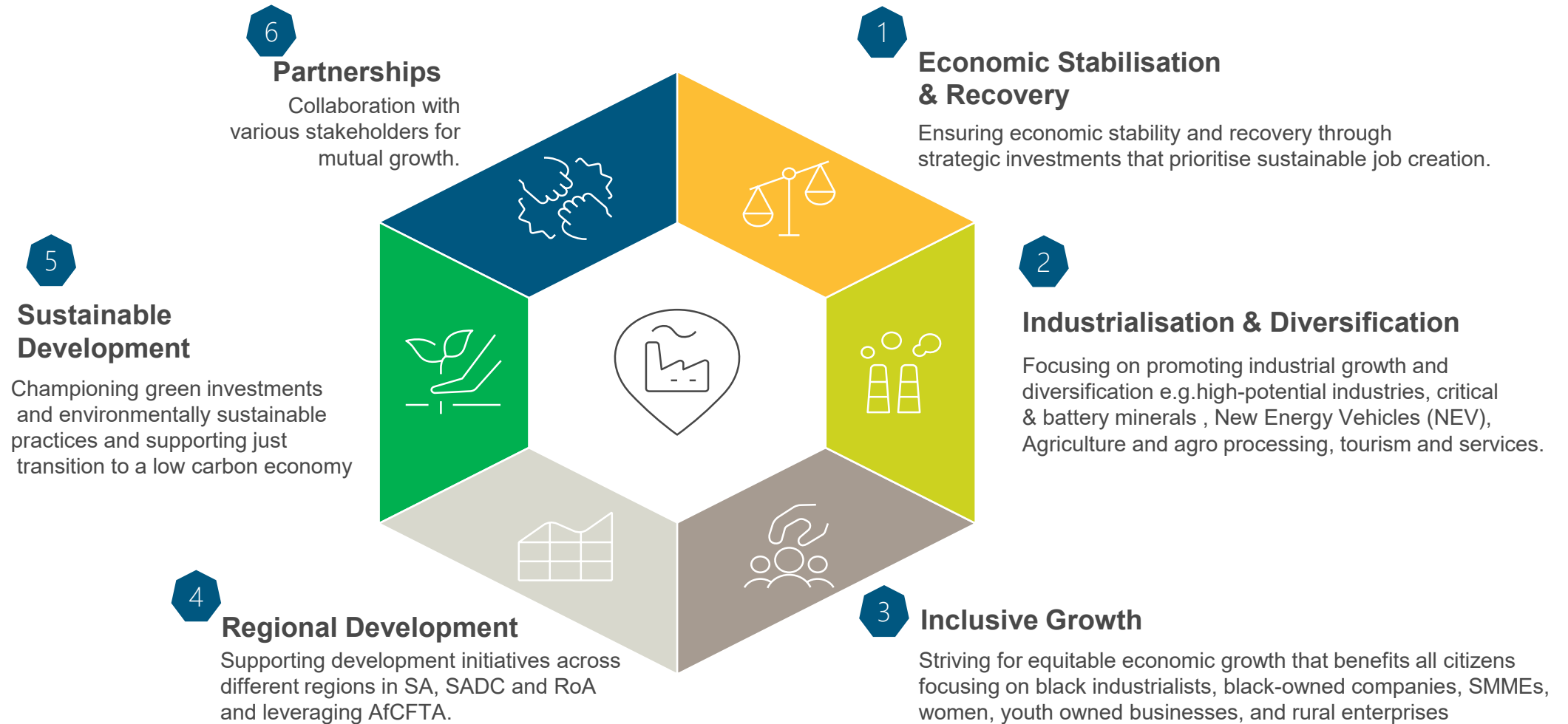
Green Economy

- o Green exports – Hydrogen, EVs, and renewable tech.
- o R1.5 trillion energy transition plan (JET-IP)

Rest of Africa

- o Accelerate continental industrialisation and to deepen regional value chains - agriculture, chemicals, automotive.
- o Critical Minerals - lithium, copper, manganese etc.

IDC's Key Strategic Focus Areas consider latest policy directives & reflects the IDC's commitment to driving sustainable and inclusive industrialisation



Supported by :

Project Implementation
Effective execution of initiatives

Enhancing Organisational Culture
Fostering innovation and collaboration

Strengthening Financial Sustainability
Implementing strategies for long-term viability



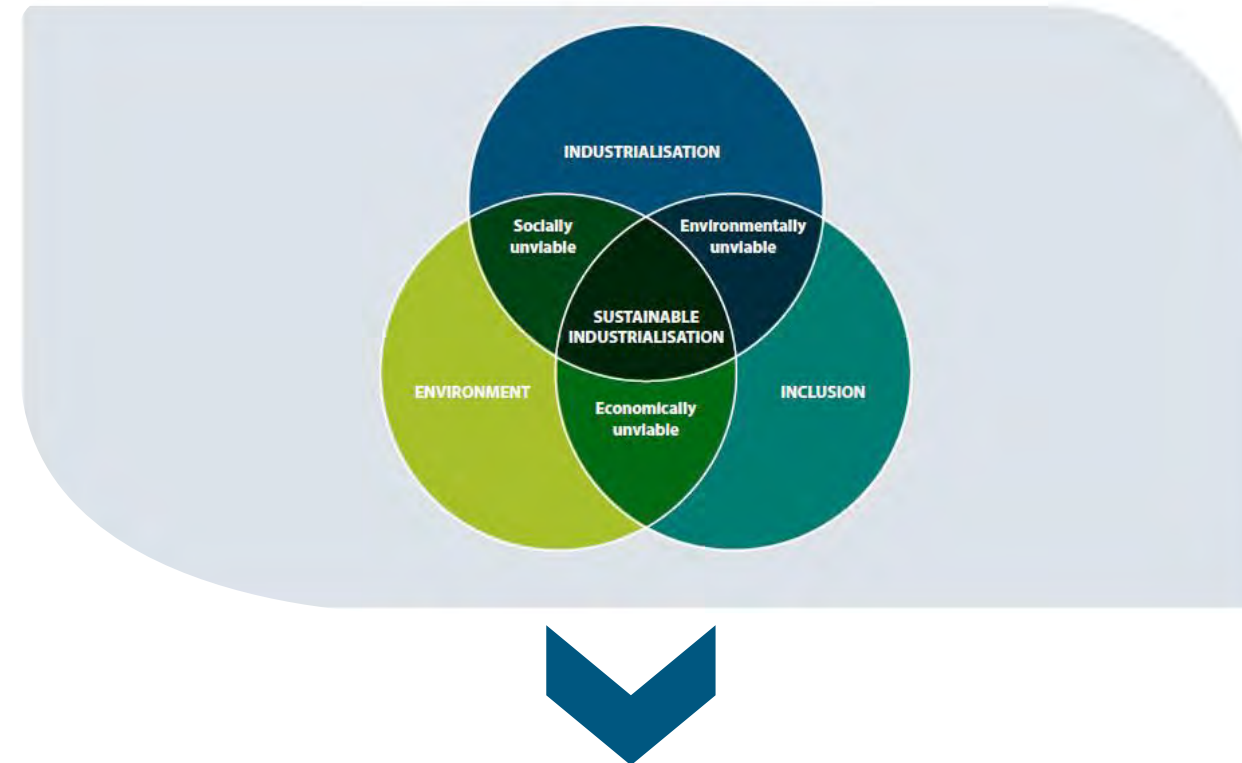
Our Commitment to advancing Transformation and Inclusive Economic Participation



Deepening Industrial Development Impact

- **Shift in Approach:** Moving away from sector-based investment strategies towards integrated value chains with overlaps and interconnectivity.
- **Value Chain Benefits:** Enables coordinated development of backward (upstream) and forward (downstream) linkages. Backward linkages strengthen input supply (upstream) whilst forward linkages enhance beneficiation (downstream).
- **IDC's Pathways for Sustainable Industrialisation** guide investments and build necessary capabilities. Aligns with the value chain approach for focused execution.
- **Sustainable Industrialisation** involves maintaining, expanding, and deepening industrial capacity and capability. Must be socially inclusive and environmentally responsible.

Pathways for Sustainable Industrialisation



Key Objectives:

1. Industrialisation – Building industrial capacity.
2. Inclusion – Ensuring broad-based social benefits.
3. Environmental Responsibility – Minimizing ecological impact



....through four interconnected pathways

1

Diversification & Jobs Rich Industrialisation

- Labour absorbing & enabling activities
- Medium & high technology production
- Relatively lower emissions
- Productivity Improvements, incl energy efficiency & circular economy

2

Catalysing Low Carbon Transitions and Green Growth

- Transitioning fossil fuels
- Alternative fuels provision
- Transitioning existing industrial production (upstream & downstream)
- New growing green industries
 - Enablers of decarbonisation(e.g. Critical minerals)
 - E-mobility
- Input localisation.

3

Resilience to Economic & Physical Climate Risks

- Protecting existing strategic industrial capacity (disasters)
 - Prevention of de-industrialisation risks
- Technology adoption for resilience

4

Regional Value Chains

- Higher value-addition Intra-continental trade (regional production linkages)
- Value added participation by Africa in global value chains.

Enabler 1: Economic Enablers Including Sustainable Industrial Infrastructure and Energy.

Enabler 2: Ecosystem Approach to optimise Competitiveness, Linkages and Inclusion



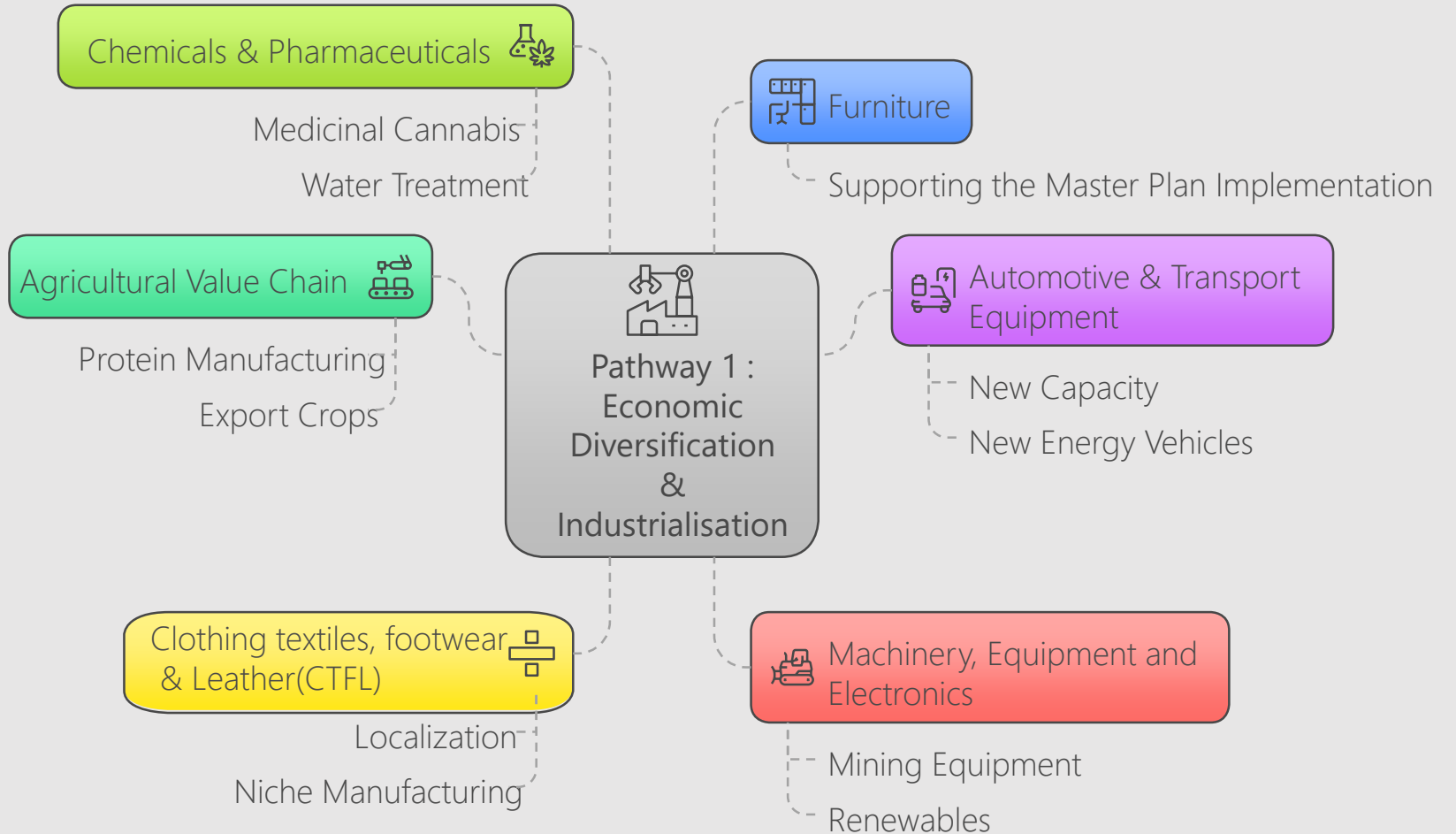
Pathway 1 : Economic Diversification & Industrialisation:

IDC's Role in Advancing Sectoral Deepening through Labour-Absorbing, High-Value Investments

1

Diversification & Jobs Rich Industrialisation

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- Medium & high technology production
- Relatively lower emissions
- Productivity Improvements, incl energy efficiency & circular economy



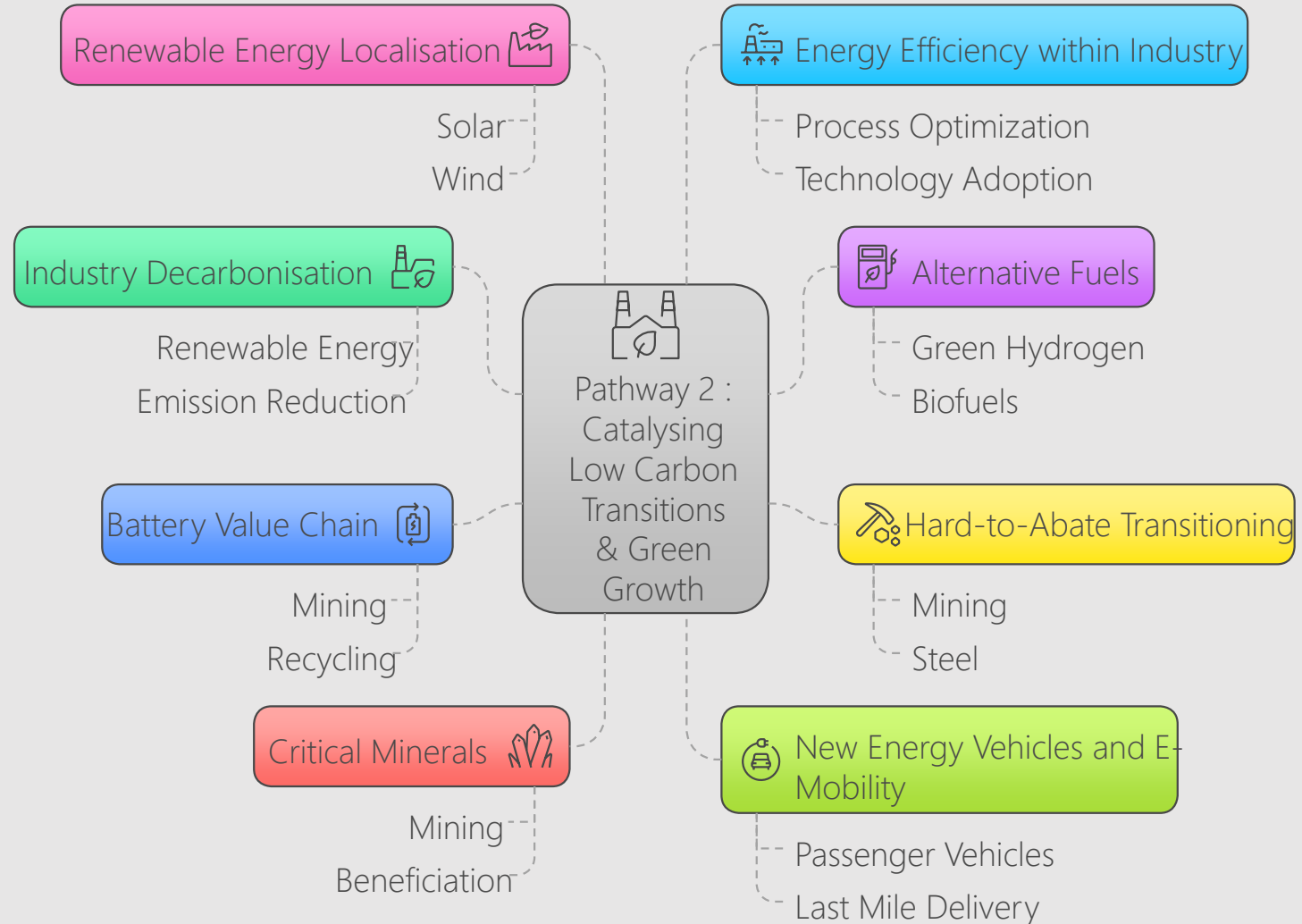
Pathway 2 : Catalysing Low Carbon Transitions & Green Growth

IDC's Support for Cleaner Technologies and Transition to High-Productivity Manufacturing Sub-Sectors

2

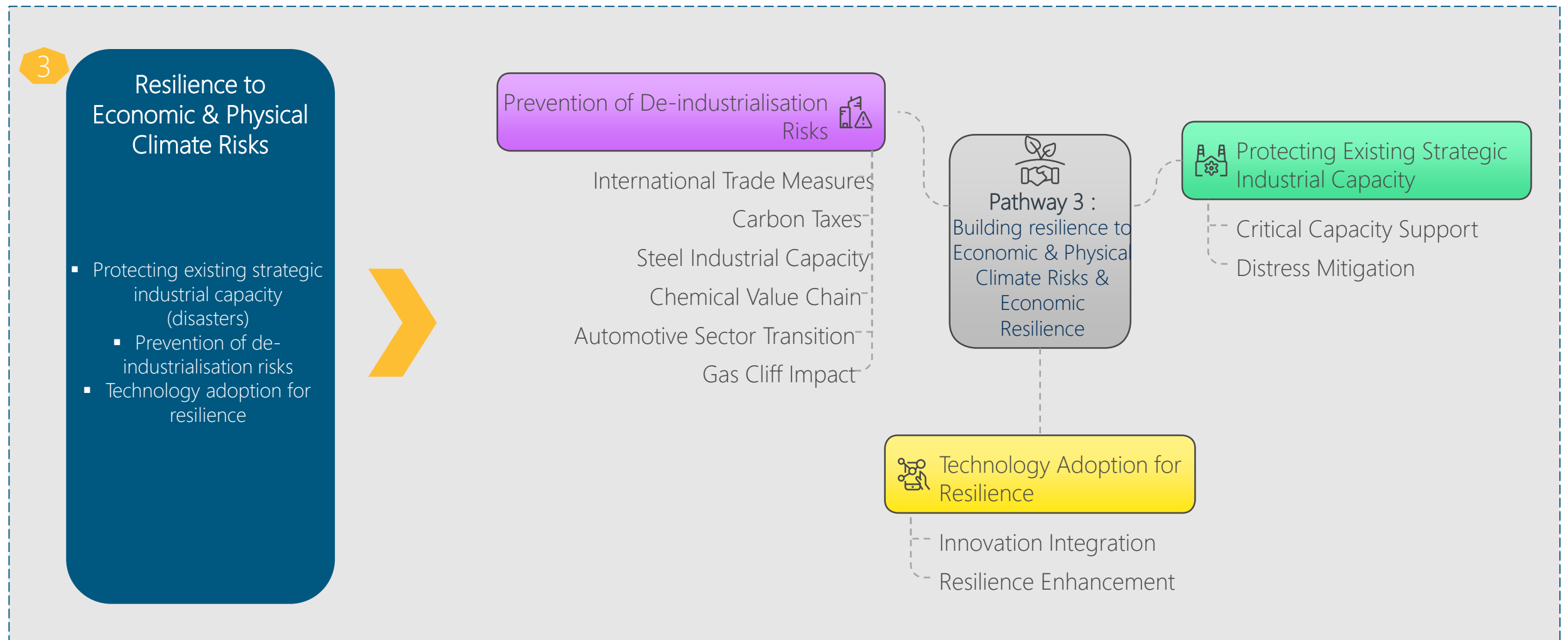
Catalysing Low Carbon Transitions and Green Growth

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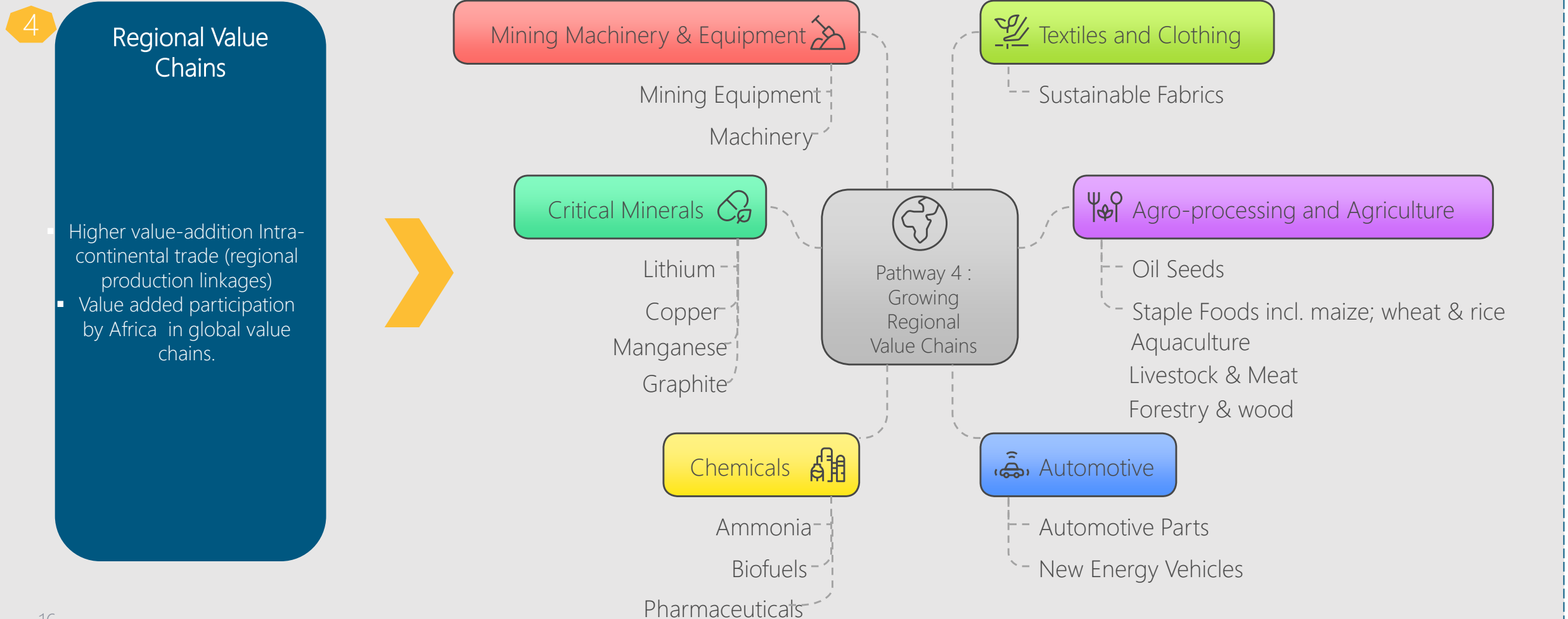
Pathway 3 : Building resilience to Economic & Physical Climate

Risks - IDC's Role in mitigating immediate threats and building resilience against production disruption



Pathway 4 : Growing Regional Value Chains

IDC's Role in Accelerating African Industrialisation and Deepening Regional Value Chains for Sustainable Development



Green Hydrogen

- The IDC's approach is to play an industry leadership role in the commercialisation of the GH2 value chain.
- Unique value proposition relates to our renewable energy resources, our chemical industry capabilities, our need for decarbonise hard-to-abate sectors; export potential of derivatives

Ecosystem Development	Securing Funding	Support to Enablers	Focus on Projects
<ul style="list-style-type: none"> • Chair – Green Hydrogen Commercialization Panel • Mobilization of GH₂ JET-IP Secretariat • Member of the newly formed DTIC GH₂ Steering Committee • Study on the feasibility of ammonia at Coega being conducted which is funded by the UK PACT (DFI) • Engagements with Department of Transport to unlock green hydrogen transportation 	<ul style="list-style-type: none"> • Secured ~ R455m of grant funds from the German Government • Finalizing agreement for ~R 990m grant funds from the Dutch Government • Provisional approval of ~R7,3m grant funds from the African Climate Foundation for JET-IP • Initiated a ~R20bn concessional debt fund with partners • Invested > R160m in project development funds 	<ul style="list-style-type: none"> • GH₂ commercialisation strategy approved by Cabinet in October 2023 • IDC drafted the GH₂ chapter of JET-IP, approved by Cabinet in Nov. 2023 • Development of GH₂ standard with SABS • Support of various government to government engagements include Japan, Germany, Netherlands, UK, Denmark, Korea and China. • Engagements with community groups held 	<ul style="list-style-type: none"> • Phoenix Fuel Cells manufacturing project • Sasol green hydrogen project in Sasolburg ~ R29,81m • Prieska Green Ammonia Project ~ R50m • AMSA - feasibility of restarting the Midrex Facility R17,6m • Hive – engagements on potential investment • Sasol SAF – IDC assisting with unblocking EU regulations

Key **challenges** are linked to

- project viability (relative cost and lack of off-takes);
- size of ultimate investments; and
- long-term horizons



Low emission & new energy vehicles

Our value proposition is based on the South African automotive manufacturing capabilities, our preferential trade access to the global North, the planned trade restrictions on ICE vehicles, the need to decarbonise the highly emitting logistics supply chain & unlocking the potential for the battery storage value chain.

Automotive Value Chain Deepening

- Attract more OEMs in support for SAAM2035 (1% Global Production) – French & Chinese OEMs
- Partnerships with OEMs and component manufacturers for transition (currently engaging 4 local OEMs & attracting new OEMs)
- Unlock Regional value chain opportunities and integration

Eco-system Development

- IDC NEV Localisation Value Chain Study for specific use cases Phase 1 concluded. Opportunities identified for 2/3W assembly for the regional and local market.
- Advising and Advocating Policy development (NEV White Paper)
- Investment Identification through Value Chain Studies
- Design and implementation of JET – IP NEV Office
- Thought leaders: NEVs, e – mobility and Sustainable Industrialisation

Enabling Decarbonisation of Transportation

- Investments to date in last mile logistics and mining – Mellow Vans (3W Cargo Vans) & Green Rider (e-bicycles), Rham Equipment and JAE Equipment (Low emission mining equipment)
- Hydrogen Corridor
- Road to Rail & Port Infrastructure
- Partnerships with buy-side players

Key **challenges** are linked to

- Dynamic global shift towards NEVS (Headwinds & Tailwinds)
- SA Industrial policy changes for NEVs has been slow (Green Paper to White Paper)
- Competing against industrial and trade policies from other countries (USA IRA, EU Green Deal, Import bans)
- Regional value chain (AfCFTA) hampered by Rules of Origin and countries copying SA policy (Creating policy islands where integration is required)
- Early-stage investment for hardware manufacturing and service businesses lagging

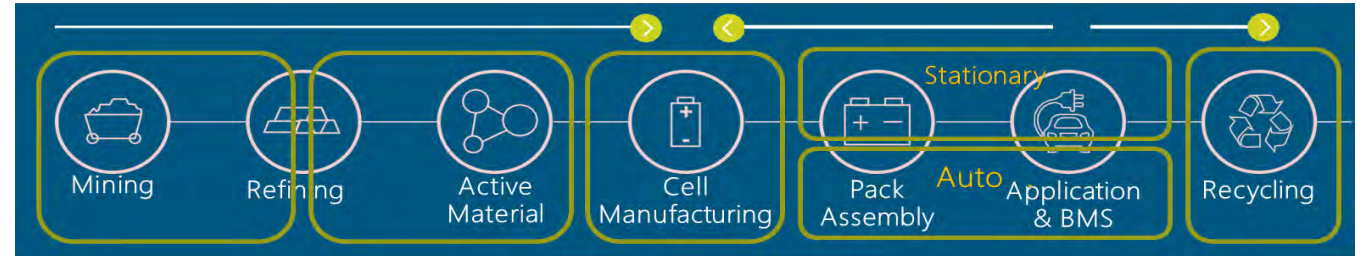


Battery Storage

Opportunity

- Industrialisation with ca. *R50bn market and 60 000 jobs potential.

*World Bank Flagship Report



Strategic Approach

- Bi-directional, segmental development:
 - Downstream value-add driven by mineral abundance with IDC off-take rights to develop supply chain;
 - Pack assembly and system integration driven by thriving BESS market, also as prep for EV manufacture.
- Ultimate goal: local cell manufacturing to anchor the value chain

SA Value Proposition

- Thriving BESS market, currently c. 5-10GWh p.a.
- Established auto sector with 41% local content, 400k units exports.
- Gateway to EU, USA * Africa: export-orientated auto incentive policy and FTA with EU; AGOA; AfCFTA.
- Regional mineral abundance sufficient for 40GWh factory.
- IDC as investment partner. SEPs are established foreign-owned.

Thematic Concerns from *OEMs:

- The development of a competitive supply chain.
- Certainty and attractiveness of policy and incentives.
- The scale of the SA market.
- Battery OEMs need Auto OEM to lead market entry.
- Resources constrained to North America and Europe opportunities.

Traction:

- IDC critical mineral exposure: R26bn
- Midstream Transactions/Projects:
 - Disbursed: Vanadium Electrolyte, Nickel sulphate;
 - Approved: Cobalt Sulphate; HP Manganese Sulphate; NMC powder;
 - Enquiries: aluminium foil, 3x cell manufacturing.
- Tailored value proposition for SEPs.
- Partnerships: NDAs with CATL, Toyota (SA), CAD Fund, Nissan (SA). In progress: EU Commission.



Critical Minerals

Value proposition

Africa is rich in resources, mining, refining and technical capability in many of the identified mineral value chains for the energy transition for

- Battery input minerals (lithium, manganese, nickel, cobalt, vanadium, graphite).
- Power grid and renewables with strong metal value chain capability (copper, aluminium, steel, zinc, tin)
- Business Partners in key value chains

Approach to develop the value chain

To maximise the beneficiation of regional mineral resources through the development and support for globally competitive operations, the IDC is actively involved across the mining and metals value chain with key projects and investments underway focusing on:

- 17 Minerals that are critical for the global transition to renewables, electric vehicles, hydrogen and battery storage.
- Exploration, mining, processing, beneficiation and manufacturing.
- Initiatives to unlock increased exploration activity.
- The development and collaboration of regional value chains to provide alternate supply outside of China
- Secure off-take rights that can be leveraged for future beneficiation

Key Challenges

- Projects are usually fully wrapped with off-takes preventing local beneficiation – early participation important
- Access and pricing of minerals to support local beneficiation
- Infrastructure, logistics and transport - availability, efficiency and costs
- Mineral policy uncertainty impacting on new mining projects
- Lack of exploration - activity in South Africa is below 1% of global expenditure.



IDC's approach

- Supporting the Presidency to resolve the legal and regulatory constraints associated with commercialisation
- Start with pilot projects in the currently legal medicinal cannabis sub-sector

IDC's role

The **IDC has supported the Project Management Office/Operation Vulindlela** in the Presidency, to address:

- binding legal constraints in a legally complex environment, strengthen an **appropriate institutional architecture** for intra-government policy coherence and implementation,
- develop an **evidence-based sector strategy and implementation programme** across seven government departments and their reporting institutions.
- secure the inclusion of **SA's research, development, innovation and commercialisation** (RDIC) effort in a technology intensive sector, and
- work to secure the **inclusion of Black owned companies and heritage farmers**, hitherto excluded by government policy and interventions.

Regulatory reform

- The PMO/IDC facilitated a fast-track process which enabled the **Cannabis for Private Purposes Act** (CfPPA) to be signed by the President on the 28th May 2024.
- The PMO is **supporting seven departments with consequent regulatory reform** to the Drugs, Medicines, Plant, Foodstuffs, Feeds, Traditional Medicine and Indigenous Knowledge legislation. Once Gazetted these measures will mean that Hemp becomes an agricultural crop, removing the regulatory barriers to investment in the high potential Hemp sector.
- A '**special interim measures**' will be proposed to enable the inclusion of Black heritage cannabis farmers, hitherto excluded and marginalized in governments supply side interventions.
- Legal work is underway to **design overarching legislation**, falling under the DTIC; create a regulated trade and responsible adult use market, and lower societal harms and secure fiscal benefits to the state.





Cannabis & Hemp

Cannabis

- Government issued approximately 120 medical cannabis cultivation, manufacturing and export **licences**.
- These carry high cost and regulatory **barriers to entry**.
- Apart from the small complementary medicines (Schedule 0) domestic market this is an **exclusively export facing** sub-sector with high regulatory and export market penetration **hurdles**.
- Research suggests the existence of **stranded assets** and dumping of product on the illicit market by licensed producers.
- Successful companies (estimated to be 30) are generally **vertically integrated**, with skills intensity and export capacity.
- A limited number of processing companies (GES Labs, Verve, Afriplex) have penetrated profitable export markets with 'hybrid' products contained THC/CBD as well as other high potential domestic botanicals, including Sceletium and pelargonium.
- **Until such time as the domestic market demand is enabled by regulatory reform, the cannabis medical market will remain constrained.**

Hemp

- Over 1000 hemp **permits** have been issued by DoA.
- Hemp sector development and IDC investment has **not been possible within the existing legal framework**.
- **Potential.** A whole plant approach means that the flower, seeds and stalks can be utilised for multiple industrial applications in construction, cosmetics, textiles, bioplastic alternatives to plastics, edible high protein foods and feeds, bio-composites and technical products. Global demand is increasing significantly driven by carbon mitigation imperatives.
- The PMO/IDC supported the development of a **research evidence base**. The Phase One research suggests considerable opportunities for investment in construction, cosmetics, foods and feeds, woven and unwoven fabrics. A further quantitative study to develop the value proposition for investment in SA is underway.
- The PMO/IDC facilitated an **inbound investment mission** of French companies and experts. Opportunities for technology transfer and collaboration are ongoing.
- A series of **industry expert symposia** have been held including international experts. Rhodes University has established a Cannabis Research Institution. Working with the DSI the PMO is mapping the domestic scientific and agricultural RDIC effort.



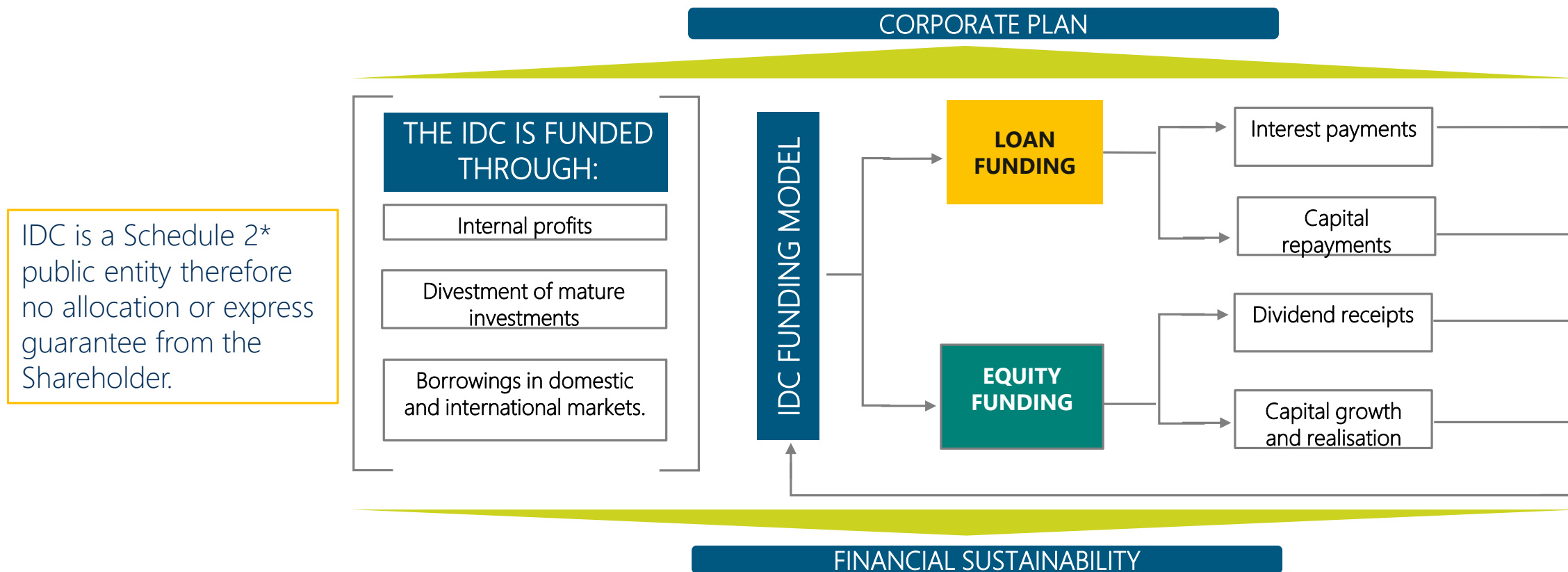
Key achievements and new opportunities....

Sector	Achievements
Agriculture & Agro Processing	<ol style="list-style-type: none"> 1. Poultry Industry Master Plan– Funded 14 poultry companies, producing 93,057 tons of chicken meat (96% of the 97,000-ton target). Committed R260mn to hatcheries, broiler rearing, and contract growers. 2. Agro-Industrial Fund (AIF) – Provided R158mn to seven black-owned agricultural businesses to enhance participation in agriculture. 3. Sugar Industry Master Plan – Exploring polylactic acid production for bioplastics to diversify the sugar industry. Completed pre-feasibility study (Dec 2024). 4. Horticultural Expansion – Supported stone fruit farming in the Free State, a 638-hectare pecan nut farm in the Northern Cape, and a Western Cape fruit processing facility (saving 4,000 jobs). 5. Flood Relief for Raisin Farmers – Provided R339mn in working capital to 764 small raisin farmers over two seasons to stabilize operations. 6. Agricultural Aggregation Model – Assisted eight North West farmers in barley cultivation for a maltster company, improving access to credit, markets, and technology. 7. Hemp & Cannabis Sector Development – Focused on medicinal cannabis projects, regulatory support, and future hemp value chain development. 8. Sustainable Agriculture Initiatives – Future plans include sustainable proteins, green agro-chemicals, carbon-smart farming, and biodiversity finance.
Critical Minerals & Mining	<ol style="list-style-type: none"> 1. <u>Critical Minerals Development</u> <ul style="list-style-type: none"> • Marange Graphite Project & Giyani Metals – Investments in graphite and manganese for the green energy transition. • Rare Earths Project in Malawi – Approved funding for rare earths extraction. • New O’Kiep Mining Company (Northern Cape) – Funded a copper mining project. • Palabora Copper (Limpopo) – Extended funding to complete its underground project, securing 60,000 tons/year of copper rod production (replacing imports). • High Purity Manganese Oxide Production – First output from a battery-grade manganese demonstration plant. • Prieska Copper-Zinc Mine – Completed a definitive feasibility study with strong financial prospects. 2. <u>Exploration & Junior Mining Support</u> : Junior Mining Exploration Fund (R400mn) – Partnered with the DMRE & Council for Geo-Science; allocated R160mn to 8 junior miners for early-stage exploration. 3. <u>Mining & Black Ownership</u> <ul style="list-style-type: none"> • Locally, continued support for mining due to job creation opportunities. • Funded black-owned mining assets and early-stage feasibility studies. 4. <u>SME & Local Procurement Support</u> : SME Connect Programme – Provided asset finance for logistics & haulage SMEs servicing mines.

Key achievements and new opportunities....contd.

Sector	Achievements
Renewable Energy	<ol style="list-style-type: none"> <u>Utility-Scale Renewable Energy Projects</u> <ul style="list-style-type: none"> Supported 26% of REI4P projects (up to Bid Window 4), contributing R12.6bn to deploy 1.4GW of renewable energy. Four utility-scale projects (219MW) started feeding into the grid in 2024/25. 17 additional projects (2.1GW) expected to come online in the next two years. <u>SME & Embedded Generation Support</u> <ul style="list-style-type: none"> Energy Services Companies (ESCOs) Fund – Increased funding from R13mn (2024) to R381mn (2025) for small-scale embedded generation (SSEG) & battery storage solutions. R200mn Township & Rural Energy Resilience Fund – Supported 1,043 businesses affected by power instability. <u>Green Tourism Incentive Programme (GTIP)</u> - Managed on behalf of the Department of Tourism, disbursed R76mn to 103 tourism businesses for renewable energy & water efficiency upgrades.
Green Hydrogen	<ol style="list-style-type: none"> <u>Strategic Leadership & Ecosystem Development</u> - Leads implementation of South Africa's Green Hydrogen Commercialisation Strategy and manages the Green Hydrogen Project Management Office under the Just Energy Transition Investment Plan (JET-IP) in partnership with the Presidency. <u>International Funding Partnerships</u> - Secured €73 million in grants for early-stage green hydrogen project development from KfW (Germany) and Invest International (Netherlands). <u>SA-H2 Fund</u> - Committed USD 10 million to the fund, which finances green hydrogen value chain projects (development, construction, and operation). <u>Flagship Green Ammonia Project (Northern Cape)</u> - Women led- green ammonia project: secured funding to produce 80 000 tons/yr in Northern Cape. Project advancing to next development phase.
New Energy Vehicles (NEV) and E-mobility	<ol style="list-style-type: none"> <u>Policy & Ecosystem Development</u> <ul style="list-style-type: none"> Co-drafted South Africa's NEV White Paper and Leads the NEV Project Management Unit (PMU) under the Just Energy Transition Investment Plan (JET-IP) in partnership with the Presidency Focus areas: 1) Auto sector transition 2) Public transport & mobility 3) Battery value chain 4) Charging infrastructure. <u>Industry Engagement</u> - Working with local & international OEMs to transition to NEV production and in advanced discussions with new market entrants for local NEV manufacturing. <u>NEV Localization Study</u> Commissioned to identify: 1) Electric mobility use cases (public transport, last-mile logistics, mining vehicles), and component supply chain opportunities <u>Mellowvans (Last-Mile EV Project)</u> <ul style="list-style-type: none"> Funding South Africa's first electric last-mile delivery vehicle Supporting expansion into the European market post-homologation approval

IDC's sustainable self-funding funding model



**Schedule 2 entities generate profits and declare dividends. These entities have the most autonomy of all the public entities, as they operate in a competitive marketplace and are run in accordance with general business principles.*



Actuals and 3 Year Financial Projections - Balance Sheet

purposed to support development mandate

R Million	Actual (Unaudited)	Forecast			
Cash Flows	2024/25	2025/26	2026/27	2027/28	Total 3 Years
On-balance sheet advances	16 275	17 880	18 605	19 371	55 856
External funds raised	8 252	5 373	4 971	6 755	17 055
- of which foreign borrowings	2 050	2 873	2 171	681	5 725
Balance Sheet		2024/25	2025/26	2026/27	End – 2026/27
Reserves	113 991	113 368	121 620	131 180	131 180
Borrowings	30 356	28 296	29 751	32 274	32 274
Debt/equity (%)	33%	30%	30%	30%	30%
Impairments as % of portfolio at cost	30.6%	35.6%	30.9%	27.4%	27.4%
Total Assets	123 695	125 916	134 141	145 626	145 626
Income Statement		2024/25	2025/26	2026/27	Total 3 Years
Dividend Income	4 002	2 854	3 490	2 808	9 152
Interest and Fee Income	6 661	7 460	8 354	9 330	25 144
Impairments and write-offs	(3 746)	(269)	1 271	658	1 660
Borrowing Costs	(3 771)	(2 135)	(2 022)	(2 206)	(6 362)
Profit Before Tax	1 560	4 634	8 346	7 524	20 505



c.R60bn Capital allocated towards key economic sectors over 3 years

Strategic Business Unit	5 –year Sector Outlook	Capital Allocation (R'm)					
		2025/26	2026/27	2027/28	Total (3 years)	% of total (3 years)	
Agro - Processing & Agriculture		2 048	2 298	2 403	6 749	11%	Agro Processing R6.7 bn
Tourism & Services		1 049	1 082	1 125	3 256	6%	Tourism & Services R3.3 bn
Automotive & Transport		1 536	1 649	1 791	4 976	8%	Manufacturing R18.7 bn
Chemicals, Medical Products & Industrial Mineral Products		1 840	1 890	1 962	5 692	10%	
Machinery, Equipment & Electronics		1 443	1 492	1 565	4 501	8%	
Textiles & Wood Products		1 153	1 182	1 222	3 557	6%	
Energy		3 221	3 296	3 405	9 921	17%	Energy & Infra R17.4 bn
Infrastructure		2 397	2 476	2 577	7 450	13%	
Mining & Metals		3 469	3 602	3 766	10 837	18%	Mining & Metals R10.8 bn
Project Development		663	686	718	2 067	4%	
Total		18 820	19 653	20 534	59 006	100%	

3 Year Targets Summary

IDC Balance Sheet Funding Disbursed



R55.9bn
(FY25/26: R17.9bn)

New Jobs Created



93 494
(FY25/26: 29 784)

Increase in Intra- Regional & Global Trade Exports



R45.9bn
(FY25/26: R14.6bn)

Transformation Funding Disbursed



R14.4bn
(FY25/26: R4.7bn)

Work Opportunities - Social Employment Fund & other



143 370
(FY25/26: 45 673)

Funds Disbursed into Special Economic Zones (SEZ's)



R3.1bn
(FY26/26: R1bn)

SMME Funding Disbursed



R2.2bn
(FY25/26: R0.4bn)

Impairment Ratio



FY25/26: 35.6%

Non-performing loans



FY25/26: 38.4%

Growth in Reserves



**Real GDP growth + 3.5
percentage points p.a.**



Key Risks and Mitigants: Ensuring a Robust Plan for the IDC



KEY RISKS

Deindustrialisation Risks

Social and environmental induced risks

Electricity availability and increasing energy prices

Increased Protectionism

ESG (Lack of Decarbonisation)

Concentration of Listed Portfolio

Inefficient and insufficient collections

Deteriorating Impairment Levels



MITIGANTS

Diversify economy by investing in innovation and new industries, implement reskilling programs, offer incentives for industrial retention and growth in key sectors.

Sustained focus on deal development, proactive assistance for clients to develop credible Value Creation Plans to ensure resilience & improve development impact. Greater contribution towards the implementation of policies & programmes aimed at addressing unemployment and poverty.

Focus on providing industries with alternative power solutions & alleviating some of the key supply risks through localisation strategies. Leveraging of other renewable energy funding for related infrastructure investments to increase multiplier effect in sector.

Greater investment in domestic production capabilities and local value chains to reduce dependency on imports. Strengthen and diversify trade agreements, focusing on regional partnerships within Africa to secure alternative markets. Leverage the IDC's role in supporting strategic sectors to enhance competitiveness and resilience against protectionist measures

Set clear decarbonisation targets, increased investment in renewable energy, improve energy efficiency, enhance transparency in ESG reporting and broader engagements with stakeholders on sustainability initiatives

Implementation of multiple strategy for the listed equity portfolio. Strategies to improve the value in the unlisted portfolio to have a more diversified overall portfolio with less reliance on the performance of listed shares.

Adoption of comprehensive pre- and post-investment strategy that gives better control of the quality of deals as well as the collection of payments due. Robust monitoring processes aligned to IDC mandate creates agility in assisting business partners through difficulties.

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Financial Plan: Key Considerations



TAILWINDS

- Improved earnings and resilient balance sheet.
- Robust liquidity and funding position.
- Sustained governance, in terms of JSE, PFMA, etc



HEADWINDS

- Materially lower commodity prices, which have a profound effect on the IDC's balance sheet and earnings.
- Subsidiaries compliance with the PFMA, to reduce irregular expenditure.
- Rising interest rates and inflation risk, impacting cost of debt.



FOCUS AREAS

- Diversification strategy of portfolio investments.
- Continue managing down impairments.





What will be discussed today

i Overview of the IDC

ii Our Strategy, Portfolio & Performance

iii **Closing Remarks**



Closing Remarks

OUR ENVIRONMENT



Our Strategy

Our **strategy continues** to **focus** on **industrial development effectiveness**, whilst remaining **financially sustainable**.



Inclusive
Transformation

Advancing **inclusive transformation** remains at the **heart** of our **funding activities**.



Deepening Industrial
Development

Whilst the environment remains constrained in the short-term, with a more optimistic look over the medium term, A real **opportunity** exists to **deepen the IDC's development impact**.





Thank you



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