IDC

Industrial Development Corporation

Partnering you. Growing the economy. Developing Africa

INTEGRATED **REPORT** **2025**

PERFORMANCE OVERVIEW

2025 HIGHLIGHTS

22.5%
IDC funding approved
R13.4 billion
(2023/24: R17.3 billion)

19.3%
Total funding facilitated for transformation
R26.6 billion
(2023/24: R22.3 billion)

2.5%
IDC funding disbursed
R16.3 billion
(2023/24: R15.9 billion)

74.5%
Net profit (Company)
R1.8 billion
(2023/24: R7.0 billion)

7.7%
Total assets (Company)
R144.3 billion
(2023/24: R156.3 billion)

11.7%
Jobs to be created and saved through committed funds
15 732
(2023/24: 17 826)

CONTENTS

Legend and navigation

Capitals

Financial Capital

Manufactured Capital

Human Capital

Intellectual Capital

Natural Capital

Social Capital

Icons denoting assurance

LA Denotes limited assurance

RA Denotes reasonable assurance

Additional information online

- Group structure
- Board directorships
- Carbon footprint
- Social investment
- Human capital
- Procurement
- Special funding schemes
- Memberships
- King IV checklist

Denotes information available in this document.

Denotes information available online.

INTRODUCTION

Introduction

About this report

Creating shared value is a fundamental objective of the Industrial Development Corporation (IDC or the Corporation). Being a development finance institution (DFI), we prioritise creating broad societal value. Our integrated annual report provides stakeholders with an impartial view of our value creation, preservation and erosion, and our strategy implementation capacity.

Our business model

Our business model explains how we apply the six capitals in our business processes to deliver value, while making tradeoffs where needed. We are committed to sustainable development through a strategy centred on the twin pillars of financial and developmental returns. We align our developmental efforts with the United Nations' Sustainable Development Goals (SDGs) and national imperatives, as shown in the matrix on page 30.

Reporting approach

The report is based on integrated thinking that shows how we create and preserve value for stakeholders, and avoid its erosion. Information is included on our governance, material matters, risks and opportunities, strategy and performance, and on our impact and outlook.

Our strategy

The development of our strategy covers short, medium and long term. The timelines referred to are as follows:

- **Short term:** Financial years 2025 and 2026 (about 18 months). We implement initiatives to support our strategies
- **Medium term:** Financial years 2026 to 2028 (18 to 36 months) Achieving our goals within three years
- **Long term:** Beyond financial year 2028 (more than three years) Focus is on long-term goals and strategies

Reporting boundary and scope

The report covers the financial year 1 April 2024 to 31 March 2025 and includes material information up to the Board's approval on 29 July 2025. There were no significant changes to the scope and boundary from the previous financial year and no restatements were made, unless otherwise specified in the report.

Our **integrated reporting boundary** encompasses the risks, opportunities and outcomes arising from:

- Our operating context (page 26)
- Our business model and the affordability and availability of capitals (page 14)
- Our strategy (page 29).

Our **six capitals** are discussed on pages 46 to 50 and our integrated stakeholder engagement is covered on page 39.

Our **financial reporting boundary** aligns with our financial statements reporting boundary, defined by control and joint control, and covers:

- subsidiaries (companies in which the IDC owns more than 50%)
- associates (companies over which the IDC has significant influence, typically holding between 20% and 50%).

The reporting boundary includes:

- the Industrial Development Corporation of South Africa Limited
- the IDC group, comprising the IDC and all its subsidiaries
- the IDC mini-group comprising the IDC and its subsidiaries Findevco, Konoil and Impofin.

The group structure is **available online**.

Performance information covers the 2024/25 financial year (FY), with any notable or material events after this date and up to the date of approval of this report included.

Reporting structure

Our integrated report is aligned to the Integrated Reporting Framework, demonstrating the organisation's commitment to complying with legislation and global frameworks, and its monitoring of and adherence to corporate reporting developments. We recognise the growing emphasis on environmental and social issues from both financial and impact materiality perspectives.

We support the efforts of the International Sustainability Standards Board (ISSB) and welcome the publication of International Financial Reporting Standards (IFRS) S1 and S2, which provide general requirements for disclosure of sustainability-related financial information and climate disclosures respectively. We are looking into incorporating these new standards into our disclosure practices in the future, including adding environmental and social impact disclosures to our reporting.

Reporting compliance

Our financial reporting complies with:

- International Financial Reporting Standards
- Public Finance Management Act 1 of 1999, as amended (PFMA).

Our integrated reporting is guided by:

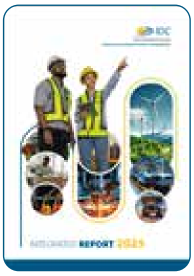
- the Industrial Development Corporation Act 22 of 1940, as amended (IDC Act)
- internally developed policies
- the King Report on Corporate Governance for South Africa (King IV)
- greenhouse gas (GHG) Protocol and IDC internal top-down methodology based on the Partnership for Carbon Accounting Financials (PCAF) methodology (for CO_2 equivalent annual emissions calculation).

Awards and recognition

Our 2024 integrated report won the state-owned enterprise (SOE) category at the Chartered Governance Institute of Southern Africa (CGISA) annual awards.

Our suite of reports is available on our website and includes:

Our integrated report



Our integrated report provides stakeholders with a comprehensive overview of our strategy, performance and the value created, preserved or eroded during the reporting period. Material information has been incorporated to contextualise the IDC's operating environment and the application of the six capitals.

Reporting frameworks

Our reporting is guided by:

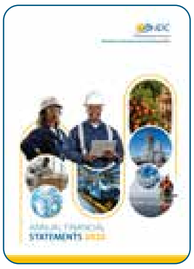
- the Integrated Reporting Framework
- King IV.

Assurance and oversight

Our reporting process involves:

- management and governance oversight
- Board oversight and approval
- external audit opinion provided by joint external auditors BDO SA and Deloitte.

Our annual financial statements



Our group annual financial statements present a comprehensive overview of our audited financial performance, prepared in accordance with IFRS.

Reporting frameworks

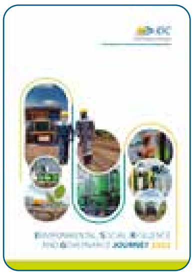
Our reporting is based on:

- King IV
- IFRS.

Assurance and oversight

Internal controls, management and governance oversight are assured by internal audit, while an unmodified external audit opinion is provided by BDO SA and Deloitte.

Our environmental, social, resilience and governance journey



Our ESRG journey provides a comprehensive overview of IDC's ESRG programme and its related performance, as guided by various frameworks.

Reporting frameworks

Our reporting is guided by:

- Integrated Reporting Framework
- King IV
- Greenhouse Gas (GHG) Protocol
- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate Related Financial Disclosures (TCFD)/IFRS2

Assurance and oversight

Our reporting process involves:

- Board oversight and approval
- external limited assurance provided on the annual GHG report by joint external auditors BDO SA and Deloitte. For FY 2024/25:
  - Scope 1 emissions: 209 (tCO_2eq)
  - Scope 2 emissions: 3 720 (tCO_2eq)
  - Scope 3 emissions: 16 070 Kt CO_2eq can be attributed to 88 business partners (BPs) which account for 53% of the IDC's overall exposure. These BPs are inclusive of listed entities and subsidiaries.

Materiality

Our Board and executive team share an understanding of the material matters presented in this report, linking them to our ability to create value over the short-, medium- and long term. We apply double materiality, considering both financial and impact materiality to identify matters that are important to providers of capital and that influence our ability to create or preserve value, and those that affect the environment, communities, society and the economy.

Our timeframes are:

- short term (18 months)
- medium term (1.5 to 3 years)
- long term (3+ years).

We acknowledge our dynamic operating context and its potential impact on our material matters. As such, we review materiality annually, ensuring our reporting reflects the evolution of matters that affect value creation.

Our reporting extends beyond internal operations to incorporate our influence on society, the environment and the climate agenda. We acknowledge the financial and impact risks and opportunities of our material matters on the IDC and its major subsidiaries.

In FY 2024/25, we identified eight material matters relevant to our stakeholders' information and decision-making needs. For more information on the process, refer to page 45.

The eight material issues on which this report is based are:

- **Sustainable industrial development**
- **Financial sustainability**
- **Human capital**
- **Socioeconomic development**
- **Environment**
- **Client expectations**
- **Governance, risk and compliance**
- **Partners.**

Process disclosure and assurance

The Corporate Affairs Department, led by the Divisional Executive: Strategy and Corporate Affairs is responsible for producing the integrated report. The Integrated Report Working Committee, comprising individuals from various functions, ensures that content is comprehensive and accurate.

Assurance and verification

Financial information and certain non-financial performance indicators have been assured through our combined assurance model. BDO SA and Deloitte, our joint external auditors, supported by the IDC internal audit team, issued an unqualified audit opinion on the group audited financial statements. Selected performance information underwent limited assurance in line with the International Standards for Insurance Engagements (ISAE3000).

Governance and oversight

The IDC combined assurance model promotes shared accountability between internal departments and external auditors. As a state-owned enterprise (SOE), we are subject to the Public Audit Act 24 of 2004, which requires external assurance of our financial statements and performance against predetermined objectives. Our risk, audit and compliance functions are aligned for reporting integrity. The IDC Board, supported by the Board Audit Committee, oversees internal control, identifying, evaluating and managing risks to provide reasonable assurance against material misstatement and loss. The Board has executed their responsibility in line with the IDC's performance evaluation policy.

Outlook and forward-looking statements

Our expectations on opportunities and achieving our targets are balanced with historical performance and prevailing realities. The Board presented its views on the outlook for the IDC and its predicted performance based on forecasts of local and global economic conditions. Forward-looking statements are subject to risk and uncertainty and may differ from actual performance.

Board approval

The IDC Board takes responsibility for the integrity and completeness of this integrated report. We confirm that the report's content is accurate, reliable, balanced and comprehensive, and we approved it on 29 July 2025. The Board verifies that the report presents all material issues and is prepared in accordance with the Integrated Reporting Framework.

On behalf of the Board:

BA Mabuza
Board Chairperson
15 August 2025

M Lekhethe
Chief Executive Officer
15 August 2025

Minister's foreword

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

South Africa's peaceful 2024 elections and the establishment of a Government of National Unity (GNU) have given us a renewed mandate and a clear opportunity to rebuild confidence and drive economic recovery. The promise of this moment – increased policy certainty and coordinated implementation – is essential for unlocking inclusive growth and long-term sustainability. However, we cannot ignore the fierce headwinds from the international arena. Our domestic agenda is simultaneously challenged by a world in flux: increased geopolitical tensions and ongoing conflicts across parts of the world continue to bring uncertainty and risks to the global environment, while rising trade tensions and the imposition of new tariffs threaten to further fragment the global economy.

It is within this context of domestic promise and global uncertainty that the IDC's performance must be assessed. The marginal economic growth of 0.4% and the concerning 3.9% decline in fixed investment are not merely statistics; they are a stark reflection of the challenging environment in which the Corporation operates. They underscore the continued caution among businesses and highlight the critical, and often counter-cyclical role the IDC must play. In such times, its mandate becomes not just important, but indispensable for preserving industrial capacity, stimulating investment where the market hesitates, and laying the groundwork for future recovery.

This foreword, therefore, frames the IDC's activities not against abstract targets, but against its strategic imperative to act as a stabiliser and a catalyst in the face of significant headwinds.

Driving industrial growth in a shifting global trade landscape

our goal is to create a dynamic, industrial, and globally competitive South Africa that is transformed, inclusive, and equitable. Our strategic approach is anchored by four key pillars: industrialisation, transformation, job creation, and building a capable and developmental state.

The IDC is a key instrument in advancing this agenda. It is tasked with promoting green and inclusive industrialisation by increasing funding in low-carbon sectors while actively fostering economic inclusion through targeted support for black industrialists, black-owned businesses, women, youth entrepreneurs, and worker ownership models. Its performance is a key indicator of our progress in building a more resilient and equitable economy.

The Corporation's strategic shift towards more labour-intensive and trade-exposed sectors—such as agro-processing, automotive, downstream chemicals, and tourism—is a direct response to our urgent need in South Africa for job creation. Furthermore, its catalytic investments in critical minerals, new energy vehicles, energy storage, and green manufacturing are essential for securing South Africa's position in the fast-evolving global economy. The emphasis on localisation and beneficiation is grounded on the fundamental principle to maximise domestic value addition and ensure long-term sustainability.

Despite the adverse economic conditions that suppressed private investment, the IDC delivered notable and strategic achievements across its core pillars in 2024/25:

Key strategic achievements

- **Unlocking New Industrial Pathways:** The support for critical mineral value chains (copper, manganese, rare earth elements) including the establishment of a R400 million Junior Mining Exploration Fund are strategic investments that lay the groundwork for future battery and green technology industries, diversifying our economic base.
- **Advancing the Just Transition and Sustainability:** The approval of R1.8 billion for energy projects, adding 219 MW to the grid, and the launch of a flagship green ammonia project demonstrate leadership in building a sustainable energy future and positioning South Africa at the forefront of the green hydrogen economy.
- **Supporting South Africa's economic resilience:** The IDC continues to play a pivotal role in strengthening South Africa's economic resilience. This is exemplified by its strategic interventions in the steel sector and related industries, which have helped preserve industrial capacity, protect jobs, and promote long-term competitiveness. Notably, IDC supported key sectors such as automotive manufacturing by ensuring a secure supply of specialised steel, thereby safeguarding production continuity and enhancing the industry's global competitiveness.
- **Driving Infrastructure Development:** Strategic partnerships with Transnet and a commitment of R2.7 billion to vital water infrastructure projects are essential interventions to address the binding constraints that have held back our economic growth for years. The Corporation also invested in digital infrastructure through a subsea fibre optic cable and supported logistics improvements. For example, Project Ukuvuselela, a collaboration between the IDC and Transnet, is focused on developing a sustainable end-to-end rail solution to shift vehicle transportation from road to rail, enhancing efficiency and reducing environmental impact. It includes upgrading the rail network connecting Tshwane to the Port of Port Elizabeth and has attracted a R2 billion grant from the Budget Facility for Infrastructure.
- **Promoting Inclusive Industrialisation:** The increase in transformation funding to R26.6 billion (up from R22.3 billion in 2023/24), with support for Black industrialists more than doubling to R23.4 billion (up from R10 billion in 2023/24), represents profound progress. The significant rise in funding for youth-owned businesses to R1.7 billion (up from R456 million) is also commendable, though the decline in support for women-empowered businesses to R5.6 billion (down from R11.4 billion) signals an area requiring urgent and focused attention.
- **Supporting Regional and Continental Growth:** Maintaining an R11 billion investment footprint across several African countries aligns with our strategic intent to deepen regional economic development and to strengthen regional value chains, positioning South Africa as a pivotal player in Africa's industrial renaissance.
- **Enhancing Operational Efficiency:** An improved client satisfaction index (from 7.7 to 8.3) and the stabilisation of the leadership team with the appointment of a new CEO are crucial foundational improvements for enhancing the Corporation's impact.

However, a fundamental challenge remains. The creation and preservation of 15 732, while valuable, fell short of our ambitious targets. I have therefore engaged the Board and management to elevate job-rich industrialisation to an overriding priority for the 2025/26 financial year. Every investment, every partnership, and every strategic decision must be scrutinised through the lens of its potential to create sustainable employment.

Strategic alignment and future outlook

Looking ahead, the IDC's role has never been more critical. South Africa's globally integrated economy is acutely vulnerable to shifts in international trade policy and geopolitical instability. To navigate these challenges, we must aggressively diversify our trade partnerships, strengthen regional integration within Africa, and invest unwaveringly in domestic production and resilient local value chains.

The IDC's value chain-based investment approach must amplify its impact across high-potential industries such as critical minerals, new energy vehicles, green hydrogen, and agro-processing. It must also find innovative ways to retain and grow industrial capacity in key sectors buffeted by global economic headwinds.

In alignment with national development priorities, the IDC must continue to champion economic inclusion for black industrialists, women, youth, and rural enterprises. It will continue to play a pivotal role in regional development within South Africa, targeting underdeveloped areas to reduce disparities and unlock economic potential. Through support for development and deepening of regional value chains, leveraging opportunities created by the AfCFTA, the Corporation can make a meaningful contribution to Africa's industrialisation.

Strengthening partnerships, maintaining financial sustainability, and providing thought leadership in industrial policy will be essential to achieving these goals and ensuring the IDC remains a cornerstone of South Africa's developmental agenda.

Governance

In line with its commitment to strong governance, the IDC underwent leadership changes during the year. Ms. Mmakgoshi Lekhethe was appointed as Chief Executive Officer in December 2024 and took office in February 2025.

Acknowledgements

I would like to express my sincere appreciation to Ms. Busisiwe Mabuza for her exceptional leadership as Chairperson of the IDC Board. Her guidance, along with the dedicated service of all Board members, has been instrumental in advancing the IDC's mission. The Board's unwavering commitment to sound governance and strategic oversight has significantly enhanced the Corporation's reputation and impact.

I also wish to acknowledge the contributions of the management team, including Mr. David Jarvis, who served as interim CEO until 31 January 2025, and the executive management team for their steadfast leadership during a period of transition. My gratitude extends to the entire IDC staff for their continued dedication and support, which remain vital to the Corporation's success.

Parks Tau
Minister of Trade, Industry and Competition

Chairperson's statement

This year marks 85 years of the IDC's contribution to South Africa's industrial development. Despite a challenging economic and geopolitical landscape, the Corporation remained focused on its strategic mandate – supporting inclusive and sustainable industrialisation while continuing to deliver developmental impact across key sectors of the economy.

Economic environment

The 2024/25 financial year was shaped by significant developments. South Africa's second government of national unity emerged from the local national elections, marking a broadly welcomed political shift. Later, the U.S. elections introduced further uncertainty, particularly due to the potential imposition of new or increased tariffs affecting local industries, and the possible suspension of American funding for humanitarian initiatives that supported employment. By the financial year-end, the US announced its withdrawal of over US$1 billion in support from South Africa's Just Energy Transition Partnership.

Domestically, economic conditions remained subdued. Real GDP growth slowed to 0.4% (2023/24: 0.5%), with continued underperformance across most sectors, including those in which the IDC operates. Weak domestic demand and long-standing structural challenges have kept the economy on a low-growth path for over a decade, reflected in the persistently high rate of unemployment, which stood at 32.9% at the end of March 2025.

It was more important than ever for the IDC to remain focused amid these challenges and the competing priorities faced by government including our Shareholder Representative, the Ministry of Trade, Industry and Competition. Navigating this difficult environment required a steadfast commitment to our dual mandate: delivering financially sustainable returns while driving inclusive, job-rich industrial development.

Advancing sustainable industrial growth

In a year of global disruption and heightened uncertainty, our business partners needed greater support, particularly access to working capital, to weather trade-related challenges. The IDC responded by deepening its engagement through both financial and non-financial support, helping to strengthen the resilience of growing businesses and supporting those most at risk in mitigating new threats. A key outcome was a reduction in job losses across the sectors funded by the IDC, an achievement of which we are proud.

The Corporation endeavoured to play a pivotal role in preserving industrial capacity, notably through strategic interventions in ArcelorMittal and continued support for Tongaat Hulett.

Supporting environmentally responsible industry

The IDC remains committed to sustainability, recognising the need to reduce its carbon footprint and supporting South Africa's transition to a greater share of cleaner and renewable sources of energy through a pragmatic and balanced approach. The Corporation continues to invest in initiatives such as green hydrogen, contributing to a cleaner, more sustainable future.

Our updated environmental, social, resilience and governance (ESRG) policy outlines clear principles and controls for managing environmental risks, opportunities, and impacts. This policy will guide the deployment of proceeds from the IDC's inaugural R2.1 billion sustainability bond which was pleasingly oversubscribed. The funds will support projects aligned with our Sustainable Finance Framework, underpinned by ESRG criteria.

Financial sustainability

The IDC's financial performance in FY 2024/25 was affected by a combination of domestic and global pressures, including geopolitical tensions, port congestion and transport inefficiencies. These challenges affected our business partners and weighed on the performance of our listed equity portfolio, a traditional source of income, resulting in a decline in group profit to R329 million, down from R7.5 billion the previous year.

Group revenue also declined to R21.7 billion (2023/24: R23.4 billion), partly due to the transfer of the Corporation's subsidiary, the Small Enterprise Finance Agency (sefa), to the newly formed Small Enterprise Development and Finance Agency (Sedfa).

Despite efforts to improve the quality of our loan book, difficult operating conditions have led to increased defaults. Impairments rose to R21.3 billion (2023/24: R19.5 billion), with the impairment ratio closing at 30.6% (2023/24: 36.3%). While the IDC's developmental mandate requires a degree of risk tolerance, attracting high-quality clients remains a strategic priority.

On a positive note, on-balance sheet funding increased, with disbursements rising slightly to R16.3 billion (2023/24: R15.9 billion). This enabled the IDC to deliver meaningful development impact, particularly in supporting black industrialists, women, and youth.

Governance

The Board is satisfied that the Corporation's strategic direction remains aligned with the IDC's mandate, as ratified by its Executive Authority. In FY 2024/25, the Board discharged its responsibilities with diligence, impartiality, and independence. The Board and its committees reviewed and approved performance reports, monitored instances of non-compliant expenditure, and oversaw the development or revision of key policies and frameworks – including those related to procurement, debt funding, responsible investment, risk appetite, and conflict of interest.

R16.3 billion ↑

Rise in disbursements

(2023/24: R15.9 billion)

Concerns over senior staff turnover prompted the Board to vigorously support the culture transformation interventions driven by management as well as review remuneration and related policies to ensure the IDC remains an attractive destination for top talent. Notwithstanding the departure of senior staff, the depth of expertise within the organisation ensured continuity and preservation of institutional knowledge.

Board members are confident that they fulfilled their duties to the best of their ability and in the best interests of the Corporation.

Appreciation

I extend my heartfelt appreciation to my fellow Board members for their unwavering commitment and thoughtful counsel throughout the year. Their collective insight and strategic leadership were instrumental in ensuring stability and continuity as the IDC transitioned into the seventh national government administration.

We commend the executive team for their dedication, especially David Jarvis, who served as interim CEO from October 2023 to January 2025 and now acts as Chief Operating Officer. His energy, enthusiasm, and passion for the IDC's mission have been invaluable.

On 1 February 2025, David handed over to Mmakgoshi Lekhethe, marking a historic milestone as the IDC's first female CEO. Her extensive experience at the African Development Bank (AfDB) and managing the relationship between South Africa and the World Bank, International Monetary Fund (IMF), BRICS and the G20, positions the Corporation well for future partnerships and continental influence. She was warmly welcomed by the Board, staff, and stakeholders.

Throughout the year, we maintained a constructive working relationship with **the dtic**, whose teams were instrumental in shaping our corporate plan and other strategic documents. We worked closely with Minister Parks Tau to ensure our priorities remained aligned with national imperatives. We extend our appreciation to Minister Tau and his Ministry as well as the Parliamentary Portfolio Committee on Trade, Industry and Competition for the support demonstrated to date.

Thank you, South Africa, for the privilege of serving as non-executive director of the IDC.

BA Mabuza
Board Chairperson


IDC
Industrial Development Corporation

WHO WE ARE

Company overview

Since its inception with the promulgation of the IDC Act, the IDC has been a proud South African corporate citizen. It is wholly owned by the South African government and its priorities and activities are aligned with and guided by targets of the National Development Plan (NDP), Medium Term Development Plan (MTDP) and industry masterplans.

The Corporation must ensure 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 on the continent.

Our purpose

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

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 values

Daily activities and business conduct are guided by:

- Passion
- Partnership
- Professionalism.

Our activities and priorities

We fulfil all the roles of a DFI:

- 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.

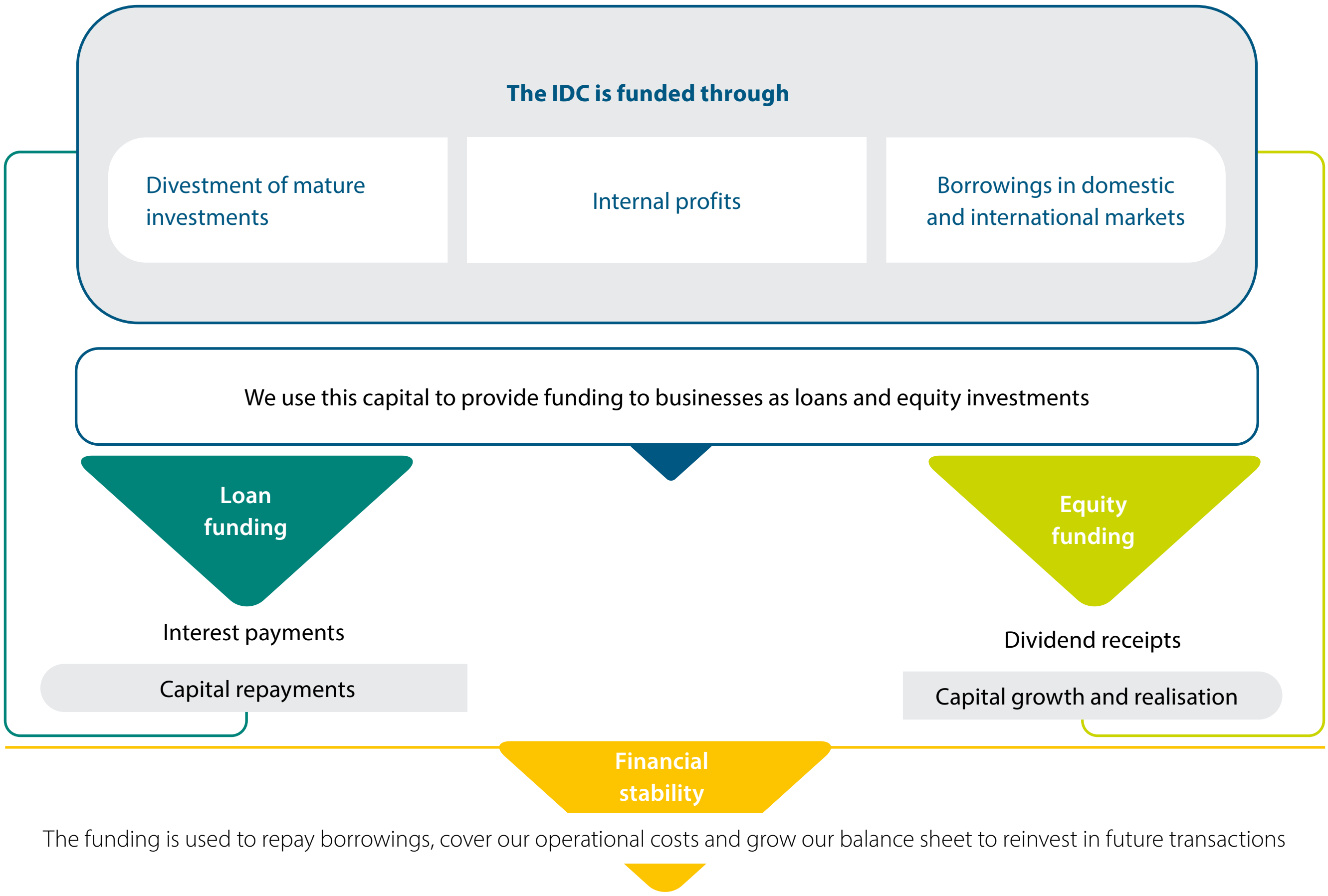
The Corporation prioritises labour-intensive industrialisation through funding of companies or unlocking downstream activities. Through the businesses we support, we drive key development outcomes that promote equitable economic growth, while creating and sustaining jobs. Our commitment to providing relevant services has created an enabling environment for our partners.

We provide business support, capacity building and new capabilities such as lead arranging for greater leveraging of our balance sheet.

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 increasingly sources funds from partners, including the government, for co-investment in projects having specific industrial and development outcomes.



Our business model

INPUTS

FINANCIAL CAPITAL
Our strong asset base allows us to access funding. These funding sources support clients, whose businesses help us to achieve our development outcomes.

- Equity: R90.1 billion (2023/24: R99.9 billion*)
- Borrowings: R31.0 billion (2023/24: R28.5 billion)
- R134.5 billion in assets (2023/24: R156.3 billion*)

*Restated

HUMAN CAPITAL
Our diverse group of employees enables us to serve our clients and manage an effective organisation to fulfil our mandate.

- 856 permanent employees (2023/24: 866)
- R118 million spent on training and development (2023/24: R22 million)

NATURAL CAPITAL
Our direct impact on natural resources through energy and water use in our business activities.

- Renewable energy portfolio
- Investment in energy-efficiency technologies

MANUFACTURED CAPITAL
Our business structure, regional footprint, processes and information technology (IT) systems enable our deal development and implementation activities.

- Presence in all nine provinces
- Information technology infrastructure

INTELLECTUAL CAPITAL
Our brand, reputation, research, knowledge and experience.

- More than 84 years of industrial finance and project development experience, of which over 30 years has been in a democratic South Africa driving inclusive participation in the economy

SOCIAL CAPITAL
Our relationships with key stakeholders, including clients, partners, funders, development partners and government.

- 38 strategic implementing partners for the Social Employment Fund
- 38 initiatives were approved, reaching 23 000 beneficiaries

INDUSTRY PLANNING
Strategy development to guide the IDC's role in the expansion of priority industries, including industry masterplans

INDUSTRIAL FINANCE
- Deal development
- Assessing the viability of business plans
- Providing funding to potentially viable businesses
- Providing non-financial support to entrepreneurs to improve the viability of their businesses
- Environmental, social, resilience and governance (ESRG) and sustainability impact principles integrated into industry planning, project preparation, partnership programmes and industrial finance

LENDING, INVESTMENT AND FUND MANAGEMENT
- R13.4 billion funding approved (2023/24: R17.3 billion)
- R16.3 billion of IDC funds disbursed (2023/24: R15.9 billion)

TOP RISKS
- Development impact risk
- Macroeconomic conditions and developments
- Credit and investment portfolio risk
- Concentration risk
- Liquidity and funding risk
- Significant investments risk
- People and organisational culture risk
- Governance, ethical conduct and behaviour
- Legal and regulatory compliance risk
- Business resilience and technology risk (including cybersecurity)
- Sustainability and responsible investment risk
- Reputational risk

See page 38 for more information

MATERIAL MATTERS
- Sustainable industrial development
- Financial sustainability
- Human capital
- Socioeconomic development
- Environment
- Client expectations
- Governance, risk and compliance
- Partners

See page 45 for more information

PARTNERSHIP PROGRAMMES
- Managing funds and building partnerships to achieve development outcomes

Business activities

PROJECT PREPARATION
- Co-development of projects through feasibility stages

KEY BUSINESS SUPPORT FUNCTIONS
- Treasury support
- Legal support
- Technical deal support services:
  - Entrepreneurial development, environmental impact
  - Post-investment management and client support
- Human capital support and development
- Macroeconomic and industry research
- Financial management
- Corporate support services

OUTPUTS

PRODUCTS AND PARTNERSHIPS
- SME-Connect
- Social Employment Fund
- Township Economy Energy Resilience Fund
- Junior Mining Exploration Fund

GOVERNANCE
Good corporate governance is integral to a sustainable business. We have always strived for sound governance practices aligned with best-practice principles. This is also a requirement for our funded companies.

See pages 89 to 91 for more information

OUTCOMES

HUMAN CAPITAL
- 8.6% staff turnover (2023/24: 6.6%)
- 1 127 employees trained (2023/24: 680)
- Provided 84 new employment opportunities through learnerships and internships (2023/24: 61)

FINANCIAL CAPITAL
- Assets (Company): R144.3 billion (2023/24: R156.3 billion)
- Net profit (Company): R1.8 billion (2023/24: R7 billion)
- Net profit (Group): R329 million (2023/24: R7.5 billion)
- Impairments (total portfolio at cost): 30.6% (2023/24: 36.3%)

NATURAL CAPITAL
- Total Scope 1 (tCO_2eq): 209 (2023/24: 414) and Scope 2 emissions (tCO_2eq): 3 720 (2023/24: 3 392; Scope 3 emissions ($KtCO_2eq$): 16 070 for 88 BPs
- Continuous application of the Responsible Investment Policy
- ESRG Risk Policy approved

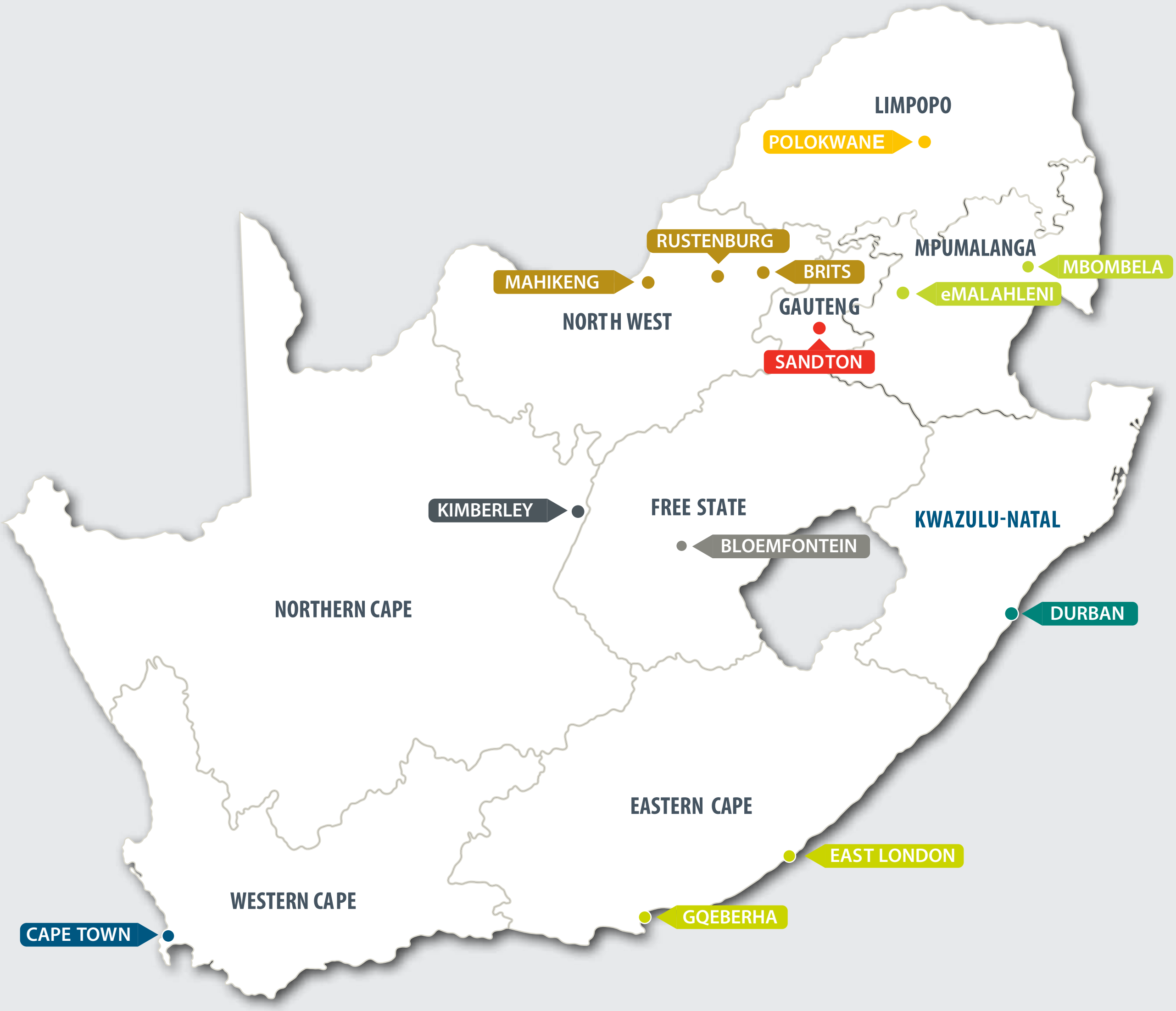
MANUFACTURED CAPITAL
- IDC funding on the continent supports industrialisation and deepening regional value chains
- Ongoing improvement of processes to ensure greater agility

INTELLECTUAL CAPITAL
- Implementation of poultry, sugar and automotive masterplans
- IDC contribution to the Green Hydrogen Commercialisation Strategy

SOCIAL CAPITAL
- 15 732* jobs are expected to be created and saved from committed transactions (2023/24: 17 826)
- R26.6 billion investment facilitated for priority groups of entrepreneurs (2023/24: R22.3 billion)
- Black-empowered and black-owned R23.8 billion (2023/24: R13.0 billion)
  - Black industrialists: R23.4 billion (2023/24: R10 billion)
  - Women entrepreneurs: R5.6 billion (2023/24: R11.4 billion)
  - Youth entrepreneurs: R1.7 billion (2023/24: R456 million)
- Client satisfaction index: 8.3 (2023/24: 7.7)
- R40.6 million corporate social investment (CSI) contributions (2023/24: R38.4 million)
- Level 4 broad-based black economic empowerment (B-BBEE) contributor (2022/23: level 5)

* *IDC counts these jobs based on the commitment made by the client, which is expected to materialise in the form of jobs created and/or saved once legal agreements are signed and all condition precedents have been fulfilled.*

Our regional footprint



Gauteng
Head office:
- Sandton

Eastern Cape
Regional offices:
- East London
- Gqeberha

Free State
Regional office:
- Bloemfontein

KwaZulu-Natal
Regional office:
- Durban

Limpopo
Regional office:
- Polokwane

North West
Regional offices:
- Mahikeng
- Rustenburg
- Brits

Mpumalanga
Regional offices:
- Mbombela
- eMalahleni

Northern Cape
Regional office:
- Kimberley

Western Cape
Regional office:
- Cape Town

Regional office locations correct at time of publishing.

Organisational structure

- **Chief Executive Officer**
  - **Chief Operations Officer**
    - Small Business Finance and Regions
    - Structured Finance and Syndications
    - Development Impact Services
    - Information Technology
    - **Divisional Executive** Industry Planning and Project Development
      - Project Development
      - Partnership Programmes
      - Technical Services
      - Industry Planning
    - **Divisional Executive** Mining, Metals, Infrastructure and Energy
      - Mining and Metals
      - Infrastructure
      - Energy
    - **Divisional Executive** Manufacturing
      - Machinery, Equipment and Electronics
      - Automotive and Transport Equipment
      - Chemicals, Medical and Industrial Mineral Products
      - Textiles and Wood Products
    - **Divisional Executive** Agro-industries and Services
      - Agro-processing and Agriculture
      - Services
  - Internal Audit
  - **Chief Financial Officer**
    - Financial Management
    - Procurement
    - Corporate Treasury
    - Strategic Financial Planning
  - **Chief Risk Officer**
    - Credit Risk
    - Enterprise Risk Management
    - Asset and Liability Management and Market Risk
    - Risk Governance and Portfolio Management
  - **Divisional Executive** Client Support and Growth
    - Development Debt
    - Growth Catalyst and Listed Equities
    - Business Advisory and Turnaround Services
    - Portfolio Insights and Client Support Services
  - **Divisional Executive** Strategy and Corporate Affairs
    - Corporate Strategy and Innovation
    - Research and Information
    - Corporate Affairs
  - **Divisional Executive** Human Capital
    - Human Capital Business Partners
    - Talent Management and Organisational Effectiveness
    - Total Rewards and Shared Services
    - Learning and Development
    - Facilities Management
  - **Divisional Executive** Legal and Compliance
    - Records Management
    - Legal: Recoveries, Business Rescue and Insolvencies
    - Compliance and Regulatory Affairs
    - Legal Services
  - **Group Company Secretary**
    - Corporate Secretariat

Board of directors

Busi Mabuza
Chairperson of the Board

- MBA Finance and Information Systems (Leonard Stern School of Business, New York University, USA)
- BA Mathematics and Computer Science (Hunter College, City University of New York, USA)

Brian Dames

- MBA (Samford University, USA)
- BSc Hons (University of Western Cape)

André Kriel

- BSoc Sci (University of Cape Town)

Mmakgoshi Lekhethe
Chief Executive Officer

- MSc International Economics (University of London, SOAS)
- BCom (Hons) Economics (Wits University)
- BCom Economics (University of Durban-Westville)

Bobby Godsell

- MA Liberal Ethics (University of Cape Town)
- Postgraduate studies in sociology and philosophy (Leiden University, Netherlands)

Dr Sizeka Magwentshu-Rensburg

- DPhil Business Management (University of Johannesburg)
- MBA (Webster University, London)
- BA Accounting (Webster University, Vienna)

Susan Mangole

- MBA (Henley Business School)
- Postgraduate Diploma in Management (Henley Business School)
- Programme in Public Finance Management (Harvard University Kennedy School)
- National Diploma in Office Administration (Tshwane University of Technology)

Philisiwe Mthethwa

- MBA Corporate Finance (University of Sheffield, England)
- MSc Economics (University of Paris, France)
- BA Economics (University of Limpopo)

Nomavuso Mnxasana

- CA (SA)
- BCompt Hons (Unisa)

Adv Thandi Orleyn

- LLM (Wits University)
- LLB (Unisa)
- BProc (Unisa)
- Bluris (University of Fort Hare)
- Certificate in Energy Law
- Executive Management Programme (Kellogg Business School, USA)

Executive management

Mmakgoshi Lekhethe
Chief Executive Officer

- MSc International Economics (University of London, SOAS)
- BCom (Hons) Economics (Wits University)
- BCom Economics (University of Durban-Westville)

Isaac Malevu
Chief Financial Officer

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

David Jarvis
Chief Operations Officer (Acting)

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

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

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

Sizwe Damane
Chief Risk Officer (Acting)

- MBA (GIBS Business School)
- BCom (Hons) Finance (Wits University)
- BCom Economics and Finance (University of KwaZulu-Natal
- PDBA (University of Pretoria)

Bongani Miya
Agro-Industries and Services Sectors

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

Lucretia Khumalo
Client Support and Growth

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

Rian Coetzee
Industry Planning and Project Development (Acting)

- 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)

Mark Goliath
Manufacturing (Acting)

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

Tshepo Legodi
Legal & Compliance

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

Patience Mushungwa
Human Capital

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

Phiwe Marumo
Strategy and Corporate Affairs (Acting)

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

Adv Maseapo Kganedi
Group Company Secretary

- 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 report

It is an honour to lead an institution that has over many decades played an important role in advancing South Africa's industrial development and contributed meaningfully to the country's broader socioeconomic progress.

Resilience amid economic headwinds

The challenging global economic environment in recent years has impacted South Africa's economic performance. This has constrained both the investment and the performance of existing business partners, critical drivers of our performance. Despite these headwinds, the Corporation has preserved its financial strength and the core human and operational resources needed to support its business partners while satisfying the requirements of the shareholder representative and government.

The pursuit of our mandate is complemented by strategies that facilitate activities and support objectives conducive to the growth and longevity of the country's industrial base.

Financial performance overview

The IDC's financial performance in the FY 2024/25 was shaped by a persistently challenging operating environment, which placed pressure on both investment activity and developmental outcomes. Total investment facilitated during the year reached R51.1 billion, marginally below the R52.1 billion target.

Approvals declined by 22.5% to R13.4 billion, compared to R17.3 billion in the previous year, reflecting a more cautious investment climate. Despite these headwinds, the Corporation increased on-balance sheet disbursements to R16.3 billion, up from R15.9 billion in 2023/24 and total disbursements (including off-balance sheet) rose to R19.3 billion, compared to R18.7 billion previously, demonstrating its continued commitment to supporting industrial development.

However, Company profit was significantly lower, at R1.8 billion, down from R7.0 billion in FY 2023/24. Group profit similarly declined to R329 million, reflecting the impact of a weak domestic economy, global trade tensions, falling commodity prices, infrastructure bottlenecks, sectoral downturns and increased impairments.

A notable development in the year was the disestablishment and transfer of sefa to the newly established Sedfa. As part of this transition, sefa was distributed as a deemed dividend valued at R2.6 billion.

The quality of the loan book also came under pressure, as impairments rose to R21.3 billion, up from R19.5 billion. The impairment ratio improved to 30.6% from 36.3%. The IFRS non-performing loans (NPL) ratio decreased to 41.7%, down from 44.8% in FY 2023/24.

These figures underscore the IDC's ongoing efforts to balance developmental impact with financial sustainability in a depressed economic environment.

Performance against strategic focus areas

The FY 2024/25 financial year marked a period of both resilience and recalibration for the IDC, as we navigated a complex operating environment while remaining steadfast in delivering on our strategic mandate. Our performance reflects meaningful progress across the six strategic focus areas:

- **Economic stabilisation and recovery**
  In a year marked by economic headwinds and geopolitical uncertainty, the IDC played a critical counter-cyclical role. Notably, our R1.7 billion intervention to preserve ArcelorMittal's operations, saving over 3 500 jobs. This support also ensured the continued supply of certified steel essential to the automotive and other key industries. Additionally, IDC's ongoing support to Tongaat Hulett further exemplifies our commitment to stabilising strategic sectors and communities.
- **Industrialisation and diversification**
  We made significant strides in accelerating the development of high-potential industries. Disbursements to agriculture reached R6.3 billion, while funding to critical minerals and mining increased from R253 million to R1.8 billion. Our investments in green hydrogen, new energy vehicles (NEVs), and agro-processing are laying the foundation for a more diversified and future-fit industrial base.
- **Inclusive growth**
  Our commitment to inclusive economic participation remains fixed. In FY 2024/25, we facilitated R26.6 billion in funding for transformation, up from R22.3 billion the previous year. This total includes R5.8 billion from the IDC's own funds, up from R5.1 billion in FY 2023/24.

  Funding for black industrialists rose significantly to R23.4 billion, compared to R10 billion in the prior year. Support for youth entrepreneurs reached R1.7 billion, marking a 272.6% increase from R456 million in 2023/24. However, funding for women entrepreneurs declined to R5.6 billion, down from R11.4 billion in the prior year. The Corporation is actively reviewing its approach to ensure more balanced and equitable support across all priority groups.
- **Regional development**
  The IDC continued to improve its funding presence on the continent, with 13% of the total IDC portfolio. We supported regional value chains in critical minerals, agro-processing and infrastructure. Our commitments include projects such as a beef abattoir in Namibia, a chlor-alkali plant in Tanzania, and rare earth developments in Malawi - demonstrating our active role in advancing regional integration and the African Continental Free Trade Area (AfCFTA).

R26.6 billion ↑
funding facilitated for inclusive economic participation
(2023/24: R22.3 billion)

- **Sustainable development**
  Sustainability and impact remain central to our strategy. We exceeded our R1.5 billion target by issuing a R2.1 billion sustainability bond and advanced our ESRG integration with a new risk policy and updated Development Scorecard. Our GHG reporting now includes partial Scope 3 financed emissions – 16 070 KtCO_2eq from 88 BPs, representing 53% of IDC's exposure. Additionally, we added 219 MW to the grid, with 2.1 GW in renewable energy projects underway.
- **Partnerships and collaboration**
  We strengthened our ecosystem of partnerships, hosting 81 formal stakeholder engagements and expanding our co-investment and blended finance models. The IDC now manages 22 funds and programmes, including **the dtic's** Clothing, Textiles, Footwear and Leather Growth Programme and the Manufacturing Competitiveness Enhancement Programme. These partnerships have amplified our reach and impact, particularly in underserved sectors and regions.

People and culture

During FY 2024/25, the IDC made notable progress in strengthening its human capital and laying the groundwork for a digitally enabled future. The Corporation continued its journey of culture transformation, leadership development and employee engagement, all aimed at building a high-performance organisation aligned with its developmental mandate.

Notably, it implemented a comprehensive leadership development framework across all levels, from aspiring leaders to executives. Additionally, the IDC invested R118 million in development initiatives, including bursaries for staff, their children and external youth.

Looking ahead

In a world characterised by elevated and destabilising trade tensions and policy shifts, the IDC's role as a key development finance institution in the country has become increasingly relevant and critical, particularly in driving a sustainable and inclusive industrialisation mandate.

We are committed to leveraging our financial resources, partnerships and expertise to contribute to a sustainable and inclusive economy guided by our key strategic focus areas:

- industrial diversification through development of high-potential industries in machinery and equipment, chemicals and pharmaceuticals, and agro value chains
- sustainable development through green investments in new energy vehicles, critical minerals, battery value chains and renewable energy to support a just-transition and low-carbon economy
- inclusive growth for our transformation agenda; and
- regional development to leverage the African Continental Free Trade Area (AfCFTA) and regional integration opportunities including through development of regional value chains.

Additionally, we will prioritise support for small businesses and township enterprises, understanding their crucial role in driving inclusive growth and job creation. By leveraging strategic investments, innovative solutions and smart partnerships – primarily with fellow development finance institutions and regional and global development institutions – the IDC will continue to navigate these turbulent times, turning challenges into opportunities for sustainable development and economic resilience.

Conclusion and appreciation

My vision for the Corporation is to sharpen its industrial mandate by leveraging strategic levers that drive scale, agility and meaningful impact. At the heart of this vision is a steadfast commitment to meeting stakeholder needs with precision and purpose. This report reaffirms our enduring role in unlocking South Africa's potential - continuing our legacy of shaping the country's industrial landscape and cultivating the next generation of industry leaders.

I extend my deepest appreciation to the Board, executive team, staff, Minister Parks Tau and **the dtic** for their unwavering support. Together, we will ensure the IDC remains a transformative force in South Africa's economic future.

Mmakgoshi Lekhethe
Chief Executive Officer

OUR STRATEGY

Operating environment

Economic environment

The previous financial year was marked by heightened global and domestic uncertainty, which contributed to instability in the global economy, including that of South Africa. This situation required continuous monitoring of economic and market developments to effectively support business partners and ensure aligned decision-making within the IDC.

The Corporation is influenced by rapidly evolving global and domestic conditions through multiple channels. A primary factor is the performance of both the South African and global economies, which directly affects the demand for funding from potential and existing clients, as well as their capacity to honour financial commitments. Overall investor sentiment, prevailing interest rates and the performance of the IDC's portfolio assets have an impact on the cost of funding, which the Corporation raises through capital markets.

During the early part of the FY 2024/25, increased uncertainty ahead of the national elections added pressure to an already challenging operating and trading environment. Following the peaceful conduct of the elections and the establishment of a Government of National Unity (GNU), there were noticeable improvements in sentiment, indicating a degree of political stability and policy certainty in the initial months of the reporting period.

Signs of a potential recovery in the operating and trading environment emerged during the first three quarters of the financial year. This recovery was supported by a significant reduction in loadshedding, continued efforts to resolve logistics challenges, easing inflationary pressures and decreases in interest rates, among other factors, which collectively contributed to a more optimistic outlook.

However, escalating global trade and geopolitical tensions – particularly uncertainties related to shifts in United States (US) trade policy and tariffs – dampened this cautious optimism. Consequently, the domestic economy experienced further deterioration towards the end of FY 2024/25. The resurgence of loadshedding in the latter part of the year, coupled with disputes surrounding the national budget, further compounded the risks facing the South African economy.

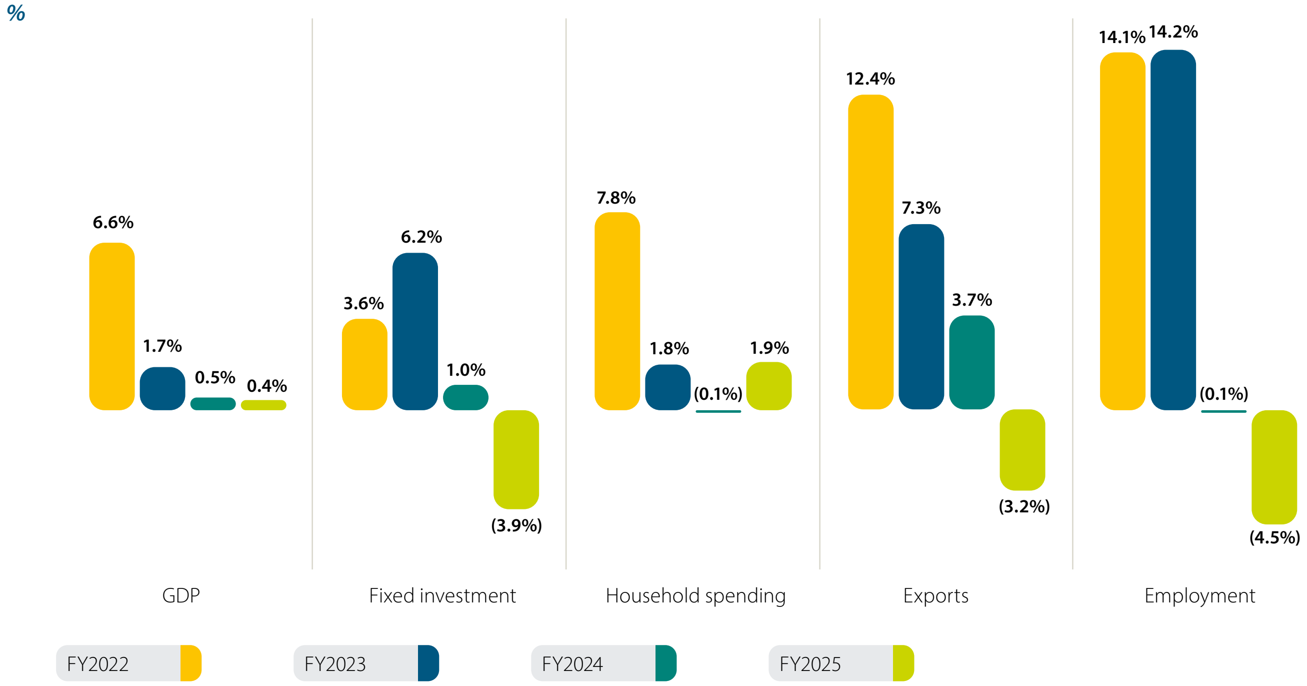
The South African economy experienced marginal growth during FY 2024/25, with real gross domestic product (GDP) increasing by only 0.4% compared to 0.5% in FY 2023/24. Weakness persisted across most broad economic sectors, including those in which the IDC operates, as well as across key drivers of domestic demand. The economy has remained on a structural low-growth path for over a decade, reflected in persistently high unemployment, which stood at 32.9% nationally at the end of March.

Total fixed investment contracted by 3.9% in real terms during the year, with private sector capital expenditure declining by 4.6%. This decline reflects ongoing business caution in committing new capital amid difficult economic conditions, persistent uncertainty and subdued growth prospects. The sharp reduction in fixed investment is a significant concern, as it not only impacts current economic performance but also limits future growth potential. The subdued investment appetite in the private sector highlights the challenges faced by the IDC in driving accelerated economic growth.

Consumer spending grew modestly during FY 2024/25, supported by positive real household income driven by lower inflation and relatively reduced interest rates, alongside generally improved consumer sentiment for most of the year. However, a sharp decline in consumer sentiment in the final quarter, combined with a high household debt burden, constrained meaningful increases in consumption. Businesses, including IDC partners serving the consumer market, likely experienced weak demand for goods and services.

The domestic economic challenges were exacerbated by an increasingly uncertain global environment, especially in the last quarter of FY 2024/25. Rising trade barriers, intensifying geopolitical tensions and ongoing conflicts contributed to this uncertainty. Economic difficulties in key export markets such as China and the European Union (EU), coupled with lower commodity prices and persistent inefficiencies in rail and port infrastructure, constrained South Africa's export performance. As an open and globally integrated economy, South Africa remains vulnerable to such external shocks. Notably, shifts in US trade policy, including the imposition of tariffs, have raised concerns for the domestic economy and specific sectors such as the motor vehicle industry.

Growth rates for selected key economic variables



Source: IDC compiled using StatsSA data

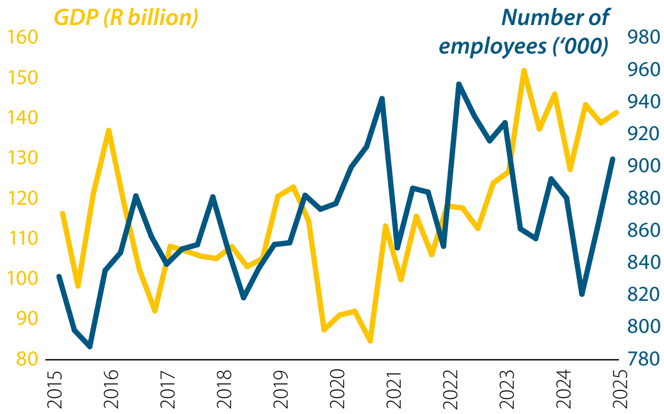
Sectoral performance

Many of the IDC's clients operate within the mining, manufacturing and agriculture sectors. Consequently, the performance and developments within these sectors have a direct impact on our business partners – both existing and prospective – and indirectly on the IDC's overall performance.

Agriculture

Drought conditions at the end of FY 2023/24, combined with bird flu and foot-and-mouth disease outbreaks, caused a significant decline in agricultural GDP during the first half of FY 2024/25. A strong recovery in the second half, supported by favourable weather and improved port operations supported growth of certain segments of the sector, but agricultural GDP still contracted by 5.8% for the full year. Employment in the sector declined by 11 199 to 930 192 workers by March 2025.

Agriculture GDP and employment



Source: IDC compiled using StatsSA data

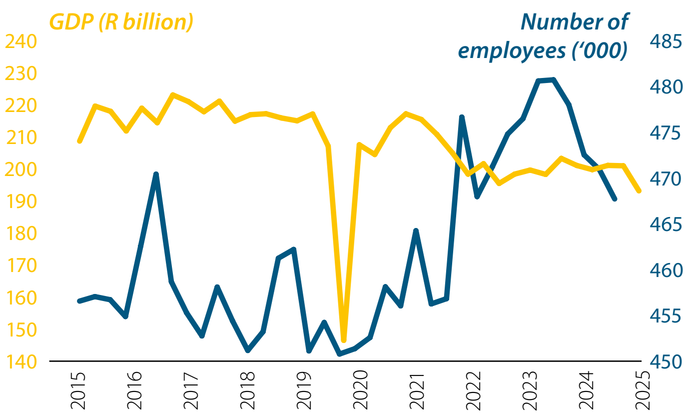
Mining

The South African mining sector contracted by 1.0% year-on-year in GDP terms during FY 2024/25, amid a challenging global economic environment. Considering its heavy reliance on export markets, the sector's performance remains sensitive to global demand and trade dynamics. The sector weakened notably in the final quarter, driven by heightened uncertainty linked to adverse US trade policies. Platinum group metals (PGM) production declined significantly as mines undertook restructuring efforts to sustain operations amid weak pricing. This contributed to a reduction in the overall mining workforce. Subdued commodity prices and weaker growth prospects in the last quarter led to a decline in mining output, with seven of the 11 subsectors experiencing substantial contractions in production volumes compared to the previous quarter. The IDC composite commodity price index, reflecting a basket of commodities relevant to the Corporation, continued to decline in FY 2024/25, affecting the performance of key equity holdings that are important for the Corporation's dividend income.

Manufacturing

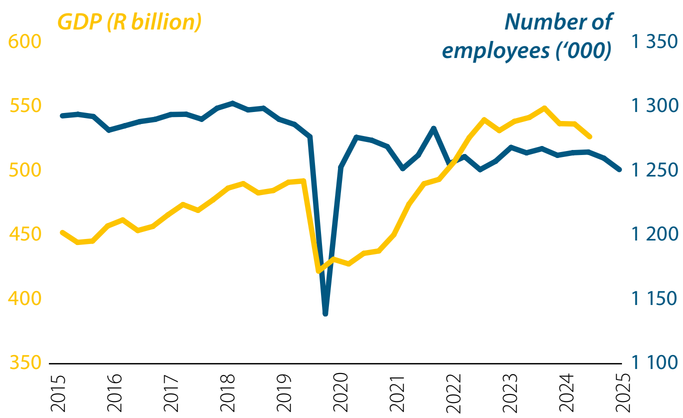
The manufacturing sector GDP contracted by 1.2% in FY 2024/25, following growth of 2.1% in the previous financial year. This contraction, despite relatively limited loadshedding during the year, reflects ongoing challenges such as weak domestic demand, rising input costs, and increased import competition. At the sub-sector level, the transport equipment sub-sector recorded a substantial decline, driven by the continued global weakness in the automotive market, particularly for internal combustion engine (ICE) vehicles. Persistent global steel overcapacity amid lower demand intensified import competition, resulting in negative growth for the domestic basic iron and steel subsectors. Manufacturing GDP and its contribution to the South African economy have been on a downward trend since the end of the COVID-19 crisis, creating a difficult operating environment for the IDC as business partners face distress and new investment opportunities become increasingly limited.

Mining GDP and employment



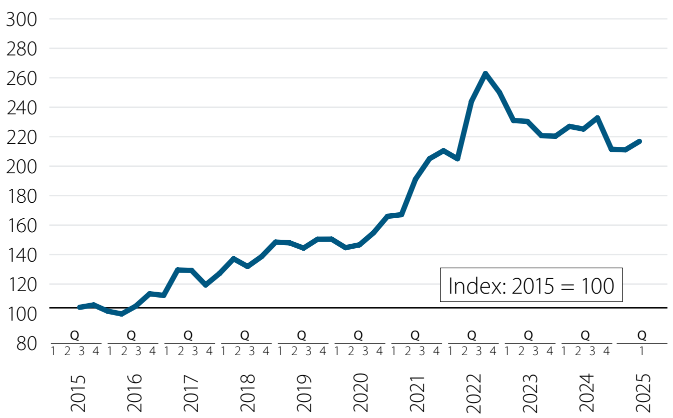
Source: IDC compiled using StatsSA data

Manufacturing GDP and employment



Source: IDC compiled using StatsSA data

IDC commodity composite price index
(in rand terms)



Source: IDC compiled using Bloomberg data

The challenging operating environment during FY 2024/25 resulted in reduced demand for IDC funding, as some businesses postponed investment decisions. Concurrently, an increasing number of business partners experienced performance pressures due to lower demand, driven by constrained domestic consumer spending, decreased production across various industries leading to reduced demand for intermediate inputs, and declining exports. However, the imperative to transition the economy to address climate-related risks – both physical and transition – has encouraged continued early-stage investments in project development across new sectors, supporting growth prospects over the medium to long term.

Strategic priorities

The IDC aims

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

...to achieve the following development outcomes

Jobs | Industrialisation | Exports | Investment | Empowerment | Spatial equity | A greener economy

...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, ESRG/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**

Strategic priorities

The IDC aligns with national development policies and plans, including the NDP and the Medium-term Development Plan (MTDP). By emphasising sustainable and inclusive growth, we support vital sectors and promote innovation, ensuring that South Africa's industrial policy frameworks are effectively implemented to encourage long term economic prosperity. Our strategy enhances development effectiveness through strategic, sustainable and inclusive industrial investments. Transitioning from sector-based approaches to integrated value chains, we coordinate upstream and downstream linkages to drive industrial development and structural change.

Significant development impact is sought in targeted industries through substantial investments. Despite a strong financial position, the IDC must strategically leverage its balance sheet to navigate the competitive funding environment. A key focus is managing asset quality to protect the balance sheet and ensure financial sustainability, enabling competitive borrowing and enhancing developmental impact.

The strategic statement and priorities remain valid for the planning period. However, the Corporation has heeded the call to do substantially more, having acknowledged the integral role it must play to deepen development impact in the South African economy.

Strategic priorities 2025/26

- **Deepening** industrial development impact
- **Advancing** transformation and inclusive economic participation
- **Supporting** small businesses
- **Maintaining** financial sustainability including enhancing portfolio management and reporting
- **Enhancing** culture and organisational capabilities to enable a high-performance organisation

Development outcomes and alignment to the NDP and SDGs

Development impact

The IDC is integral to South Africa's industrialisation agenda and to driving socioeconomic development. Our mandate, which extends to rest of Africa, maximises development impact through sustainable industrialisation, promoting inclusive economic growth and creating employment opportunities.

Our strategies dovetail with the NDP, MTDP and the Economic Reconstruction and Recovery Plan. Activities also address global priorities, including the SDGs and African Union Agenda 2063, the continent's development blueprint for inclusive and sustainable socioeconomic development.

The IDC has adopted a value chain approach which prioritises catalytic projects in sectors such as agriculture, mining, manufacturing, tourism, digital services and green industries. We seek to improve the ease of doing business and support transformation initiatives targeting SMEs, black industrialists and young entrepreneurs.

By advancing sustainable industrialisation, promoting environmental responsibility and supporting underserved communities, the Corporation contributes to building a stable, inclusive and sustainable economy that benefits all South Africans.

Our new development scorecard features a comprehensive set of indicators to track and measure development impact. A monitoring and evaluation unit has been formalised to track and assess our efforts.

The IDC pathways for sustainable industrialisation underscores the Corporation's commitment to socially inclusive and environmentally responsible growth, aiming to catalyse low-carbon and green growth, drive jobs-rich industrialisation and promote localisation and spatial equity.

NDP chapters

1. Policy making in a complex environment
2. Demographic trends
3. Economy and employment
4. Economic infrastructure
5. Ensuring environmental sustainability and an equitable transition to a low-carbon economy
6. An integrated and inclusive rural economy
7. Positioning South Africa in the world
8. Transforming human settlement and the national space economy
9. Improving education, training and innovation
10. Promoting health
11. Social protection
12. Building safer communities
13. Building a capable and developmental state
14. Fighting corruption
15. Transforming society and uniting the country

Outcome 1 INDUSTRIALISATION

Catalysing economic diversification, driving structural transformation and expanding industrial capacity

SDGs	2 Zero hunger	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	11 Sustainable cities and communities
NDP Chapters	3	4	5	6	8	11

The IDC spearheads industrialisation through economic diversification and jobs-rich initiatives targeting high-value, labour-intensive activities across sectors. We contribute to industry masterplans, prioritising localisation, beneficiation and cross-sector collaboration in industrial ecosystems.

Our strategic approach involves diversifying the economy towards low-energy, medium- to high-tech and job-intensive manufacturing value chains. We champion regional industrialisation and strengthen value chains across the Southern African Development Community (SADC) in vital sectors such as minerals for the green transition, agro-processing, aquaculture, livestock, forestry, chemicals, pharmaceuticals, automotive (including new energy vehicles), mining machinery and sustainable textiles.

Through collaborations with other DFIs, SOEs and others, we implement industry masterplans and programmatic value chain initiatives. We support the alignment of industrial policy frameworks and create a robust project pipeline.

We also advance high-value agriculture, manufacturing and services, while exploring digital service opportunities. Our initiatives drive growth for SMEs, black industrialists and new mines, reinforcing our counter-cyclical role in responding to economic challenges while promoting industrial development.

Outcome 2 GREENER ECONOMY

Promoting low-carbon and green growth while ensuring a just energy transition

SDGs: 1 No poverty; 2 Zero hunger; 6 Clean water and sanitation; 7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land

NDP Chapters: 3 | 4 | 5 | 6

The IDC is a key player in industry transformation, enabling firms to adopt cleaner technologies, fuels and processes, and drive higher productivity in manufacturing subsectors. We advance industry decarbonisation through renewable energy and lower-emission energy solutions, with substantial investment in alternative fuels such as green hydrogen, biofuels and natural gas.

Our value chain development and integration prioritise critical minerals mining and beneficiation to support energy transitions locally and globally. The AfCFTA agreement presents regional value chain opportunities that will enable manufacturing sector diversification and green growth.

We are a leader in the shift from internal combustion engines to sustainable alternatives and we support renewable energy localisation, including manufacturing components for solar, wind and grid infrastructure. Our goals are to enhance energy efficiency in industrial applications, champion sustainable development and advocate green investments and renewable energy projects.

To this end, we expand renewable energy generation, support new energy vehicle manufacture and advance South Africa's green hydrogen economy. We catalyse green growth and innovation by driving a renewable energy revolution, including green manufacturing for export-led growth.

Key sectors include manufacturing, mining (critical minerals), tradeable services, agriculture, infrastructure and tourism, all aimed at mitigating climate-change risks and promoting sustainable development. The IDC's long-term sustainability and governance framework seeks to reduce South Africa's carbon intensity by embedding ESRG practices.

We acknowledge climate change risks and assist firms to enhance their resilience to climate shocks. Initiatives include strengthening agricultural production, adopting climate-resilient technologies and financing efficient transport systems and infrastructure development. Through these efforts, the IDC demonstrates its leadership in driving South Africa's transition to a low-carbon economy and supporting inclusive, sustainable industrial transformation.

Outcome 3 INVESTMENT

Stimulating significant investments in high-impact sectors

SDGs	8 Decent work and economic growth	17 Partnerships for the goals
NDP Chapter		7

We are committed to protecting strategic industrial capacity through our investments. We mitigate the risks of deindustrialisation, address sector-specific challenges and manage the economic impacts of international trade measures and carbon taxes.

We build steel industrial capacity, ensuring continuity and growth in the chemical value chain and driving investment to accelerate the adoption of sustainable technologies in the automotive transition to new energy vehicles. We also manage gas cliff impacts by mitigating risks and fostering technological innovation.

Our investment strategy prioritises public-private collaboration and international cooperation, leveraging funding from external sources to amplify developmental outcomes. We secure co-investments from local and international partners, supporting sustainability initiatives through green growth strategies and strengthening programme management capabilities.

Our targeted investments create or save jobs, prioritising township development and small and medium enterprises (SME) growth while supporting regional development, transformation and targeted growth sectors. In addition, we support electricity generation capacity, contributing to industry masterplans and creating ecosystems in sectors such as cannabis, new energy vehicles and energy storage.

We add value to large-scale initiatives across the economy to unlock industrial development that enhances South Africa's integration into continental and global supply chains, drives import replacement and localisation and propels jobs-rich industrialisation.

The IDC's investment strategy aligns with the implementation of AfCFTA, advancing regional cooperation and industrial growth. By working with local and international partners, we drive industrial development, creating jobs and promoting sustainable economic growth in South Africa and beyond.

Outcome 4 SPATIAL EQUITY

Ensuring equitable development across regions

SDGs			10 Reduced inequalities
NDP Chapters	3	11	15

In promoting spatial equity, job creation, economic inclusivity and innovation, we support SMEs and township economies.

Initiatives such as SME-Connect and the Township Economy Partnership Fund improve access to finance for SMEs. Our mentorship, training and business development services enhance the competitiveness of SMEs.

We aim to reduce disparities and unlock economic potential in underdeveloped regions across SADC and further afield. We are leveraging AfCFTA to enhance intra-African trade and economic integration, facilitating opportunities for regionalisation, localisation and local beneficiation.

Our partnerships with non-traditional trade allies will further economic development in less-developed areas. To promote growth in these areas, we prioritise industrial development through special economic zones, industrial parks and value chains in critical minerals for clean energy systems and modern technology.

Outcome 5 JOBS

Creating sustainable employment opportunities to address unemployment challenges

SDGs

NDP Chapters	3	11

We stimulate job creation through labour-intensive sectors including agro-processing and agriculture, automotive, downstream chemicals, tradable services such as tourism, the green economy and SMEs.

We contribute to and leverage policy initiatives such as industry masterplans, special economic zones, localisation and the Social Employment Fund to boost employment. Our approach balances labour-intensive industries, which have a direct and immediate impact on job creation, with capital-intensive industries, which may unlock broader industrialisation and employment opportunities in the medium- to long term. IDC's value chain approach, in the main, relates to manufacturing, mining and agriculture, with services (such as logistics and e-commerce) in certain cases, forming part of that value chain.

We aim to mitigate the impact of the fourth industrial revolution and artificial intelligence on jobs growth, supporting innovations to sustain employment opportunities while adapting to changing business models.

Outcome 6 EXPORTS

Enhancing competitiveness and driving export growth through regional and global value chains

SDGs

NDP Chapters	3	7	11

Through competitive import replacement and localisation, we strengthen both domestic and export markets. We are capitalising on the growing opportunities of AfCFTA to integrate South African businesses into continental and global supply chains.

To realise export-led growth as an important driver of economic development, we endeavour to enhance export competitiveness through infrastructure efficiency, improving electricity availability and logistics to reduce the cost of doing business and assisting businesses to use their capacity to boost competitiveness.

Private enterprises benefit from our investment and support to rehabilitate and upgrade key electricity and rail infrastructure.

Developing regional value chains is a major consideration, as is processing of minerals to export finished goods. Export-led growth is core to our strategy, driving industrial development and unlocking new markets. Our goal is a more competitive and sustainable economy, driving growth and job creation.

Outcome 7 EMPOWERMENT

Supporting black industrialists, women, youth and broad-based empowerment initiatives

SDGs

NDP Chapters	9	11	12	13	14	15

We are dedicated to promoting empowerment and inclusive participation in South Africa's economic landscape. Our comprehensive transformation strategy drives economic equity and creates an enabling environment for inclusive economic participation.

Increased funding goes to black industrialists, women- and youth-owned businesses and to developing inclusive models to enable local communities to participate in and benefit from economic development. Our initiatives include concessionary finance and business support for youth-led businesses, skills development in crucial value chains and partnerships with government institutions to expand funding for initiatives such as the Junior Mining Fund. Our procurement policies favour SMEs.

Internally, we set great store in educational assistance and bursaries to drive skills development and empowerment.

Performance indicators

IDC performance indicators for the period emphasise execution and support for key development outcomes while ensuring the Corporation remains focused on financial sustainability, organisational capabilities and its market reputation. The table below presents a selection of key performance indicators in this regard. A complete list of indicators that include supporting key performance measures can be found in the annual financial statements. They are aligned with the joint KPIs of the dtic.

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

Key performance indicators

Perspective	Performance area	Performance indicator	Alignment to the dtic outputs	Target 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23
Development effectiveness	a) Total investment flows facilitated	a) Total investment flows facilitated (R'm) (a1+a2+a3)	**Output 1:** R200 billion in investment pledges across the state	**54 928**	**51 238**	52 727	43 086
	a1) IDC own balance sheet funding	a1) Value of on-balance sheet funding disbursed (R'm)		**21 416**	**16 275**	15 856	17 817
	a2) Managed development funds	a2.1) Value of off-balance sheet funding disbursed (R'm)		**4 133**	**2 966**	2 796	2 655
		a2.2) Value of off-balance sheet funding disbursed as a % of funds available (this FY)		**75%**	**56%**	n/a	n/a
	a3) Co-funding leveraged/ syndicated/ catalysed	a3) Value of leveraged funding committed by other funders (R'm)		**29 379**	**31 997**	34 075	22 614
	b1) Funds committed (financial close reached) and facilitated to support policy priorities: transformation	b1) Total funds committed and facilitated in support of transformation (aggregate comprised of i) IDC own funds ii) off-balance sheet funds and iii) leveraged/ catalysed funds). Transformation is broadly defined to include funding for black industrialists, black-owned companies, companies with broad-based ownership, trade union owned entities, women entrepreneurs and youth entrepreneurs (R'm)*		**17 523**	**26 614**	22 292	11 368
Development effectiveness	b2) Increase in output for manufacturing companies supported (localisation and beneficiation)	b2) Growth in value of sales for manufacturing companies in IDC's portfolio (%)	**Output 4:** R40 billion in additional local output committed or achieved	**Growth in sales for the total manufacturing industry +2% with a minimum of inflation +3%**	**6.8%**	2.8%	n/a

* *b1.1) Black industrialists, b1.2) Black-owned businesses, b1.3) Women-entrepreneurs and b1.4) Youth-entrepreneurs overlap with each other, but they are not double counted in the total funds committed and facilitated in support of transformation – b1)*

Perspective	Performance area	Performance indicator	Alignment to the dtic outputs	Target 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23
Development effectiveness	c) Job creation and preservation	c1) Number of jobs expected to be created and saved from committed and facilitated funds (excluding grant-related funds) (number)	**Output 21:** 100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)	**34 023**	**15 732**	17 826	34 035
		c2) Number of jobs expected to be created and saved from grant-related funds committed and facilitated (number)		**8 045**	**5 828**	n/a	n/a
		c6) Percentage change in the number of people at South African companies in IDC's portfolio (% change y-o-y)		**IDC sectors employment growth +3%**	**3.9%**	n/a	n/a
	d) Project development	d1) Investment value of projects that graduated from preparation to the investment phase (R'm)	**Output 2:** 100 Investor facilitation and unblocking interventions provided	**4 800**	**15 700**	3 719	1 960
Financial sustainability	e) Improve quality of the portfolio through i) managed exits of non-performing assets, ii) appropriate origination of quality deal flow, iii) turnaround actions	e1) Impairment ratio (total book) (%)	**Output 43:** Oversight of IDC, NEF and ECIC to ensure that at least 95% of planned KPIs are achieved	**28.7%**	**30.6%**	36.3%	37.5%
		e2.1) NPLs (%)		**24.1%**	**20.4%**	26.0%	28.3%
		e2.2) Rand value of NPL		**11 988**	**10 203**	n/a	n/a

Performance indicators *continued*

Perspective	Performance area	Performance indicator	Alignment to the dtic outputs	Target 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23
Financial sustainability		e3) Achieve critical milestones in the turnaround plans for Cast Products SA, Foskor and Kalagadi Manganese, and for other significant exposures		**Foskor:** • EBITDA: Achieve 100% of EBITDA Board approved numbers. • BEE restructure and/ or balance sheet restructure: Full Implementation by end of March 2025.	**Foskor: not achieved** • EBITDA: Achieve 57% of EBITDA Board approved numbers. • The target was achieved score of 5: The BEE and Balance Sheet Restructures was approved by IDC end of 2024.		
				Cast Products: • Turnaround milestone: Termination of Rescue Plan and approval of Turnaround Plan (by end Q2 2024/25). • EBITDA: Achieve 100% of budgeted EBITDA target. • Governance: Reconstitution of the Board that complies with the King IV principle of independent non-executive directors being in the majority (by the end of August 2024).	**Cast Products: not achieved** Target not achieved score of 1: The termination of the CPSA business rescue proceedings is delayed as the company continues to be financially distressed.		
				Kalagadi Manganese: Turnaround milestone: Critical Review of Competent Persons Report for reasonableness; and Completion of the detailed Mine Plan (by October 2024).	**Kalagadi Manganese: achieved** The target was achieved with score of 3.5: Review of Competent Persons Report (CPR) completed and finalised. Base case financial model completed. No restructure contemplated yet due to the various litigations between Kalagadi Manganese and IDC, and AfDB.		
				Significant exposure 1 Business case and funding model: Develop long term sustainable business case and funding model. (September 2024).	**Significant Exposure 1** Target not achieved score of 3: The final business model and funding was approved in April 2025.		

Perspective	Performance area	Performance indicator	Alignment to the dtic outputs	Target 2024/25	Actual 2024/25	Actual 2023/24	Actual 2022/23
Financial sustainability				**Significant Exposure 2** Industry action plan: Industry action plan to be developed and IDC Board-approved for IDC's interventions in the steel sector (December 2024). Jobs retention: 80% of jobs retained for the Group.		**Significant Exposure 2: achieved** Industry Action Plan: Industry action plan to be developed and IDC Board-approved for IDC's interventions in the steel sector (December 2024). Jobs retention: 80% of jobs retained for the Group.	
	f) Proactively driving and enabling the management of value increase of the IDC's unlisted portfolio	f) Appreciation in carrying value of unlisted investments (excluding listed assets) (y-o-y; %)		**Inflation +3.25%**	**5.70%**	(11.56%)	5.10%
	g) Optimise the balance sheet for long term sustainability	g) Growth in the value of reserves (y-o-y; %)		**Real GDP growth + inflation +3.25%**	**(9.82%)**	(2.80%)	(6.4%)

Our strategic risks

At the IDC, we recognise that risk management is essential to maximising the benefits of sustainable development and economic inclusiveness. The Board has approved a framework for enterprise-wide risk management, which provides reasonable assurance that the Corporation holds an integrated perspective of its risks. We use a risk lifecycle that includes identification, assessment, measurement, treatment and monitoring to manage the risk universe, which comprises strategic and operational risk.*

	Strategic risk name and description
1	**Development impact risk:** risk relating to strategy implementation failures and resulting in the IDC not meeting its strategic objectives nor having the desired developmental impact
2	**Macroeconomic conditions and developments:** adverse macroeconomic conditions (domestically and/or globally) and/or credit downgrades affecting the IDC's business and its ability to achieve strategic targets
3	**Credit and investment portfolio risk:** risk of non-payment by IDC business partners and non-recoverability of investments
4	**Concentration risk:** concentration in the investment portfolio to a single or group of clients/investments/industry or country with the potential to produce losses or loss of income significant enough to threaten the health of the Corporation's balance sheet and financial sustainability
5	**Liquidity and funding risk:** the IDC is unable to maintain or generate sufficient cash resources to meet its payment obligations and to fund transactions
6	**Significant investments risk:** financial viability of significant investments and their ability to deliver effectively against their required strategy
7	**People and organisational culture risk:** failure to develop, recruit and innovate/motivate/retain suitable talent and create a conducive work environment that enables high-performance and client-service culture-balancing diversity
8	**Governance, ethical conduct and behaviour:** non-adherence to good corporate governance standards and the risk of internal/external financial crime, including unethical business practices and behaviour
9	**Legal and regulatory compliance risk:** the IDC and business partners not being able to meet their legal/contractual and regulatory requirements
10	**Business resilience and technology risk (including cybersecurity):** failure from potential cyber-threats and vulnerabilities that can disrupt business operations, compromise data security and impede the integration and effectiveness of digital technologies
11	**Sustainability and responsible investment risk:** the IDC not able to identify, evaluate, manage and report/disclose against emerging ESRG and sustainability impact frameworks, and failure to grow new industries and value chain opportunities at a pace that would drive low-carbon growth, enhance competitiveness of industries and value chains whilst ensuring a just transition
12	**Reputational risk:** potential or actual damage to the IDC's image due to factors (negative media reports) that may impair the profitability and sustainability of its business

* *See page 92 for risk management.*

Our stakeholders and partnerships

Stakeholders play a vital role in achieving our strategic goals. We actively cultivate relationships and partnerships, using every opportunity to communicate our purpose and impact in ways that strengthen our reputation and build trust in the organisation.

A well-considered strategy and plan set the tone for stronger connections with stakeholders, the formation of alliances and the achievement of IDC strategic objectives. Strategic partnerships established with role-players such as government, funding partners, clients, employees and society are mutually beneficial as the Corporation pursues its mandate. Sponsorship proposals and corporate memberships are considered and approved by an approving committee, namely the Corporate Affairs Committee. An amount of R17 014 570.66 was spent on corporate sponsorships during this financial year. LA

CLIENTS AND BUSINESS PARTNERS

How we engage	Their needs and expectations	Our expectations	How we create value
• Regional roadshows • Business support • Customised products and services • Client events • Government-led events • One-on-one engagements • Surveys	• Transparent and efficient application process • Business support • Affordable and appropriate pricing • Appropriate instruments and structures	• Innovative business plans that address South Africa's developmental needs • Stakeholders to honour financial and other undertakings	• Thought leadership and project development to catalyse new sustainable industries • Funding to grow industries • Funding for black industrialists, women, youth and other entrepreneurs • Strengthen businesses through business support • Interest and repayment rates linked to development impact

SHAREHOLDERS

How we engage	Their needs and expectations	Our expectations	How we create value
• Annual general meetings • Board strategy sessions • Presentations and reports to Portfolio Committee on Trade, Industry and Competition • Integrated annual report	• Transparency and good governance • Risk management and compliance • Operational efficiency • Thought leadership • Lead sustainable industrial development	• An enabling policy environment • Policy certainty • Strategic leadership	• Investment in government priority areas • Investment in priority regional value chains • Socioeconomic development to fulfil our mandate

Our stakeholders and partnerships *continued*

EMPLOYEES AND PROSPECTIVE EMPLOYEES

How we engage

- One-on-one engagements with staff
- Team and divisional engagements
- Internal and external communication platforms
- CEO feedback sessions
- Human capital initiatives such as Employment Equity Forum
- Staff engagements and culture surveys
- Involvement in strategic initiatives
- Management-union structures

Their needs and expectations

- Job security
- Reward and recognition
- Employee development programmes and personal growth
- Good work environment
- Ability to make a valuable contribution to South Africa's development ambitions

Our expectations

- Motivated and empowered employees
- Living the IDC's values
- To be brand ambassadors
- Further the IDC's development agenda
- Enthusiasm, commitment and skills
- Service-delivery mindset
- Awareness of the IDC's funding activities and developmental impact

How we create value

- Transformation
- Personal development
- Remuneration linked to performance and value created
- Staff awareness of how their work contributes to the IDC's value proposition

REGULATORS, RATING AGENCIES AND FUNDERS

How we engage

- Credit ratings
- Investor roadshows
- Integrated annual report
- Results announcements
- Stock Exchange News Service announcements
- Special finance and funding Initiatives

Their needs and expectations

- Transparent and effective corporate governance
- Financial sustainability

Our expectations

- Low lending rates
- Consultation
- Understanding of the IDC's operating context

How we create value

- Funding schemes
- Input for policy development
- Leveraging funding to benefit South Africa
- Industry and economic development

COMMUNITIES

How we engage	Their needs and expectations	Our expectations	How we create value
• Regional offices • Social enterprise and special initiatives • Community trusts linked to the IDC's investments • Corporate social investment (CSI) initiatives • Due diligence on the environmental and social impact of investments	• Job creation • Supporting climate-resilient industries • Wide dissemination of benefits • Business opportunities and inclusive growth • Compliance with environmental and social legal requirements • Emission reduction • Water stewardship	• Support for IDC-linked projects • Participation in IDC initiatives • Sustainable water resources • Productive land	• Funding projects that create jobs • Community and worker shareholding in IDC-funded projects • Social and community projects • Benefitting from poverty reduction • Sustainable industrial development • Using natural resources to create value for current and future stakeholders

OTHER PARTNERS

How we engage	Their needs and expectations	Our expectations	How we create value
• Engagements with academics, industry bodies and experts, DFIs, SOEs, research institutions and organisations	• Funding and participation in pilot initiatives • Influencing policy development	• Entrepreneurship and innovative solutions • Mutual partnership	• Knowledge networks that support sustainable industrial development and address the needs of society

Stakeholder prioritisation

The stakeholder's influence over the IDC / IDC impact on the stakeholder	Low	Medium	High
High	• Rating agencies • Public Servants Association of South Africa	• Regulators • Government departments not mentioned elsewhere in the table with an interest in IDC-funded sectors • National Treasury • Mature listed investments in which the IDC has a low shareholding • Department of Small Business Development	• Existing and potential clients • Strategic project partners • Employees • Lenders (bondholders, commercial banks, DFIs, Public Investment Corporation, Unemployment Insurance Fund) • Portfolio Committee on Trade, Industry and Competition, and Portfolio Committee on Small Business Development • Department of Trade, Industry and Competition (**the dtic**) • IDC subsidiaries
Medium	• Media	• The unemployed • Organised labour • Banks and other financial services providers • Government departments not mentioned elsewhere in the table • Governments of African countries other than South Africa • Business associations • SOEs	• Broader communities around IDC-funded projects • Provincial governments
Low	• Former employees • Potential employees • Higher education institutions • Activist bodies		• Suppliers

Engagements and activities during FY 2024/25

In addition to business development and regular meetings with stakeholders, including government departments, we conducted 81 formal interactions (78 in 2023/24) to showcase and position the organisation as a DFI that supports sustainable industries, finances entrepreneurs and improves lives through its operations.

These engagements built partnerships, enhanced the Corporation's reputation among its stakeholders and engendered trust.

Topics discussed included:

- **SUPPORT** for new energy vehicles
- **INCLUSIVE ECONOMIC DEVELOPMENT**
- **FUNDING** products for IDC-supported sectors
- **TRADE AND INVESTMENT OPPORTUNITIES** with visiting business delegations
- **INNOVATION AND SUPPORT** for early-stage projects that are ready for commercialisation
- **INCLUSIVE PARTICIPATION** in the economy, such as IDC support for black industrialists, women- and youth-owned businesses
- **ENERGY SECURITY**
- **SUSTAINABLE AND CLIMATE FINANCE**
- Funding for **WOMEN ENTREPRENEURS**
- **COLLABORATION** with continental and international DFIs
- **DEVELOPING** the provincial economy
- **LOCALISATION**

The IDC also partnered with the government for investment promotion and economic transformation. It was the lead organiser of the worker ownership summit led by former Minister of Trade, Industry and Competition, Ebrahim Patel.

Thought leadership

During the year, the IDC executives continued to provide thought leadership and insights on issues of national and continental importance. This included publishing positions in newspapers, presentations on key platforms and using our social media platforms and website to communicate and interact with stakeholders. IDC executives participated in several conferences and hosted delegations seeking collaboration and to gain insights into the Corporation's investment focus.

MATERIALITY AND TRADEOFFS

Material matters

A matter is material if it could substantially affect the IDC's ability to create, preserve or erode value in the short- (up to 18 months), medium- (18 to 36 months) or long term (more than three years). Our materiality approach leads to disclosure of information on sustainability-related risks and opportunities that may affect our prospects if omitted, misstated or obscured and that could reasonably be expected to influence investor decisions. We examine our most significant actual or potential future impacts on society, the economy and the environment. We gather information on and interpret stakeholder interests using robust processes, and establish how these matters relate to the formulation of strategy, our business model and our risk profile.

The Integrated Reporting Framework's four-step process is applied to determine materiality, encompassing stakeholder inclusiveness, validity and completeness.

During the period under review, we revisited our previously identified material matters to test their continued relevance.

Documented Board and executive discussions, and internal and external research and analysis, including industry intelligence, provided insight into issues that may affect our strategy, governance, performance and outlooks. Continuous engagement keeps us attentive to the views and expectations of all stakeholders. A thorough materiality assessment conducted in 2024 based on double materiality included:

- A survey with national, external stakeholders in May 2024
- An annual internal ESRG and sustainability impact survey in June 2024
- An in-person stakeholder event in November 2024.

Six stakeholders groups provided diverse perspectives, with climate change a significant theme, leading to the separation of the environment from socioeconomic development. This aligns closely with the IDC's current views on environmental issues.

We look to our updated risk matrix for issues that will intensify or lead to significant risks or lost opportunities if left unchecked. To generate a universe of potential material issues, we incorporate mandatory regulatory requirements, conduct best practice benchmarking and pay attention to online platforms and media. This all-encompassing approach ensures corroboration and an objective analysis of issues.

We then evaluate the importance of relevant matters against their known or potential effect on value creation, preservation or erosion. Qualitative and quantitative effects are considered in the context of their nature, timeframe and impact and we align our strategic approach accordingly. Both positive and negative matters are identified from financial, operational, strategic, reputational and regulatory perspectives. Management reflection and consideration from approval committees and governance structures are applied.

During the third step we rank matters based on importance. In the context of the IDC's values, policies and commitments, the significance of material matters is prioritised. High-priority matters are tested and assessed for disclosure purposes. This year, human capital's importance was elevated to third on the material matters list.

Finally, we fully integrate material matters into our strategy. Our strategic objectives, namely development effectiveness, financial sustainability, organisational capabilities and strategic positioning and stakeholder alignment, are linked directly to our material issue list. We cascade organisational performance targets and undertakings throughout the organisation, ensuring that our strategic initiatives deliver on commitments to stakeholders. We also link remuneration and incentives to KPIs and disclose relevant information. By considering both internal and external perspectives in our integrated report, we ensure that we meet the information needs of our stakeholders and fulfil the report's primary purpose.

Our material matters are:

1. Sustainable industrial development
2. Financial sustainability
3. Human capital
4. Socioeconomic development
5. Environment
6. Client expectations
7. Governance, risk and compliance
8. Partnerships.

Material matters *continued*

Material matter	Strategic risks	Capitals	SDGs
1. Sustainable industrial development Our core purpose is to drive industrial growth and development, stimulating employment creation and economic expansion. We play a leading role in industry planning and policy alignment, leveraging our expertise to inform industry masterplans and value chain strategies. Our sustainable industrialisation framework guides efforts to drive industrial development in the context of climate change. • ***Employment creation:*** we prioritise employment creation, supporting the role of small businesses in the economy and leveraging regional and continental trade agreements to create opportunities. • ***Diversification:*** we target financing activities that diversify South Africa's industrial structure, focusing on medium- and high-technology manufacturing as well as labour-absorbing and labour-intensive manufacturing. • ***Sustainable value chains:*** we support the development of sustainable and inclusive value chains and enabling ecosystems and promote low-carbon transition. We will continue to drive projects in identified priority value chains, reviewed regularly to pre-empt development needs and opportunities. By providing investment and financing solutions for projects that increase industrial capacity, we seek jobs-rich industrialisation and greater economic growth.	1 2 4 11		8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
2. Financial sustainability Financial sustainability is crucial to our long-term viability, effectiveness and impact. We define it as our ability to manage financial resources to ensure self-sufficiency, generate adequate revenue and sustain operations. • ***Risk management:*** we mitigate financial risks, ensure sufficient capital to support lending and investments and sharpen risk assessments to curb financial losses and fraud. • ***Operational efficiency:*** we optimise operations to minimise costs, maximise impact and ensure clear financial reporting and governance. • ***Revenue diversification:*** we diversify revenue streams to broaden income sources, reduce operating costs and update technology to improve efficiency. Challenges include economic downturns, inflation and currency fluctuations, which affect our financial performance. We must balance financial sustainability with our social and environmental goals. To maximise development impact while preserving financial sustainability, we: • Manage asset quality and monitor performance at all operational levels • Diversify our portfolio to reduce concentration and volatility risk • Ensure a sustainable profile mix of healthy, early stress onset, struggling and distressed assets • Intensively manage impairments to create sustainable financial returns and achieve development outcomes. By maintaining our financial health, we build trust with stakeholders and support sustainable development and poverty reduction.	1 2 3 4 5 6		8 DECENT WORK AND ECONOMIC GROWTH

Material matter	Strategic risks	Capitals	SDGs
3. Human capital Attracting, retaining and developing top talent are crucial to executing our long-term business strategy. We prioritise a positive work environment that enables growth, development and employee engagement. • *Transforming our culture:* we aim to inculcate values that support our purpose and strategy, promoting a culture of sustainability and excellence. • *Talent management*: we focus on recruiting the right people for the right jobs, combined with digital enablement, and retaining top talent and scarce skills. • *Employee empowerment*: we prioritise employee development, including training, mentoring and succession planning, to build a capable and skilled workforce. • *Hybrid work model:* we balance flexibility with productivity, culture building and collaboration, with mandatory office time three times a week. • *Inclusive workplace:* we have policies to prevent and address discrimination, ensuring a safe and respectful work environment. • *Employee value offering*: we are committed to enhancing our employee value proposition, developing a supportive work environment, retaining skills, and recognising and rewarding great efforts and dedication.	7		4 Quality Education 5 Gender Equality
4. Socioeconomic development We minimise our impact on communities and foster mutual understanding and value creation through trusted partnerships and social initiatives. • *Inclusive and sustainable development:* we strive for inclusivity, transformation and regional equity, ensuring that our investments contribute to sustainable development and deliver positive social and environmental outcomes. • *Equitable access to finance*: we ensure equitable and inclusive access to finance, applying solid procurement practices and conducting social impact reviews and human rights assessments as part of our due diligence processes. • *CSI:* our CSI and other community programmes focus on development and fostering partnerships that drive positive change. By prioritising socioeconomic development, we aim to create lasting value for our stakeholders and contribute to a more sustainable and equitable future.	1 2 4 11 12		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

Material matters *continued*

Material matter	Strategic risks	Capitals	SDGs
5. Environment Climate change and environmental vulnerabilities significantly impede growth. These factors affect agriculture, water, health and energy. We support our clients in their just transition journeys and recognise the importance of tailormade solutions that address unique circumstances and needs. We prioritise environmental sustainability by anticipating, adapting and mitigating climate risks. We encourage clients to adopt business strategies and practices aligned with our sustainability journey. We are committed to integrating sustainability risk management practices with business activities, including embedding effective processes, metrics and monitoring systems to manage climate risks. We are reorienting our financial services to support a greener economy. Our approach to managing environmental impacts involves: • Sector-specific pathways • Exclusion lists for identified sensitive sectors • Carbon emissions targets for coal, oil and gas • Financing renewable energy initiatives. • *Low-carbon emissions*: we innovate in low-carbon emissions manufacturing processes, reduce energy consumption and promote renewable energy usage. • *Waste and water management:* we develop solutions for waste and water management, enhance waste recovery and promote a circular economy. By addressing environmental challenges, we minimise our ecological footprint and contribute to a more sustainable future.	1 3 11 12		6 Clean water and sanitation 7 Affordable and clean energy 11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action 14 Life below water 15 Life on land
6. Client expectations Our customers expect efficient processing times, and we have set service targets to meet these expectations. Unfortunately, we fell short of our goal to process 80% of non-complex transactions within 64 days from application receipt to legal agreement sign-off with a score of 41.54%. Similarly, we did not meet our target for 80% of complex transactions to be processed within 180 days, achieving only 65%. LA Improving our performance in these areas remains a key focus for the Corporation. We prioritise meeting the evolving needs and expectations of our clients. • *Affordable finance:* we provide accessible and affordable financing options, leveraging digital technologies to enhance customer interactions and business models. • *Ethical business practices*: we uphold responsible investing practices, transparency and disclosure, ensuring that our business practices align with client values and expectations. • *Sustainability and social responsibility:* we prioritise environmental sustainability, social responsibility and good governance, recognising the importance of having a positive impact on society and the environment. • *Active listening:* we listen attentively to our clients' needs and concerns, measuring and tracking their satisfaction on regularly. • *Responsive service:* We prioritise prompt responses to client enquiries and issues, delivering high-quality services and tailored financial products. Our annual Client Experience Survey showed significant improvement, with an overall score increasing to 8.3 from 7.7 and a Net Promoter Score (NPS) of 69, up from 58, indicating enhanced client satisfaction. LA • *Continuous improvement:* we invest in technology and training to ensure ongoing improvement and innovation, enabling us to offer bespoke solutions that meet our clients' unique needs.	1 10 11 12		12 Responsible consumption and production 17 Partnerships for the goals

Material matter	Strategic risks	Capitals	SDGs
7. Governance, risk and compliance We institute the highest standards of business ethics and transparency, ensuring effective governance and compliance systems that uphold integrity, accountability and stakeholder trust. • *Risk management:* we employ stringent risk management practices to identify, assess and mitigate credit, market, operational and reputational risks. • *Governance:* our competent, independent and diverse Board oversees strategy, risk and performance, ensuring adherence to laws, regulations and standards. • *Internal controls*: we maintain effective internal controls, including financial, operational, and information technology controls, to ensure timely, accurate and comprehensive disclosure of financial information and development impact. • *Culture of ethics:* we promote ethics, integrity and fraud prevention, with clear policies and reporting mechanisms. • *Independent audits*: our independent auditors review our annual financial statements, internal controls and development impact. • *Digital enablement*: we recognise the importance of digital enablement, leveraging technologies like artificial intelligence to drive business intelligence, client service, engagement and personalisation. • *Data governance:* we prioritise robust data governance to support our digitisation strategy, ensuring data privacy and security. • *Organisational effectiveness*: we acknowledge the transformative effect of digitalisation, focusing on organisational excellence, refined organisational design, culture and change management. • *Emerging technologies:* we will review the impact of emerging technologies such as artificial intelligence and big data on jobs and job creation in the medium term and 'future proof' the IDC and its business partners. • *Cybersecurity*: we recognise the threats of cybercrime and protect sensitive information, maintaining data privacy and security.	8 9 10		

Material matter	Strategic risks	Capitals	SDGs
8. Partnerships We leverage strategic partnerships to drive growth, innovation and sustainability, building long-term relationships that create shared value for stakeholders. • *Collaborative solutions:* we collaborate with partners to develop innovative and sustainable solutions, favouring regional value chains and driving financial inclusion. • *Strategic alliances*: we form partnerships with civil society groups, policymakers and others to address gaps and drive positive change. • *Shared values:* we ensure that our partners share our values and align with our governance approach, promoting collaboration and mutual benefit. • *Access to expertise:* partnerships provide us with access to scarce specialist expertise and skills, enabling us to challenge traditional models and drive innovation. • *Network and cooperation*: we build networks and enter cooperation agreements with social partners, DFIs and other role-players, promoting synergies and collaborative solutions. • *Regional and private sector collaboration*: regional and private sector collaboration is embedded in our business model, particularly in infrastructure and energy-generation industries. • *Third-party funds*: we manage several third-party funds and play a coordinating and facilitating role in events and projects. • *Synergies and alliances*: we promote synergies with key strategic partners and seek astute alliances with stakeholders, fostering partnerships with other DFI entities.	1 2 4 6 12		17 PARTNERSHIPS FOR THE GOALS

Tradeoffs

In pursuing its mandate, the IDC manages a range of complex tradeoffs to balance financial sustainability with meaningful development impact. Key considerations include:

1. **Financial return vs development impact:**
   Striking a balance between financial sustainability and development objectives, the IDC often prioritises projects with high developmental impact, even where financial returns may be lower.

2. **Risk appetite vs portfolio health:**
   Taking on calculated risks to support ambitious projects while ensuring portfolio health and financial stability.

3. **Short term vs long term goals:**
   Focusing on long-term development outcomes over short-term financial targets, requiring patience and strategic investment approaches.

4. **Local impact vs global priorities:**
   Prioritising initiatives that deliver significant local impact, while also contributing to broader regional or global development goals.

5. **Investment size vs impact:**
   Weighing the benefits of larger investments – which may concentrate risk – against smaller investments that may have a more modest impact.

6. **Governance and oversight vs operational flexibility:**
   Ensuring robust governance and oversight, while retaining the flexibility needed to make timely and effective investment decisions.

7. **Job creation vs job preservation:**
   Balancing support for new transactions that create jobs with assistance to distressed companies to preserve existing employment.

8. **Capital-intensive vs labour-intensive industries:**
   Weighing the benefits of funding industries that drive technological advancement against those that create higher employment.

9. **Leveraging private sector finance vs increasing IDC funding share:**
   Mobilising private sector capital to amplify impact, while carefully managing associated risks and returns.

10. **Direct investment vs capacity building:**
    Choosing between direct investments in projects and initiatives that build local capacity for sustainable development.

11. **Speed vs partnerships:**
    Balancing the need for timely funding approvals and disbursements with the benefits of cultivating partnerships for more sustainable outcomes.

12. **Industrial development vs environmental impact:**
    Promoting industrial development while proactively managing and mitigating potential negative environmental impacts.

By navigating these tradeoffs, the IDC advances its development objectives, maintains financial sustainability and upholds responsible risk management.

OUR OPERATIONAL PERFORMANCE

Supporting sector value chains

Chief among IDC objectives is support for sustainable economic development by maintaining, expanding and deepening industrial capacity in a socially inclusive and environmentally responsible manner.

Our strategic prioritisation framework comprises four pathways supported by two transversal strategic objectives: economic enablers, including industrial infrastructure, and an ecosystem approach to optimise competitiveness, linkages and inclusion. The framework facilitates structural changes in industrial capabilities, opens entrepreneurial opportunities, deepens value addition and creates jobs.

PATHWAY 1

Diversification and jobs-rich industrialisation

The IDC supports investments in higher value-adding and productivity activities that are labour-absorbing (sectoral deepening). It aims for a transition towards medium and high technology, including labour-intensive manufacturing that adds value, expands employment and lowers emissions.

Agricultural and agro-processing

Expanding and diversifying the agricultural value chain is essential for rural development, food security, exports and job creation. The Corporation supports competitive import substitution. It enhances farming returns and transforms the industry while safeguarding existing capacities.

During FY 2024/25, approvals reaching financial close in this value chain increased by 94% to R1 billion from the previous financial year and disbursements reached R6.3 billion.

A notable achievement has been our implementation of the Poultry Industry Masterplan. Over five years, we have funded 14 poultry companies that have produced 93 057 tonnes of chicken meat – 96% of the 97 000 tonnes commitment we made over the five-year masterplan implementation period. In the reporting period, R260 million was committed to hatcheries, broiler-rearing facilities and contract growers.

This was facilitated through blended funding from the Agro-Industrial Fund, which the IDC manages on behalf of the Department of Land Reform and Rural Development. The fund, which promotes black ownership and participation in agriculture, provided R158 million funding to seven businesses in the year under review.

We have also partnered with the South African Sugar Association to broaden and diversify market opportunities. As part of the objectives of Sugar Industry Masterplan, the IDC is exploring the production of polylactic acid, a crucial ingredient in bioplastics. This could enhance diversification towards more lucrative markets. Following completion of the first stage of the pre-feasibility study in December 2024, this project can now move ahead.

Having recognised the financial and developmental benefits of high-value, long-term crops, the Corporation continues to invest in horticultural expansion, including stone-fruit expansions in the Free State and support to a 638-hectare pecan nut farm in the Northern Cape. In addition, we approved substantial funding support to enable a Western Cape-based farm to preserve its fruit processing and canning facility, securing more than 4 000 jobs for fruit farmers in the province.

Vital flood relief funding has gone to 764 small raisin-farmers, supporting their recovery over the past two consecutive farming seasons. Through collaboration with local processing companies, working capital facilities to the value of R339 million were extended over two seasons, ensuring stability and helping companies maintain overseas market share amid adverse local weather conditions.

To stimulate inclusive value chains, the IDC's agricultural aggregation methodology assisted eight farmers in North West to cultivate barley for a leading maltster's supply chain. This initiative offers small-scale farmers access to credit, markets, inputs, technology and extension services.

Hemp and cannabis commercialisation has recently emerged as a key investment focus. To support the Presidency's streamlining of the industry's regulatory environment, we have contributed to building a research base, establishing institutional arrangements and enhancing stakeholder engagement. Initial support, including funding, has gone to medicinal cannabis projects, with future aspirations centred on the hemp value chain.

Sustainable agriculture continues to underpin the Corporation's future strategies, focusing on sustainable proteins, green agrochemicals, sustainable intensification, carbon-smart farming and biodiversity ecosystem finance. We aim to expand our role in sustainable agriculture for a brighter and greener future for the sector.

Through these initiatives, the IDC demonstrates its commitment to driving growth, innovation, resilience and sustainability in agriculture.

ILLIMA

Empowering a rural based community

Illima is a 100% black-owned entity that was established in 2013. This entity is a large operation with 303 hectares of planted citrus orchards, 20 hectares of newly planted mangoes and an existing 865 hectares of sugarcane in Mpumalanga near Komatipoort. The land on which this project operates is leased from the Mahlalelala Community under the Bambanani Mlambo Trust, which was acquired through the Restitution of Land Rights Act 22 of 1994.

IDC funding will enable Illima to acquire another 30.8 hectares of land for high-income potential citrus cultivars and develop a further 90 hectares of sugarcane making a total area under cane of 955 hectares. IDC funding will also enable for purchasing of additional equipment including computer hardware and software, irrigation pump and pipes, tractors, new tractor loader backhoe, vehicles and trucks. Part of this funding is also earmarked for infrastructure development including construction of a new holding dam, building a new pumphouse and fencing.

Over the next three years Ilima envisages to commence with a continuous 90 hectares of annual replacement or re-development of existing sugarcane to improve performance, which is in line with the industry norm of replacing 10% of existing hectarage for efficiency purposes.

The company has actively contributed towards socioeconomic activities in the communities in which it operates. It currently employs a total of 70 permanent employees, the majority of whom are black. During the harvesting period, the operation employs an additional 655 employees annually.

When the operation is at full production during 2027 season, the number of seasonal jobs will rise to 1 210 while permanent jobs remain at 70. The total annualised jobs will stand at 278 comprising of 45 new jobs created and 233 maintained jobs. Illima considers skills development and training of employees. In this regard, an in-house skills development programme is in place to train staff in their respective functions including supervising, operators and drivers forklift and tractors, safe handling and application of chemicals, first aid and general (field and pickers) before assuming such roles.

Automotive and transport equipment

South Africa has a well-established automotive manufacturing sector, with several local original equipment manufacturers supplying both domestic and international markets. Significant opportunities exist to expand local production capacity and deepen value chains through localised and inclusive participation. Diversification is crucial, especially given looming potential export restrictions on vehicles with internal combustion engines and other potential tariff and non-tariff barriers.

During FY 2024/25, approvals approaching financial close increased to R1.8 billion from R466 million in 2023/34, with disbursements reaching R831 million.

The Corporation continues to attract new manufacturers to the country, with encouraging prospects for companies contemplating complete-knock-down manufacturing opportunities. A potential joint venture is taking shape with European-based automotive manufacturing giant, Stellantis, and a memorandum of undertaking has been signed for the IDC to conduct a joint feasibility study with Indian automotive producer Mahindra. Further to this, the Corporation has held discussions with other manufacturers in Korea, Japan and China on potential local collaboration. A multimodal facility is being established to serve original equipment manufacturers needing smaller production runs.

Inclusive and localised supply chains remain key to developing the ecosystem. Funding approved during the review year included support for black-owned tiers 1 and 2 component manufacturers supplying world-leading automotive brands with light alloy wheels and injection-moulded plastic components including steel-pressed parts (skin panels). Most of these investments are based in the supplier clusters in the automotive special economic zones of Coega and Tshwane.

The IDC also provided a lifeline to a major specialised steel manufacturer in South Africa supplying essential inputs to the sector. This intervention will ensure specialised steel stock during 2025.

The IDC's contribution to new energy vehicle manufacture in South Africa is discussed on page 65.

VSL GROUP (PTY) LTD

Supporting a black industrialist to expand operations

A combination of domestic capabilities such as free-trade agreements including policy incentives have helped to create a local world class automotive assembly industry. South Africa's auto industry boasts a local presence of seven international original equipment manufacturers (OEMs).

Remarkably, this sector's value chain includes close to 500 component suppliers contributing significantly to the almost 40% industry average local value addition. Locally produced cars have been able to penetrate the highly competitive US and EU markets, illustrating the competitiveness of domestic manufacturing. As part of its mandate, the IDC is focussed on transforming this sector through funding black industrialists that have contracts to supply components to OEMs or want to gain a foothold into this highly competitive sector.

Accordingly, the IDC provided funding to VSL Group (Pty) Ltd, trading as VSL Manufacturing (VSL) – a company that operates two manufacturing facilities: one in Queenstown and the other housing laser cutting operations in the Coega SEZ in Gqeberha. VSL is 51% owned by Ms Vuyokazi Skweyiya - a female black industrialist, and Mr Deon van Zyl who holds the remaining 49% equity in the business.

Specialising in medium to large cold stampings, including deep draw and skin panels, VSL is uniquely positioned to handle shorter production runs, making it an ideal partner for aftermarket parts manufacturing. Currently supplying Isuzu and Gibela Rail Consortium with pressed parts (metal stampings), VSL sources mild steel from Trident Steel Africa and Macsteel.

VSL is poised to expand its operational footprint following IDC funding. The funding will support the manufacturing, installation and commissioning of a new advanced press line at a newly established production facility in Gqeberha, strategically located adjacent to Isuzu Motors South Africa, VSL's primary customer.

This expansion forms part of a broader growth strategy, with full operations continuing at the existing Queenstown plant. The newly constructed manufacturing facility is set to begin operations later in the year, with the commissioning of the press line scheduled for September 2025 to align with the production of Isuzu's new D-Max vehicle model. This strategic move not only enhances VSL's capacity and capability but also positions the company to support Isuzu's localisation initiatives for Africa, further advancing the manufacture of import-replacement components.

This expansion and investment underline VSL's commitment to providing high-quality pressed parts to both automotive and non-automotive sectors, including current partners Isuzu and Gibela Rail Consortium. IDC funding to VSL yet again demonstrates the Corporation's commitment to enhancing local manufacturing while transforming South Africa's economy. Importantly, IDC funding will lead to creation of approximately 123 production jobs

Chemicals and pharmaceuticals

As one of the largest manufacturing sectors, the chemicals industry is integral to agriculture, healthcare and manufacturing, among others. It supplies raw materials and inputs to key industries while driving innovation and technological advancements.

In the year under review, approvals reaching financial close were R1.2 billion, with disbursements of R2 billion in sectors producing cement products, bulk chemicals, latex production, polymers and performance chemicals.

During the year, the IDC launched an ambitious initiative to facilitate brownfield and greenfield projects in this value chain.

Key funding approvals were channelled into reindustrialisation of the calcium carbide industry in Newcastle, KwaZulu-Natal, which desperately needs industrial diversification. Our investment in South African Calcium Carbide will help the company to upgrade and refurbish a plant it closed in 2015 and to restart domestic production of calcium carbide as the country's sole producer of this product. Projected capacity is about 65 000 tonnes a year, with 269 direct employment opportunities opening up.

We also approved funding for the manufacture of 300 000 tonnes per year of polyethylene terephthalate for cold drink packaging. Located at Coega, this plant will facilitate import replacement and generate 432 jobs during construction and operation.

In addition, we financed the final feasibility work for an 80 000-tonne-per-year titanium pigment plant in the Richards Bay industrial zone with an estimated investment cost of more than R10 billion.

As mentioned, we are involved in the medicinal cannabis sector and have made our third investment – an Eastern Cape project that will export medical-grade dried cannabis flower to Australian and EU markets.

We supported the manufacture of male condoms at the East London special economic zone, one of four plants enabling the government to localise 80% of market demand. The investment, with the National Empowerment Fund, supported a female-owned industrialist and created 286 jobs.

The Corporation signed a memorandum of understanding (MoU) with Kreditanstalt für Wiederaufbau Development Bank to enhance cooperation in pharmaceuticals, life sciences, vaccine development and production, including medical technologies (devices) in South Africa and its neighbouring countries.

GEMILATEX

Gemilatex gets funding for new manufacturing facility

Gemilatex (Pty) Ltd is a 51% black woman-owned business that distributes male condoms to the local South African market. This company was established to support government in the management of HIV/AIDS through provision of affordable, locally manufactured male condoms. Government, through the National Department of Health (NDoH) and National Treasury, is one of the single largest buyers of male condoms globally.

In the year under review, Gemilatex received approvals from the IDC, NEF and **the dtic** for funding to setup a male condom manufacturing facility which will be in East London, at the East London Industrial Development Zone (ELIDZ). Funding from the two entities will be used to purchase plant and equipment including leasehold improvements and working capital.

IDC support to Gemilatex is in line with the Chemicals Medical and Industrial Minerals' strategy to increase the local manufacturing of medical supplies/devices and aligns with and contributes to the Healthcare Master Plan.

This funding will enable Gemilatex to become one of four entities that have set up plants to manufacture condoms in the local market. For now, condoms are mainly imported from Asia. Support to Gemilatex will enable the National Treasury to localise close to 80% of the national demand once the plants become operational.

The investment in Gemilatex will help create 286 job opportunities; support the development of a female black Industrialist thereby furthering economic inclusion; and contribute towards localising the condom manufacturing industry.

Clothing, textile, footwear and leather

The clothing, textile, footwear and leather (CTFL) sector has been constrained in recent years by reduced local consumer spending. Obstacles include international pricing pressures leading to cancelled investments and business downsizing, stagnant procurement of local goods and fierce competition from Asia and neighbouring countries. Commercial banks have limited interest in this sector, hence the rising demand for development funding support. While pricing pressures tend to cut margins, niche products such as geotextiles, technical textiles and denim localisation show promise.

Support is needed, specifically due to the high labour intensity in downstream apparel manufacturing. During FY 2024/25, approvals reaching financial close in this value chain totalled R516 million, with disbursements of R481 million. The IDC's involvement included support for the manufacturing of synthetic fabrics, polyviscose fabric for schoolwear, home linen and towelling. To maintain and grow cotton-yarn spinning capacity in the country, the IDC approved funding for a turnaround plan for a subsidiary, enabling it to undertake full plant upgrade that will increase capacity and facilitate diversification.

The dtic Clothing, Textiles, Footwear and Leather Growth Programme (CTFLGP) managed by the IDC provides concessionary funding to entities in this value chain. The programme supports employment growth, improves competitiveness and promotes localisation. During FY 2024/25, the CTFLGP supported 31 businesses with R459 million, creating 579 jobs.

Focus areas for the year ahead include development of the regional cotton value chain, investments in local niche-manufacturing capacity to meet demand in denim, wool and seamless garments, and the establishment of a local apparel fabric mill.

SEN LI DA CHEMICAL FIBRE

Increasing revenue for locally manufactured goods

Established in 2008, Sen Li Da Chemical Fibre (Pty) Ltd is based in Newcastle, KZN. This company is one of the leading PET bottle recyclers and is the largest producer of polyester staple fibre in South Africa.

The company supplies mainly to local retail and manufacturing companies; however, their export market has also grown significantly since 2014. Currently, over 20 different types of fibres are produced and sold to the public. It is also a proud supplier of fibre to the local geotextile, home textile, furniture, hospitality and other industries.

Sen Li Da's products are 100% polyester regenerated and recycled polyester staple fibres. The hollow fibres are created from recycled waste plastics, which are collected by members of the community. The majority of the raw materials are obtained from local companies; however, most of the chemicals used in production are still being imported.

In the year in review, the company received working capital funding through the IDC's Partnership Programmes CTFLGP fund for the expansion of manufacturing capacity.

Increased production capacity has not only created local employment but helped to reduce turnaround times for clients.

NATIONAL PRIDE

A proud investment in localisation

Established in 2001 primarily as a manufacturer and distributor of disposable diapers, National Pride is a local personal and baby care products business that manufactures and distributes disposable baby diapers, sanitary pads, baby wipes and disposable adult diapers for both the local and export market. They are also a significant supplier of private-label disposable diapers to leading retailers.

Located in Devland, Soweto, this business has distribution warehouses spread across the country including in Durban, Cape Town and East London. The brands in National Pride's stable include Cuddlers (the only locally manufactured nappy brand available in all major retailers), Baby Panda (leading baby diaper brand in 14 sub-Saharan African countries), Active Care (adult diapers) and Simply Dry (sanitary pads).

In the year under review, the IDC approved funding to National Pride to enable the company to enhance its production capacity through purchase of new manufacturing machinery. Part of the funding facility will enable the company to adopt and implement various loadshedding solutions, which among others include the installation of generators, solar panels and gas generators. This investment also fosters local economic growth by creating jobs and ensuring a stable and reliable supply of essential products and supports IDC's commitment to social and economic development.

National Pride currently employs 305 permanent employees and 65 temporary workers. IDC funding will save 178 existing jobs and will create nine additional jobs. This company's relationship with IDC began in 2019, when they funded Black Panther Investments, a black industrialist company, and its management to acquire a majority shareholding and raise expansionary capital and new wet wipes manufacturing equipment.

Wood products and furniture

The IDC invested in sustainable forestry companies in South Africa and into the rest of the continent. Of strategic importance is the development of value chains that increase local beneficiation.

Demand in the wood and raw material subsectors has declined, with growth remaining steady mainly in the pole treatment sector due to continental electrification plans. Despite this constraint, demand for packaging components have increased, spurring investments in import replacement of high-quality food-grade packaging and recycling.

During FY 2024/25, approvals reaching financial close increased by 11% to R125 million from the previous financial year, with disbursements at R236 million.

Of note were Corporation investments to protect and expand production capacity for improved packaging-material production efficiencies. This included capacity to meet growing demand for corrugated boxes, driven by the increase in agricultural fresh produce and the rise of e-commerce.

We funded a black industrialist-owned company producing disposable baby diapers, sanitary pads, baby wipes and adult diapers for both local and export markets. This promotes import replacement that makes feminine hygiene care more affordable, enhancing the lives and dignity of many young women.

Our participation in the Furniture Masterplan is mainly through the management of the Furniture Industry Challenge Fund, whose criteria are being reformulated to resolve low uptake. The Corporation also supports niche areas through investments in school furniture and mattress manufacturing.

It will continue supporting sustainable industrialisation goals, including the transformation of sawmilling, wood processing and paper and packaging investments across Africa.

Machinery, equipment and electronics

This value chain enhances industrial capabilities in South Africa due to its complexity and technological intensity.

The country has developed unique capabilities and known brands in this sector, leading the IDC to formulate a strategy to strengthen the capital equipment capability. This strategy emphasises financial support (such as export finance and end-user finance), aggregation of demand through digital platforms, support for crucial inputs and opportunities across the continent.

During FY 2024/25, approvals reaching financial close in this value chain were R240 million and disbursements R493 million.

End-user finance facilities offered accessible payment solutions for high-value equipment purchases from an established South African manufacturer of articulated dump trucks. In line with this, the Corporation funded a local manufacturer of agricultural equipment.

Another opportunity is growing demand in the electricity and renewable energy sectors. The IDC has provided inputs to the Cabinet-approved South African Renewable Energy Masterplan. We funded a women-owned black industrialist firm that refines inhouse developed intellectual property for the manufacture of soft starters, rectifiers and inverters. Inverters – the company's main product line – convert the current in solar photovoltaic plants.

Included in this value chain's strategy is involvement in the country's transmission and distribution plan, which includes 14 218 km of new transmission lines and 170 transformer units to be deployed over the next decade. We developed a transmission localisation plan focusing not only on transformers but on conductors, insulators, shunt reactors, switchgears and cables. We signed an MoU with the National Transmission Company to ensure a coordinated approach. We began funding the manufacture of composite insulators and line hardware, as well as low-, medium- and high-voltage fittings. To achieve this, we provided finance to a company specialising in galvanising of steel monopoles and lattice towers for transmission lines.

The IDC hosts the Localisation Support Fund at its head office in Sandton. This not-for-profit entity promotes industrialisation opportunities through targeted research, technical expertise and close industry collaboration.

Energy efficiency is a dominant theme in this value chain, with notable investments on turnkey energy-efficient solutions for the gold mining industry, involving the design, construction and commissioning of energy-related systems and the supply of air-cooling units for underground mining and commercial heat pumps.

National retail chains are now developing consumer electronics house brands, an endeavour supported by the IDC. In the year in review, we funded a company that manufactures innovative proprietary household appliances such as kettles, stoves, electrical wires and components for mass-market national chains.

Services

The services economy is a key job creator, driver and enabler of demand for manufactured goods, focusing on three areas of tradable services.

The Corporation seeks to develop and transform the hospitality industry through investments in tourism infrastructure and attractions. In the reporting period, in partnership with other funders, we invested in the development of Sub-Saharan Africa's first Club Med resort – on the KwaZulu-Natal north coast. We pledged further funding to a women-led empowerment consortium, including a community-based trust, both of which have acquired equity in the project. Our investment in the resort will ultimately create about 2 000 direct and 1 500 indirect jobs. This resort will greatly benefit local agriculture through substantial orders for daily supplies.

We also concentrate on production of local and international films, television shows, documentaries, animated content and gaming, with its necessary infrastructure. We launched a scheme facilitating ownership of intellectual property by young people. We foresee improved investment activity in this sector given the film rebate incentive of **the dtic**.

In addition, the Corporation supports technology companies that contribute to South Africa's digitalisation and fintech solutions to address financial sector challenges. During the year, we invested in a vertically integrated media company to further its digitalisation strategy, transforming the way news and entertainment are consumed.

During FY 2024/25, approvals in tradable services reaching financial close increased to R1.1 billion from R812 million in 2023/24.

Photo Credit:
Club Med Tinley

CLUB MED SA

Lifting KZN's tourism prospects

Club Med SA is set to become the largest resort ever built in South Africa after Sun City. Scheduled to open on KwaZulu-Natal's (KZN) North Coast in 2026, this multi-billion-rand development is expected to significantly enhance the province's tourism sector and economic prospects. For a region, whose international visitor numbers are steadily recovering to pre-COVID levels, this project has the potential to transform KZN's fortunes by luring high value tourists to the province.

With an unemployment rate estimated at 31.2%, this project bodes well for KZN's socioeconomic trajectory. This development also brings with it plenty of opportunities for skills development and knowledge transfer to the hospitality sector. The 1 800 jobs created during construction of the project, and the 600 direct and 1 500 indirect jobs anticipated employment opportunities when the project becomes fully operational, affirm the IDC's developmental mandate.

Key features of this project include:

- **The Beach Resort:** A 345 hotel room resort, with an overall capacity of 340 000 hotel bed nights annually.
- **The Beach Club:** A vibrant hub for water sports, surfing and beachfront relaxation.
- **The Resort Centre:** A lively gathering space with restaurants, bars and entertainment venues.
- **Kids Clubs:** Supervised interactive childcare facilities for kids from four months to 17 years old.
- **Exclusive collection Villa-Suites, deluxe and superior accommodation:** 66 Villa-Suites, offering premium and tranquil retreats for guests.
- **Conference facilities:** A 500-capacity convention centre with nine meeting rooms catering to corporate events and retreats.

As the largest development finance institution in sub-Saharan Africa, the IDC is a key funding partner for this project. The investment highlights the IDC's commitment to socioeconomic transformation and its significant role in KZN's economic growth. The IDC's total exposure to the local tourism sector is estimated at R1.4 billion, spanning a range of businesses from new developments to established hotels and lodges.

The IDC assists companies to adopt and adapt to cleaner technologies, fuels and processes as they transition to more productive manufacturing subsectors. This pathway acknowledges that an energy transition without a production transition may negatively affect the economy and socioeconomic outcomes.

Renewable energy

Our approach to the energy sector is on funding government and commercial renewable energy projects. Investments decarbonise our productive economy, foster inclusivity, support new and existing South African independent power producers, help companies cut electricity costs and enhance energy security.

The IDC derisked 26% of projects to bid round four of the Renewable Independent Power Producers Procurement Programme. The investment totalled R12.6 billion and facilitated 1.4 gigawatts of new energy generation capacity across technologies.

Since the Electricity Regulations Act was amended, the private procurement market has boomed. Consequently, our funding has diversified into the private commercial and industrial markets.

In the year under review, four utility-scale renewable energy projects co-funded by the IDC in previous years started to deliver 219 megawatts into the grid. Another 17 IDC-co-funded utility-scale renewable energy projects will start generating 2.1 gigawatts of electricity over the next two years.

We assist energy services companies that offer small-scale embedded generation solutions (including battery storage) to SMEs in diverse sectors. Our investment increased from R13 million in 2023/24 to R381 million in FY 2024/25.

We also extended our support for township enterprises, enhancing their resilience in the wake of erratic energy supply. The R200 million we set aside to help affected urban and rural businesses has benefitted 1 043 businesses to date.

The Green Tourism Incentive Programme, managed by the IDC on behalf of the Department of Tourism, offers funding encouraging private sector tourism enterprises to adopt cleaner and more renewable energy sources and optimise use of water resources. In FY 2024/25, the programme assisted 103 businesses with R76 million.

ISHWATI

Funding to Ishwati will boost transformation in energy sector

The IDC recently approved funding to a BEE consortium to facilitate the equity participation of Reatile Renewables Ishwati in the Ishwati Emoyeni Wind Farm (Ishwati). Reatile Renewables Ishwati is 100% South African-owned, with 100% black- and 30% black women shareholders.

Ishwati is a 140MW project located north of Sutherland, co-located with the Umsinde Emoyeni (Umsinde) and Khangela Emoyeni (Khangela) Wind Farms. These projects have been led and developed by African Clean Energy Developments (ACED) - the renewable energy project development, delivery and asset management platform of African Infrastructure Investment Managers (AIIM). Reatile Renewables and AIIM, through its IDEAS Fund, are shareholders in the consortium.

Together, these wind farms form part of ACED's Northern Cluster Projects. IDC's funding to Ishwati continues the Corporation's support to Reatile Renewables with prior projects: Castle (89MW), Msenge (69MW), Umsinde (140MW) and Khangela (140MW). The Northern Cluster Projects are strategically located along the border of the Western Cape and Northern Cape Provinces within the Beaufort West and Ubuntu Local Municipalities.

The new 400/132kV Gamma MTS substation will connect these projects, ensuring efficient energy distribution. Ishwati will supply renewable energy to the NOA Group, a private energy trader off-taker, on a 25-year take-or-pay power purchase agreement and on a wheeling basis. NOA will on-sell this renewable energy to the Netcare Hospital Group (Netcare), as well as Tronox SA Operations, a mining and manufacturing company. Netcare is a prominent healthcare provider, and this collaboration will help them achieve their goal of 100% reliance on renewable energy by 2030.

Ishwati will provide six of Netcare's hospitals with their electricity needs, replacing 11% of their current fossil fuel-based supply from Eskom. Similarly, for Tronox, this agreement aligns with their roadmap to net zero carbon emissions, helping them offset over 500 kilotonnes of carbon annually. IDC's funding to Ishwati has resulted in the Corporation achieving many critical development outcomes such as the creation of 192 jobs, transformation in terms of ownership and participation of a black-owned independent power producer, local content, as well as supplier and community development.

Supporting sector value chains *continued*

Green hydrogen

The IDC envisions that local green hydrogen production will not just advance South Africa's economic and industry decarbonisation, but contribute greatly to global efforts. This optimism is grounded in the country's competitiveness in renewable energy production, availability of land, established petrochemical industrial base, access to key metals and minerals and robust financial system.

The Corporation is a green hydrogen economy leader, spearheading the creation of an enabling ecosystem through the South African Green Hydrogen Commercialisation Strategy and the management of the green hydrogen project management office of the Just Energy Transition Investment Plan with the Presidency. These initiatives target workstreams including funding, supply support, demand/offtakes, infrastructure, standards, technology incubation, workforce skills, policies/regulations and community engagement.

Key partnerships have been established with original equipment manufacturers, project developers, private funders, fellow DFIs, multilateral development banks, community organisations, academia and government entities.

In the reporting period, the IDC enabled early-stage project development in the green hydrogen economy including funding from Kreditanstalt für Wiederaufbau Development Bank and Invest International totalling €73 million. Initial project commitments have begun.

In the financial year, the IDC committed US$10 million to the SA-H2 Fund, which finances the development, construction and operation of projects in the green hydrogen value chain. Our participation will leverage commitments from global sources for early-stage project development funding.

We are considering several green hydrogen project opportunities that will be catalysts for sector development. The prefeasibility stage of one flagship project – in partnership with a women-owned group – has been completed, leading to more funding to move it to the next stage. This Northern Cape-based project aims to produce about 80 000 tonnes a year of green ammonia.

PRIESKA POWER RESERVE

Leveraging green hydrogen

The Prieska Power Reserve project aims to produce about 80 000 tonnes per annum (tpa) of green ammonia with a green hydrogen content of approximately 14 500 tpa produced by a ca 120 MW electrolyser powered by renewable energy sources consisting of 180 MW peak (MWp) solar PV and 136 MWp of wind power as well as ca 45 MW battery storage system to ensure a continuous 24-hour operation. The project is located outside Prieska in the Northern Cape Province

The project development funding is partly sourced from the German-based Kreditanstalt für Wiederaufbau (KfW).

IDC approved project development funding to the project owned by Mahlako - a women-owned empowerment consortium - and Cenec - a Bloemfontein-based emission energy company that designs and manages solar and wind energy plants.

Initiated and owned by Mahlako and Cenec, the Prieska Power Reserve Project is located on multiple sites/farms of about 1 900 hectares that are privately owned and are earmarked as sites for renewable energy generation. These generation sites are located outside Prieska, whilst the green ammonia chemical processing plant will be located within the industrial area in Prieska on land owned by the Siyathemba local municipality.

This project plans to exploit South Africa's competitive advantage in the renewable energy market, through the country's abundant solar and wind resources to produce green hydrogen and ammonia thereby contributing substantially to local and national socioeconomic development objectives. Green hydrogen is an energy carrier that is produced using renewable electricity and water in an electrolyser. Prieska Power is projected to create 400 jobs on reaching commercial stage.

Market applications for green hydrogen include the production of green chemicals such as green ammonia, mobility, sustainable aviation fuel, marine bunker fuel and decarbonisation of the socalled "hard to abate" sectors of the economy, for example, green steel production, cement manufacturing and petrochemical production. In developed markets, the green hydrogen economy has created significant job opportunities, a development that South Africa is looking to replicate. The green hydrogen economy will not only create jobs but help boost South Africa's energy security in the long term.

Critical minerals and mining

Mining has historically been a central IDC focus, due primarily to its stimulus in deep rural communities and potential for beneficiation. Given its importance to decarbonisation, the Corporation has strengthened its emphasis on investing and supporting entities that mine critical minerals essential for this transition.

Our critical minerals game plan seeks to diversify our mining portfolio, moving from traditional focus areas and decoupling from typical commodity cycles, considering not only in South Africa, but the continent.

Our previous investments in the Marange graphite project and Giyani Metals, among others, affirms our commitment to our game plan. In the year under review, we approved project funding for a rare earths project in Malawi and New O'Kiep Mining Company, a copper-mining initiative in Northern Cape. Further funding went to Palabora Copper in Limpopo for its underground project that will materially extend the life of the mine. Palabora Copper is the only integrated copper producer in South Africa and the project will replace copper rod imports of 60 000 tonnes a year.

Other IDC milestones include the production of the first high-purity manganese oxide at a demonstration plant of an integrated manganese battery-grade manganese project and the conclusion of a definitive feasibility study for a copper and zinc mine in Prieska with promising financial and technical outcomes.

To address current supply constraints and transformation in the sector, accelerated exploration has become imperative. In FY 2024/25, the Corporation, working with the Department of Mineral and Petroleum Resources and the Council for Geoscience, operationalised the R400 million Junior Mining Exploration Fund. This entity, which has already allocated R160 million to eight junior exploration companies, is essential for early-stage exploration and is a solid step in tapping the nation's vast mineral wealth.

Despite our focus on transition minerals, we continue to facilitate black ownership of mining assets and fund traditional commodities such as gold on the back of the improved gold price outlook and the potential job-creation impact of such projects. Early-stage project development funding to catalytic projects remains a priority. Supporting miners with proven resources, we conduct bankable feasibility studies and craft mining plans. Commitment to local value addition, inclusivity and responsible ESRG principles underpin the Corporation's investment decisions.

During FY 2024/25, mining approvals at financial close increased to R2.4 billion from R346 million in the previous year, with disbursements up from R253 million to R1.8 billion.

Local procurement in mining is paramount. Our SME-Connect programme supports SMEs, particularly in logistics, by providing asset-based finance for heavy transport and haulage contracts.

The IDC is optimistic about the sector based on the principles of benefit sharing, value addition, economic diversification and sustainability. By adhering to these principles, South Africa can navigate its industrial transition with confidence and integrity, ensuring a sustainable future.

New energy vehicles and e-mobility

The transition of automotive manufacturing capacity from internal combustion engines is not only necessary given anticipated trade restrictions, but an opportunity to capitalise on new demand pathways while reducing emissions.

The IDC participated in the drafting of the government's New Energy Vehicle White Paper and is responsible for the New Energy Vehicle Project Management Unit of the Just Energy Transition Investment Plan in collaboration with the Presidency. This unit drives workstreams to facilitate a conducive ecosystem focusing on the auto sector, mobility, public transport, the battery value chain and charging infrastructure.

The Corporation is involved with many local and international passenger car brands and original equipment manufacturers to facilitate the transition and it is also in advanced discussions with new market entrants to manufacture new energy vehicles on home soil.

During the reporting period, the IDC commissioned a localisation study, which broadened focus areas to specific use cases for electric mobility and the surrounding ecosystem, partnerships and funding to transition public transport, last mile and logistics, mining and yellow metal vehicles, and component supply chains.

We continued our funding to Mellowvans, South Africa's first electric last-mile delivery vehicle, helping a proudly South African manufacturing concern to expanding its operations after homologation in the European market.

Supporting sector value chains
continued

Hard-to-abate sector decarbonisation

Hard-to-abate sectors, including heavy industry (steel, cement, chemicals) and transportation (shipping, aviation), are large contributors to global GHG emissions, making decarbonisation essential. The transition can also enhance economic competitiveness because industries that decarbonise early will be better positioned to access new markets and comply with regulations. Additionally, reducing emissions can improve air quality and public health, and decrease environmental degradation.

With the movement away from coal, the IDC has already supported independent power producers with decarbonisation of chemical, platinum, ferrochrome, titanium smelting and gold mining sectors.

Furthermore, the provision of natural gas as a transition fuel is supported through various direct IDC investments in the natural gas sector through direct investments inland and offshore, in and outside South Africa and its focus on the development of key infrastucture. We have introduced an assessment tool to ensure that these investments are aligned to the nationally determined contributions of host countries and responsible from a sustainability perspective.

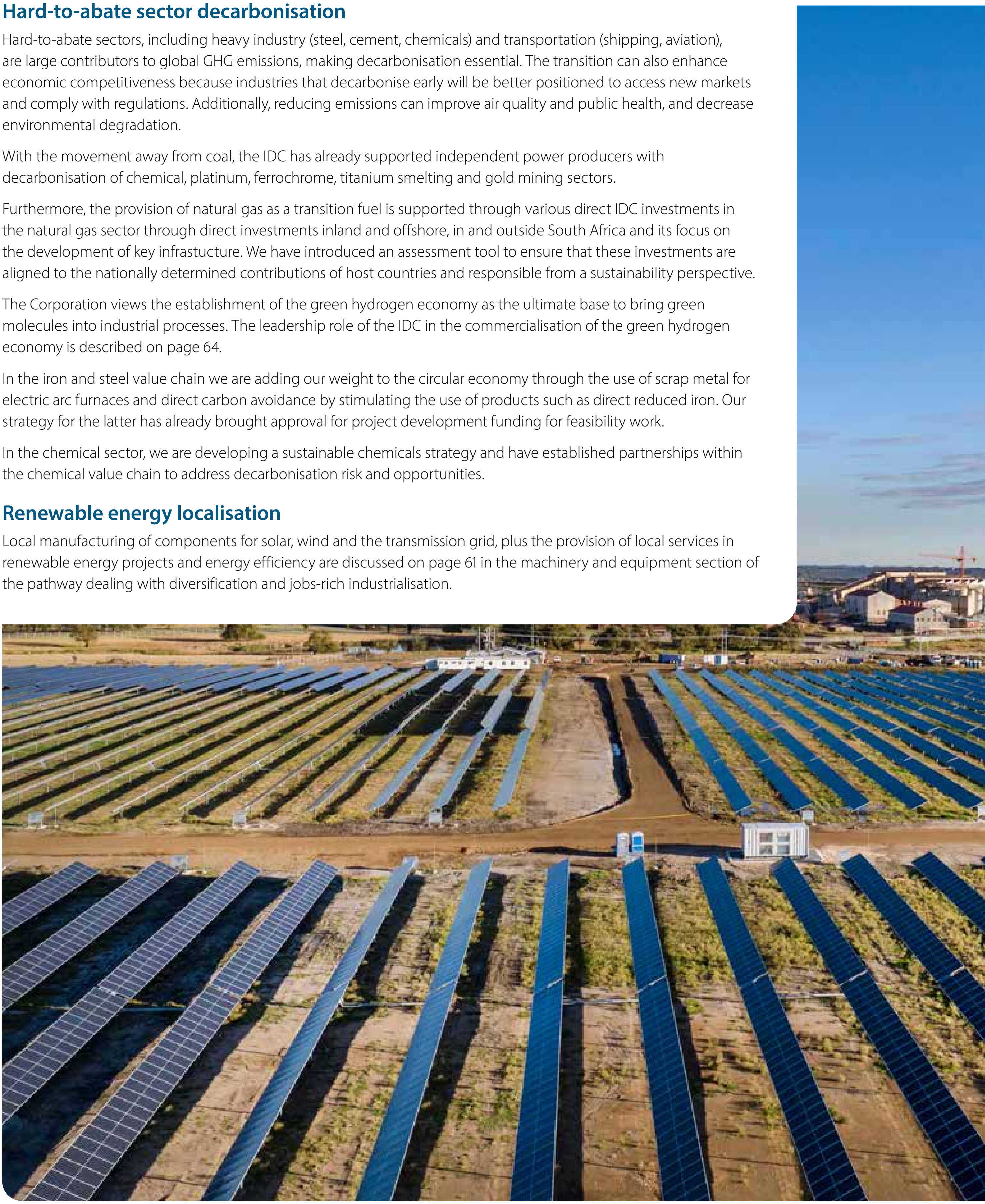
The Corporation views the establishment of the green hydrogen economy as the ultimate base to bring green molecules into industrial processes. The leadership role of the IDC in the commercialisation of the green hydrogen economy is described on page 64.

In the iron and steel value chain we are adding our weight to the circular economy through the use of scrap metal for electric arc furnaces and direct carbon avoidance by stimulating the use of products such as direct reduced iron. Our strategy for the latter has already brought approval for project development funding for feasibility work.

In the chemical sector, we are developing a sustainable chemicals strategy and have established partnerships within the chemical value chain to address decarbonisation risk and opportunities.

Renewable energy localisation

Local manufacturing of components for solar, wind and the transmission grid, plus the provision of local services in renewable energy projects and energy efficiency are discussed on page 61 in the machinery and equipment section of the pathway dealing with diversification and jobs-rich industrialisation.



PATHWAY 3
Regional value chains

Africa's economic potential is considerable and conducive to sustainable development. The Corporation aims to accelerate continental industrialisation and deepen regional value chains, not only increasing manufacturing activities but leading a structural shift from primary production and commodity-based exports to higher-value-adding industrial production.

Our continental strategy and investment guidelines document was approved during the financial year and spans three areas: developing SADC-linked regional value chains, supporting value-added manufacturing of intra- and extracontinental exports and promoting South African direct and indirect interests. A continental development scorecard has been developed to measure and maximise developmental impact. Portfolio experience has taught us that partnering with credible and strong strategic equity partners on projects and with local financiers on funding is important.

Support to the SADC Development Finance Resource Centre continues and a dealmaker development programme has been crafted to train DFIs in SADC. An MoU has been signed with the Development Bank of Namibia to promote investment in joint initiatives in that country, and MoUs are being implemented with the DFIs of Uganda and Eswatini. An extension of the MoU with the China Africa Development Fund was signed to facilitate co-investment on the African continent.

Through our Namibian partnership, we have invested in a class A export beef abattoir and processing facility. This facility will procure, slaughter and process 250 cattle a day, with an annual estimated capacity of 50 000 cattle. It will enhance local value chain development and value-added exports while reclaiming 40% of water used and using 500 kilowatt hours of solar energy.

In Tanzania, we approved support for the completion of a chlor-alkali plant to replace local imports and export products to East Africa and South Africa. These products are primarily for water treatment, an increasingly important consideration. The products are building blocks for the chemical industry and could lead to the establishment of other chemical manufacturing plants in Tanzania and the region.

We have responded to the need for regional critical mineral mining capacity in SADC with investments in manganese in Botswana, graphite in Tanzania and rare earth elements in Malawi. These are discussed in more detail on page 65 in the pathway covering low carbon and green growth.

In the coming year, emphasis will be on critical minerals, cotton value chain, regional gas value chain, provision of African capital goods for continental infrastructure projects and automotive and logistics sectors.

SAVANNA BEEF

Enhancing Namibia's beef value chain for export markets

Savanna Beef is a start-up company that is aiming to erect and operate a 250 large stock units per day Class A export beef abattoir and processing facility in Namibia. The beef abattoir will be based in Okahandja, Namibia – 47 km north of Windhoek towards Okahandja town.

Savanna Beef is a 100% subsidiary of Savanna Beef Processors Limited, a public company incorporated under the Namibian law, a company founded by cattle farmers looking to add value through ox farming and profitability of Namibian beef; that will be marketed in niche markets at a premium.

IDC approved funding for the construction of a Class A export beef abattoir and processing facility that will enable the company to procure, slaughter and process 250 cattle per day, ca 50 000 total annual slaughter capacity on a one shift system.

Cattle in Namibia are reared naturally in open fields, grass fed and with no hormone usage to induce growth, making them a premium product that appeals to customers looking for naturally grown, organic and healthy beef meat. The product is niche and premium; with Namibia being one of only two countries in the Southern Africa Customs Union (SACU) that are able to supply the Norwegian market. Namibia is one of the few countries in sub-Saharan Africa that has access to the EU, USA and UK markets.

The abattoir will be fitted with necessary equipment to produce and supply quality beef aligned with export requirements for markets in the EU, Norway, China and the Middle East. Savanna Beef will produce high value meat cuts such as rib-eye, striploin, fillet, rump, sirloin, chuck, brisket, shanks, flank amongst others that are earmarked for these markets.

The remainder, being offal, skims, hides and low value products are to be marketed in Namibia and South Africa. Savanna Beef looks to implement the Good Agricultural Practice and Animal Welfare on farming side. The abattoir will ensure alignment with the British Retail Consortium Global Standards (BRC), the FSSC 2200 (Food Safety Stem Certification) and Hazard Analysis and Critical Control Points (HACCP) .

PATHWAY 4

Supporting economic and climatic resilience of the economy

Current and potential future threats to the productive capacity of our industrial sectors include climate variability, changes in international trade regimes, shifts in consumer preferences and technological advancements. These could disrupt production ecosystems and cause deindustrialisation. The Corporation is committed to assisting firms and industries to develop resilience to withstand and recover from shocks. Addressing these threats may even reveal and point to leverage opportunities to support a new industrialisation pathway.

Our interventions in the review year to support companies affected by KwaZulu-Natal and Northern Cape climate events have protected industrial capacity and we maintain our association with those business partners as they fully recover. A notable example is our ongoing working capital support to the raisin industry in the Northern Cape.

The IDC remains a key participant in the Sugar Industry Masterplan that will guide the development of higher-margin revenue streams for this highly labour-intensive sector.

In FY 2024/25, we continued to provide working capital to distressed sugar production, ethanol and animal feeds giant Tongaat Hulett, given its socioeconomic and strategic significance and extensive geographical presence spanning South Africa, Mozambique, Zimbabwe and Botswana. We intend to help the company to find a long term solution that is beneficial to all stakeholders.

The steel industry is the backbone of the manufacturing sector but it is under global strain due to overcapacity, relative low market prices caused by low demand and pressure to decarbonise with the shift from blast furnace to electric arc furnace technologies. South Africa is no exception, with an overcapacity in long products of around one million tonnes a year. In February 2025, IDC funding averted the announced closure of ArcelorMittal's long product operations in Newcastle, KwaZulu-Natal, limiting the impact of closure on downstream industries, most notably automotive. The importance of some specialty steels for other industrial value chains in South Africa cannot be overemphasised. A longer term solution is being explored to limit potential job losses through a sustainable and competitive industry structure and growth trajectory.

During FY 2024/25, approvals reaching financial close in the metals and metal products value chain were R4.9 billion, with disbursements at R3.2 billion.

The IDC is also involved in the downstream steel industry through the management of **the dtic**'s Downstream Steel Competitiveness Fund, which provides interest subsidies to qualifying enterprises to improve their competitiveness. During this financial year, the fund supported four businesses with underlying loans amounting to R157 million.

Other focuses of this pathway include:

- Addressing the expected shortage of natural gas supply to South Africa over the next few years by working with stakeholders to pursue continuous supply options to prevent deindustrialisation
- Assessing the impact of international trade regulations such as the Carbon Border Adjustment Mechanism on local industries such as iron, steel and aluminium
- Evaluating the effects of changing tariff regimes driven by geopolitical dynamics on South African exports.

Proactive interventions must be developed to maintain and grow industrial capacity under these challenging circumstances.

ENABLER 1:
Industrialisation enablers, including logistics infrastructure and energy

Economic infrastructure supports industrial activities, ensuring the smooth flow of goods, services and information, facilitating logistics and distribution, enabling access to reliable power and energy supply and promoting innovation and technological advancements. The IDC acknowledges the importance of economic enablers such as industrial infrastructure to achieve industry competitiveness. As such, it prioritises selective investment in strategic, economy-wide infrastructure interventions that unlock industrial development, including electricity, water, telecommunications and logistics.

Energy

During the financial year, the IDC approved R1.8 billion funding for energy projects. The provision of renewable energy is discussed in depth on page 63.

We intend to finance independent providers for the rollout of transmission infrastructure over the next 10 years. As a founding member of the South African Energy Council, we are a driver of energy security, affordable power, sustainable job growth, a just transition to the 2030 national determined contribution target and net-zero by 2050.

Water

The IDC has traditionally funded bulk water projects through investments in various Trans Caledon Tunnel Authority initiatives. During the review year, the authority's Mokolo Crocodile Water Augmentation Project reached financial close, while and noteworthy progress was made on the second phase of the Lesotho Highlands Project. The IDC has committed R2.75 billion to these two projects, with the first disbursements expected in the next financial year.

A strategic plan has been developed covering managing water risks at portfolio level, forming and strengthening partnerships, enhancing water resilience in industry and supporting localisation.

We collaborated with a women-owned company to develop technology that uses waste products from mine-affected water treatment to produce fertilisers, which is reducing water treatment costs in mining. Focus now is on developing a magnesium nitrate production facility and an ion exchange technology demonstration plant. This will address water security concerns and create valuable byproducts for the agricultural sector.

Further IDC funding has been allocated to a manufacturer of large diameter high density polyethylene pipes for infrastructure projects in the water and sanitation, agriculture and mining sectors.

Logistics

The IDC is funding Transnet's locomotive refurbishment initiatives and plan to support black participants in Transnet's Private Sector Participation (PSP) in line with the nation's rail reforms.

Work is ongoing with Project Ukuvuselela to develop a sustainable end-to-end rail logistics solution to divert vehicle transportation from road to rail. Transnet and the IDC are collaborating in upgrading the Transnet railway infrastructure and developing a rail operating model connecting Tshwane to the Port of Port Elizabeth in the Eastern Cape. The project has attracted a R2 billion grant from the Budget Facility for Infrastructure, with the IDC and Transnet developing an interim solution while the network is upgraded.

Telecoms

The IDC is financing investigations into the construction of a subsea optic fibre cable connecting South Africa with Singapore, with landing stations in Mauritius, Réunion and Malaysia. The vision is high speed, secure and diverse connectivity with the rest of the world to advance the South African digital economy.

Other

The IDC is also a secretariat to two vital infrastructure programmes:

- Infrastructure South Africa, an entity of the Department of Public Works and Infrastructure, which plans, coordinates and implements high-impact infrastructure projects in South Africa.
- Industrial Zones Programme (IZP), a programme of **the dtic**, whose mandate is to accelerate the implementation of special economic zones and advance regional industrial development.

NAFASI TECHNOLOGIES

Technology group angles in on production of fertiliser

Nafasi Technologies (Pty) Ltd is a strategic joint venture between Nafasi Water Technologies (Nafasi) and the IDC. The company focuses on transforming waste products from wastewater treatment plants, particularly mining impacted wastewaters (MIW) into a basket of high value chemicals, reducing waste production and unlocking economic potential.

The company will construct a state of the art commercial fertiliser production facility at the historical Highveld Industrial Park in Witbank. This facility will use existing technology and waste stock from Nafasi's current operating plants in Mpumalanga. Concurrently, the parties are investing in the development of innovative new process technology that integrates beneficiation into the core saline water and wastewater treatment process at scale. The phased technical and commercial development approach focuses on establishing the first full scale facility producing a high value fertiliser product. Looking ahead, the vision includes scaling up to multiple production trains, enabling the creation of a diverse basket of goods to meet varied market demands.

Nafasi is a leading water technology, project development and operations company operating in Southern and East Africa. Nafasi's track record in mining services includes the design, build and operation of the largest water treatment and desalination projects in the sector. Its proprietary HiPRO plants, deployed across Mpumalanga's coal mining region, have been pivotal in the ongoing restoration of the Olifants River catchment's water source. To date, over 400 billion litres of MIW have been reclaimed and reused directly through Nafasi operations.

The Nafasi Technologies venture's approach to creating value from waste is integral to reducing the costs of water treatment and improving overall resilience of the catchment and bankability of investments that support the Just Energy Transition in South Africa. This strategy enhances local manufacturing, creates jobs and reduces dependence on imported chemicals, promoting economic and environmental sustainability.

Nafasi Water collaborates with industry, government and local communities to deliver sustainable solutions to water security challenges. By integrating cutting-edge technology with project funding and execution, the company ensures the sustainable reclamation of MIW, contributing to long term environmental and economic benefits.

SIYAVUYA POWER PROJECTS

Boosting local manufacturing capacity in the Eastern Cape

Siyavuya Power Projects (SPP), headquartered in East London, Eastern Cape, is a black-owned procure and construct contractor operating across South Africa and the SADC region. With a level 1 B-BBEE status and a procurement recognition level of 135%, SPP demonstrates a strong commitment to transformation and local empowerment. Established in 1995 as Roesch Electrical and rebranded as SPP in 2000, the company has grown into a leader in high-impact, turnkey engineering and construction projects.

SPP delivers projects ranging from low to high voltage reticulation (up to 765kV lines), optical ground wire installations, pneumatic drilling, fleet hire, high mast lighting, micro piling, load testing and substations.

Major clients include Eskom and renewable energy companies developing solar and wind farms for the national grid.

The IDC has supported SPP's expansion, funding fleet and equipment upgrades, project materials and manufacturing equipment for its plant, Carbo Ferrum (CF).

SPP recently acquired Morhot, a 35-year-old steel hot-dip galvanising plant in Mdantsane, Eastern Cape. This acquisition secures a critical process for protecting steel structures and supports SPP's use of 100% locally sourced materials in manufacturing monopole and lattice towers. The addition of Morhot strengthens SPP's value chain, ensuring the sustainability of both Morhot and CF. This integration supports other manufacturers in the East London area and helps sustain jobs and SMEs in the region.

Funding for SPP, CF and Morhot aligns with the IDC's Energy Grid Capacity Development Plan, which supports the national Transmission Development Plan (TDP) and is projected to create over 300 additional jobs during contract periods of 20 months. The acquisition of Morhot safeguards local employment and provides stability for businesses in the Eastern Cape, particularly in areas with high unemployment rates – another key element of the IDC's mandate.

ENABLER 2:

Ecosystem approach to optimise competitiveness, linkages and inclusion

Through intentional industry planning, partnership development and inclusion of SMEs and the social economy, the IDC facilitates an ecosystem conducive to sustainable and inclusive industrial value chains.

Industry planning

Through comprehensive industry planning, the IDC crafts its bespoke strategies to support its mandate, concentrating on value chains and ecosystems. In devising its plans, the IDC enlists the resources and capabilities of its teams in research, fundraising, project development, business development, dealmaking, programme/fund management, commercial structuring, portfolio value creation and stakeholder engagement/marketing.

To foster supportive industrial ecosystems, the IDC actively participates in industry and government forums, cultivates industry partnerships, offers policy advice and analysis, and engages in conferences to demonstrate thought leadership.

Partnerships for dedicated and/or blended finance

Partnerships enhance the IDC's impact and broaden its reach through the management of specific funds and programmes.

Blended finance promotes projects/transactions that have high development impact but may not attract commercial funding due to perceived risks. This involves combining concessional funds with our resources to make projects more attractive to private investors.

Our partnership programmes unit has extensive fund management expertise and oversees targeted and ringfenced initiatives financed through third-party grants, government transfers or special on-balance sheet allocations. Some funds are integrated with regular IDC funding activities, while others function independently. Currently, the IDC manages 22 funds and programmes. The performance of these funds and programmes are discussed throughout this section of the integrated report.

One of the largest programmes is **the dtic**'s Manufacturing Competitiveness Enhancement Programme, which offers blended finance for working capital and plant and equipment funding. In this financial year, the programme supported 34 businesses valued at R974 million, creating and sustaining 6 927 jobs.

Wholesale investment partnerships

There are eight private equity limited partnerships with wholesale private equity fund portfolio, with five still actively investing and three divesting. Two arrangements with non-banking intermediaries concentrating on micro and small enterprises obtained IDC funding commitments during the reporting period.

Inclusion of SMEs

SMEs create a robust and dynamic economy, facilitating job creation, innovation, competition, adaptability and economic growth. The Corporation remains close to SMEs through its regional office network.

In FY 2024/25, it committed R2.6 billion to these companies across various funding mechanisms, including the small business finance and regions business unit, which provides direct lending customised to the projected cash flows of the businesses.

Reach to SMEs is being extended through credit lines to non-banking intermediaries. These entities' services are not necessarily suited to banks and are highly specialised or focused on sectors or target markets/groups. Apart from financial support these entities also offer non-financial support such as mentorship, training and market linkages. During FY 2024/25, these intermediaries disbursed R194 million to SMEs in the construction, clothing and textiles, fuel and energy, healthcare, manufacturing, security, mining, engineering services and information technology sectors. Products are innovative and tailormade to SME unique needs for, for example, purchase order and invoice discounting as well as growth and asset-based loans.

The IDC-managed Khoebo Innovation Programme, which offers concessionary funding for early-stage innovative SMEs to penetrate the market with local innovations, supported seven SMEs and startups to the value of R46 million.

The SME-Connect programme and pre-investment support helps companies with promising, but not yet bankable, business concepts, to prepare their plans for funding.

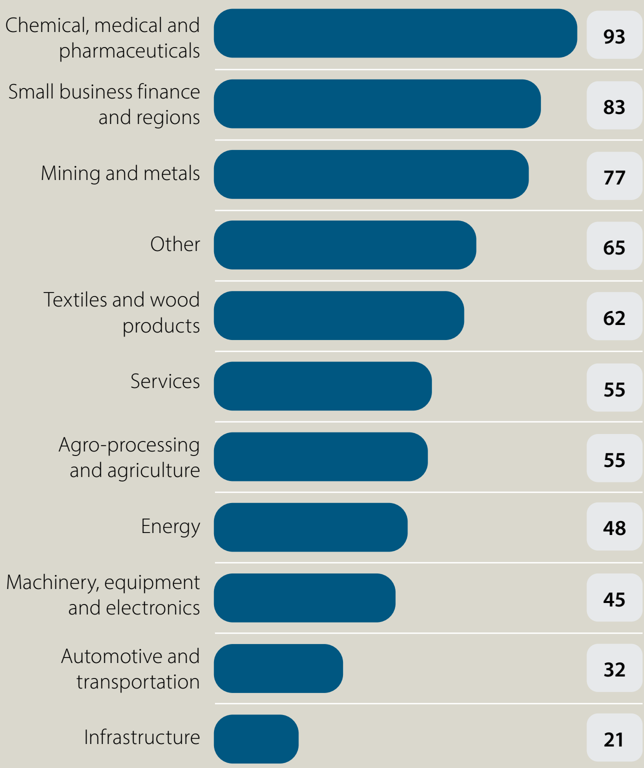
This programme continues to encourage the collaboration of smaller businesses in the supply chains of larger entities, which facilitates not only finance but market access through high buyer commitments from large corporates. SME-Connect cultivated strategic links with 33 new corporates, large-scale entities and other opportunity providers during FY 2024/25. This led to 62 SME lead referrals into the IDC's deal pipeline, requiring funding of R2.7 billion.

Portfolio management and monitoring

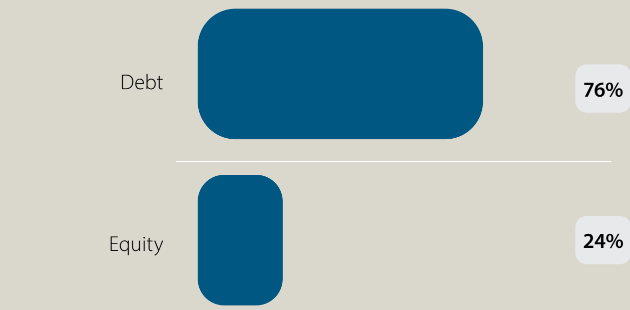
Portfolio composition

IDC portfolio by exposure at cost is currently **R93 billion** and is spread across **636 business partners** (FY 2024: R94 billion spread across 637 business partners)

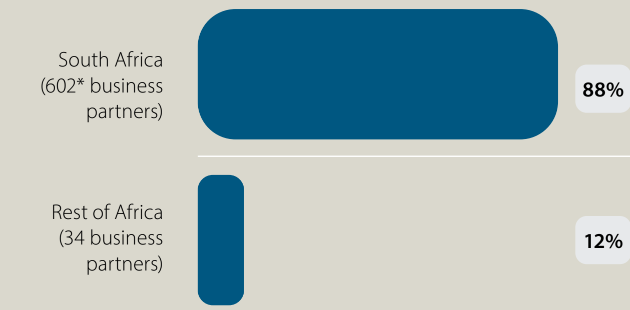
Portfolio business partners (number) by broad industry grouping



Portfolio exposure by investment instrument



Portfolio exposure by geography



Notes:
1. *All numbers rounded up or down therefore totals may differ slightly, and business partners (clients) are at Group level.*
2. *Additional portfolio statistics are included in the annexure.*

* *Includes three business partners with group holding companies registered and listed outside South Africa – Madrid, Spain (1) and Toronto, Canada (2).*

The IDC adopts a strategic and cohesive approach to portfolio management that emphasises value protection and creation, risk reduction and long-term developmental impact. Our 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 2025, the portfolio under management stood at R93 billion across 636 business partners. Portfolio allocation remains largely sectoral and aligned to industrial policy priorities, with more than 94% invested in manufacturing, mining, energy, agro-industry and infrastructure.

Geographically, 88% of the portfolio (R82 billion) is held in South Africa, with the remaining 12% (R11 billion) dispersed across the rest of the continent. This distribution underscores our dedication to local development and broader regional industrial growth.

Debt instruments account for 76%, with equity at 24%, demonstrating the strategic importance of risk-bearing capital in growth sectors.

Portfolio exposure by geography

Country	FY25 Number of business partners	FY25 Exposure	FY24 Number of business partners	FY24 Exposure
Angola	**2**	**713**	1	378
Botswana	**2**	**149**	2	71
Democratic Republic of the Congo	**1**	**268**	1	268
Ethiopia	**–**	**–**	1	14
Ghana	**3**	**1 928**	3	2 057
Kenya	**1**	**368**	2	899
Malawi	**2**	**207**	2	232
Mali	**1**	**88**	1	508
Mauritius	**1**	**22**	–	–
Mozambique	**8**	**4 063**	9	5 137
Namibia	**5**	**326**	5	244
Nigeria	**1**	**326**	1	313
Rwanda	**1**	**108**	1	132
South Africa	**602**	**82 156**	615	84 539
Tanzania	**2**	**1 167**	1	1 257
Uganda	**2**	**1 089**	2	1 123
Zambia	**2**	**157**	2	219
Total	**636**	**93 135**	**651**	**98 111**

The IDC portfolio in the rest of Africa is spread across 15 countries, primarily in southern Africa (R5.9 billion), East Africa (R2.7 billion) and West Africa (R2.3 billion). This report demonstrates lower impairments and stronger capital recovery metrics, validating the strategy to expand regional exposure. Flagship assets include infrastructure and mining operations in the Democratic Republic of Congo, Ghana, Mozambique and Uganda.

Portfolio performance

Collections from the portfolio have been affected by equity investments with lower-than-expected dividend payments impacting the revenue line of our income statement. We remain focused on diversifying our portfolio and optimising returns. The carrying value of the portfolio was shaped by lower asset prices during the depressed commodity cycle period, but this was mitigated through proactive risk management and strategic portfolio adjustments, which reflects the effectiveness of IDC risk management strategies and targeted interventions

During FY 2024/25, non-performing loans trended in the right direction: down. Similarly, the portfolio impairment ratio stabilised and dropped towards ideal target levels, indicating improved asset quality and a strong foundation for future growth.

Impairments from equity investments have been slow to mitigate given the subdued economic environment marked by low GDP growth, which has led to depressed asset prices and weak demand.

The IDC continues to engage and support its portfolio companies to address challenges and unlock value, driving sustainable growth and development. Our tailored support and restructuring are designed to achieve sustainable turnarounds in portfolio companies, positioning them for long term success.

Advancing socioeconomic transformation

Social and solidarity economy

In its efforts to support the social and solidarity economy, the IDC has established a special on-balance sheet funding programme. This funding allocation provides grants to socially owned and managed sustainable businesses and initiatives seeking to uplift local communities and support social innovation. In the year under review, R69 million was provided to 15 businesses, supporting 667 jobs. LA

Furthermore, the IDC-managed Social Employment Fund also supports the social and solidarity economy, tackling unemployment by enabling local organisations to create publicly funded jobs that meet community needs. Through this initiative, the unemployed are given access to valuable networks, social interaction, information and skills. During FY 2024/25, the fund assisted 38 public benefit organisations to the value of R1 274 million, creating job opportunities for 48 726 participants.

This translated to 4 864 full-time jobs. The Social Employment Fund won the *Prosperity Catalyst* category award at the 2024 Bay Awards held in Bilbao, Spain. These awards recognise groundbreaking urban strategies resolving today's most pressing city issues.

Corporate social investment

Our CSI activities align with our mandate and government development priorities such as the SDGs. Particular attention is paid to education, skills development and employment creation, with beneficiary projects creating employment opportunities for women, youth and people living with disabilities in peripheral and rural areas. In FY 2024/25, we supported 38 community initiatives with funding totalling R40.6 million that is expected to reach over 23 000 beneficiaries in all nine provinces, compared to 22 000 beneficiaries in FY 2023/24. Across the nine provinces, 5 536 beneficiaries were reached through disbursements totalling R13.1 million.

CSI highlights for FY 2024/25

Partnered with six non-government organisations and disbursed **R9.3 million** for 7 961 flood victims in Eastern Cape, KwaZulu-Natal, Mpumalanga and Western Cape

Thirty-eight new initiatives with **R44.7 million** allocated, R40.6 million of which is destined to enrich the lives of more than 23 000 citizens

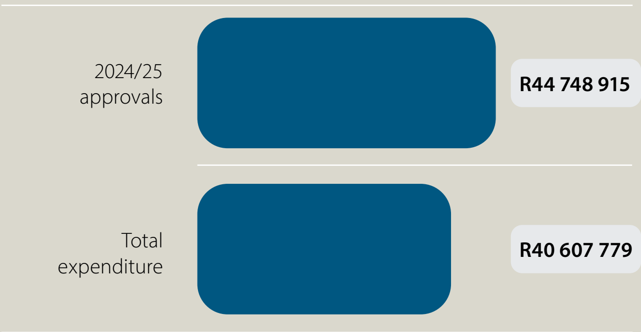
Fifteen community projects received **R15.1 million** for beneficiaries to gain employment through skills development and sustainability through income-generating projects

Education and skills development boosted by **R5.3 million**
R4.1 million for five early childhood development projects and R1.1 million for technical and vocational education and training colleges

Launch of non-profit organisation business challenge, through which employees apply their skills to devise and design a solution to meet the organisation's challenge, and win a cash donation for the organisation to implement the solution. The initiative attracted four non-profit organisations and 36 IDC staff participated with a nine-member group seconded to each entity

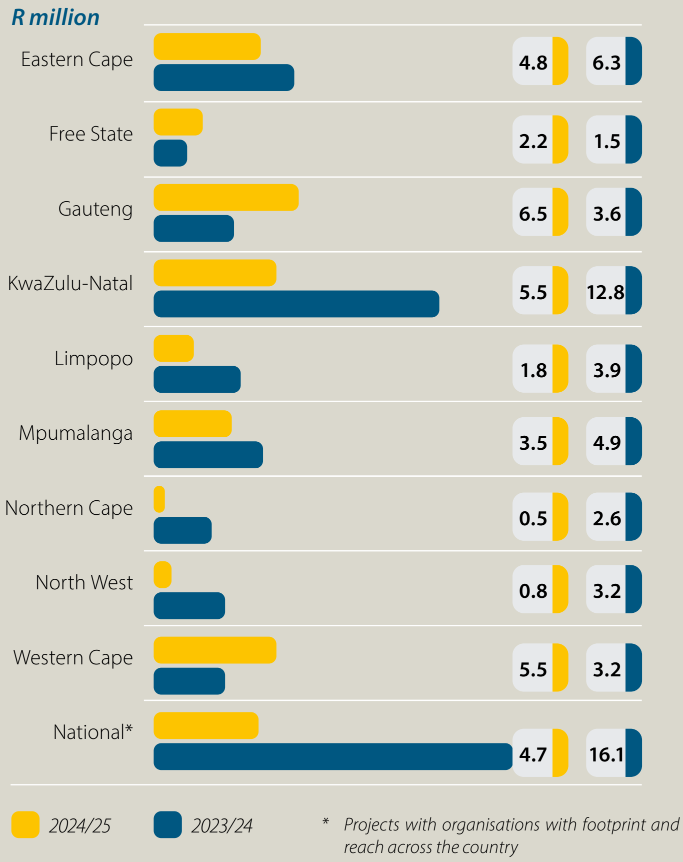
Hosted CSI Stakeholder Engagement Sessions in seven provinces, targeting 30 NGOs per session. The purpose of the sessions was to share CSI funding and compliance requirements, understand the challenges in the province and map possible solutions

Total expenditure (including commitments)



Expenditure per focus area

Expenditure per province (2024/25 vs 2023/24)



B-BBEE scorecard compliance

The IDC complied with all the priority elements of the B-BBEE scorecard, a key transformation metric. The Corporation achieved a level 4 rating in 2022/23. The certification is valid until November 2025.

A black female executive joined the Corporation's team and serves on the Board. This has taken the management control score up by almost four points to 19.94 points out of a possible 20.

Contribution to skills development

Skills development is a priority and considerable progress has been made to upskill employees through internal and external bursaries. As detailed in the table below, R66.9 million was expended.

Programme	Headcount	Expenditure
Bursaries for junior to senior staff	130	R10 million
Bursaries for children of staff	110	R16.7 million
External bursaries for eligible and deserving students	235	R40.2 million

Staff also participated in other programmes, with 84 delegates trained through internships and learnerships, including 10 new appointees with disabilities. Training costs covered salaries, stipends and miscellaneous expenses.

Supplier development

Expenditure on supplier development was R62.3 million, which enabled the Corporation to achieve its subminimum requirements. The 69 beneficiaries are 100% black-owned, with 23 being majority (51%+) women-owned. Sixty-four jobs were created, 41 permanent and 23 temporary.

Several beneficiaries have commended the programme for alleviating their cash flow pressures, enabling them to recruit more staff and invest in new equipment, and improving their operational efficiency without them having to draw from revenue.

Highlights of FY 2024/25

Infrastructure upgrades to beneficiaries increased productivity, improved client service and prepared businesses to scale up and gear for growth

Employment of young professionals from previously disadvantaged backgrounds, contributing to transformation in sectors such as legal services and information and communications technology

Beneficiaries shared compelling stories of empowerment, with the programme acting as a catalyst for both business growth and personal transformation

Relief from cash flow constraints allowed businesses to invest in growth without compromising operational stability

Launch of new business divisions supported, including multimedia and digital content services, enhancing competitiveness and service diversification

Supplier successes

Tractors for transformation

The South African Farmers Development Association mechanisation programme has become a cornerstone of its transformation agenda, providing small-scale farmers with tractors and cane loaders brought through the supplier development grant. This intervention enables smallholder and farmer beneficiaries of land reform to overcome structural barriers, improve productivity and integrate more fully into commercial agriculture. These mechanised tools will enable timely land preparation and harvesting, reduce reliance on costly manual labour and ultimately contribute to increased yields and income, stimulating sustainable rural development and economic inclusion. This will help to reduce input costs for farmers and improve their competitiveness in the sugar value chain.

The path to becoming a practitioner

Pather and Pather, a supplier development finance beneficiary law firm, used its grant to employ five candidate legal practitioners from disadvantaged backgrounds. One was a graduate living in an informal settlement who, through this opportunity, gained employment, accommodation and a clear path to become a qualified attorney. The initiative not only strengthened the firm's operations but created life-changing opportunities for young professionals.

The diversifying life of Pii

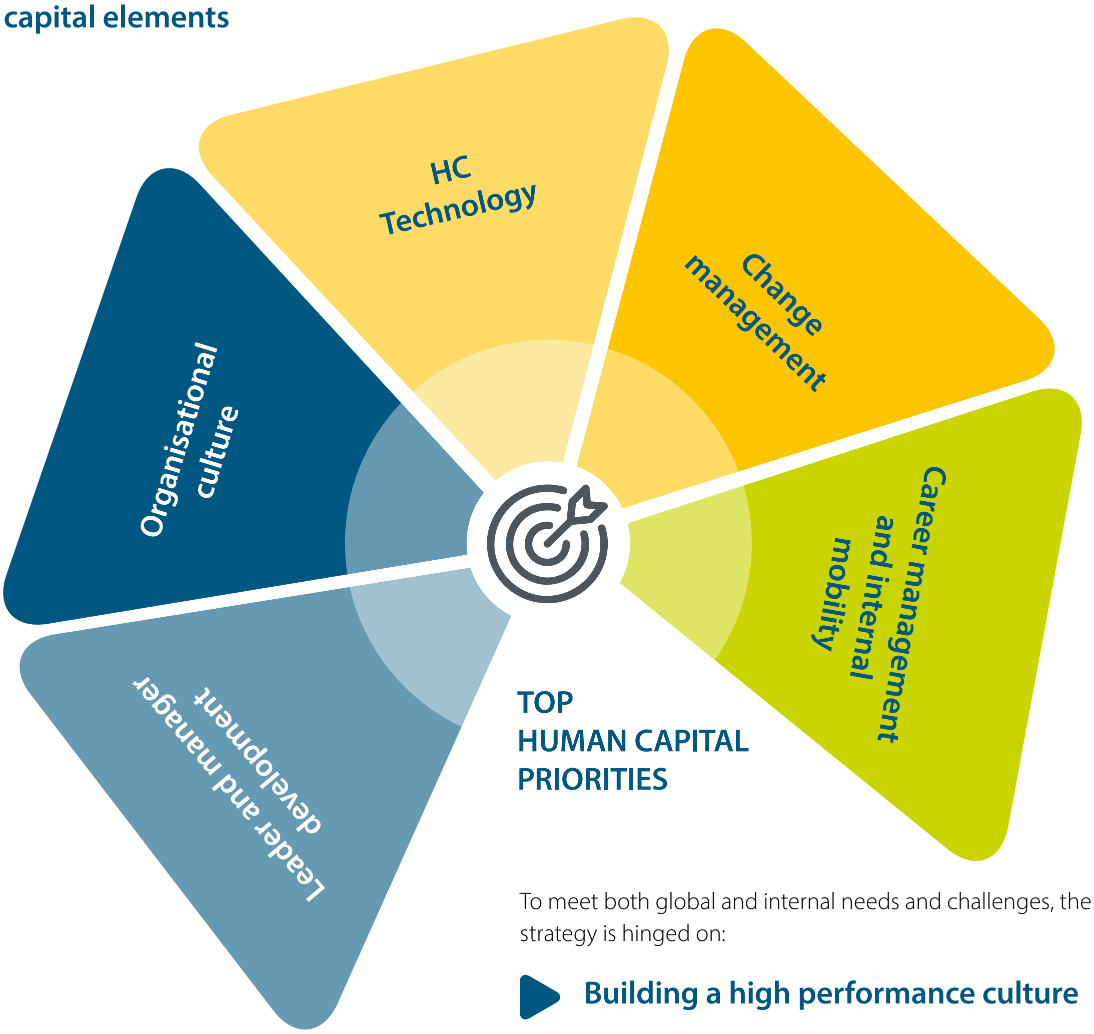
Pii Digital, a creative and digital agency, ploughed its grant into equipping its team to staff a new multimedia division offering podcasting, video production and virtual tours. It has not only upskilled its employees while diversifying its services, but has opened new employment opportunities.

OUR PEOPLE

Our people

The IDC retains its reputation as a desirable employer, a status confirmed through our talent acquisition channels. The Corporation places emphasis on attracting, growing, nurturing and retaining high-performing talent. Staff are predominantly highly skilled and qualified. They possess skills and qualifications that are greatly sought after; thus retention is imperative. Our human capital strategy is anchored in driving high performance through engaged people who contribute value to our business. We strive to create a psychologically safe environment for our people to deliver on our strategic objectives and mandate. Although our employee value proposition remains competitive, it is reviewed constantly and enhanced in tune with market changes.

In 2024, global research firm Gartner* indicated that organisations globally are prioritising these human capital elements



To meet both global and internal needs and challenges, the IDC people strategy is hinged on:

- **Building a high performance culture**
- **Leadership development and succession management**
- **Talent management and capability building**
- **Technology and new ways of working**
- **Creation of a great place to work.**

Reference:

*Global trends (*Gartner: Top 5 priorities for human resources leaders in 2024)*

The culture transformation journey that started in 2019 to support the IDC's long term sustainability plan continued during FY 2024/25, as did implementation of the revised performance management system (policy, procedures and implementation system) to drive a culture of high performance, diversity, equity, inclusion and talent development.

We strengthened our enabling culture, embedding performance management practices, managing employee relations proactively and providing needs-driven and solutions-led learning and development outcomes. Staff turnover was higher than the previous financial year, but remained within our acceptable risk parameters. The depletion of skills in critical roles remained on par with that of the previous year. Retention of critical and scarce skills remains a priority.

The hybrid work model introduced during the COVID-19 pandemic is still in place and is a very attractive feature for both staff and job applicants. During FY 2024/25, one additional office day was added. However, it continues to provide employees with flexibility and a better work-life balance.

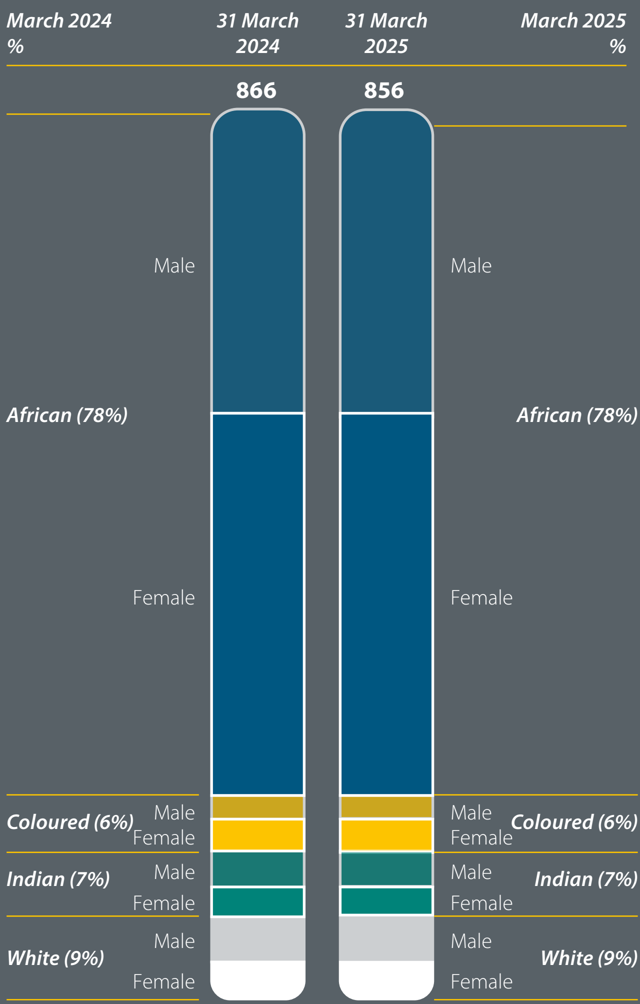
Prioritising employee health and wellbeing is increasingly recognised as a strategic imperative for organisations. At the IDC these are taken very seriously and cases are actively managed. With our partner, Kaelo, we continue to offer support and services that make for meaningful, impactful and stimulating work. We will continue to build trust, collaboration and engagement, nurturing innovation, learning and development, performance accountability and high performance.

Staff composition

The Corporation's employment equity profile is in line with the economically active population at 93% (2023/24: 92%).

Female representation remained constant at 54%, with women executives at 67% at the end of FY 2024/25. As the Corporation fills vacant executive roles, it is cognisant of the need to retain representation in line with the employment equity plan. Female senior management representation improved to 33.9% (2023/24: 32%) and remains a priority. The percentage of people with disabilities increased from 1.8% to 2.5% of the total staff complement.

The staff profile for FY 2024/25 was as follows:



March 2024					March 2025			
296	Male	Female	372		296	Male	Female	375
23	Male	Female	31		22	Male	Female	32
35	Male	Female	29		34	Male	Female	27
44	Male	Female	36		41	Male	Female	29

% breakdown by level and race as of 31 March 2025

Executive (nine people)
1% of staff population

African	88%
White	12%

Heads, champions and managers (59 people)
7% of staff population

African	63%
Coloured	8%
Indian	13%
White	16%

Senior professional staff (285 people)
33% of staff population

African	67%
Coloured	7%
Indian	12%
White	14%

Professional staff (320 people)
37% of staff population

African	84%
Coloured	6%
Indian	5%
White	5%

Admin staff (176 people)
21% of staff population

African	90%
Coloured	4%
Indian	2%
White	4%

Support staff (7 people)
1% of staff population

African	100%

Capacitating our business

Employees who are committed and connected to the corporate purpose remain the IDC's best ambassadors. The attraction of talent is supported by the Corporation's mandate and purpose, which strive for the betterment of the country. This, coupled with a compelling and competitive employee value proposition, facilitates the attraction, growth and retention of talent.

At 31 March 2025, the Corporation employed 856 people (2023/24: 866). The number of employees directly delivering operational objectives (client-facing and enabling units) increased marginally to 75% (2023/24: 74%) and expertise and capacity in the operational units increased to 40% (2023/24: 36%). Increased capacity and recruitment will continue to be informed by market and economic activity in key sectors, industries and business operations.

As shown below, the rate of voluntary turnover increased to 8.6% from 4.4% in 2023/24, while that of staff in critical roles decreased to 4.8% in the year under review, and is deemed positive. Overall turnover increased by 2.0 percentage points (2023/24: 6.6%), attributable mainly to an increase in the number of retirees. Turnover remains within risk appetite parameters.

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Turnover rate	2024/25	2023/24
Overall turnover (all types)	**8.6%**	6.6%
Overall turnover (voluntary)	**8.6%**	4.4%
Overall turnover (critical roles)	**4.8%**	5.1%

Retaining staff within acceptable levels remains a key priority, with mechanisms sought to continuously grow, develop and engage staff through our employee value proposition. This includes seconding opportunities, placing employees on external boards for exposure, allowing and encouraging our talent to act in higher roles and undertaking a review of our promotions policy to ensure employee recognition and clearly mapped and articulated career and advancement mobility opportunities. A comprehensive benchmarking exercise was conducted to review appropriate dual career management to inform career management and internal mobility. The partnership with a specialist talent acquisition service provider and the automation of the talent acquisition process continue to ensure focused talent acquisition driven by quicker 'time to fill' and proactive building of talent pools for hard-to-fill and critical roles.

Learning and development

The IDC continues to implement the 70–20–10 learning approach methodology, emphasising practical, on-the-job application. This supports employees at all career and personal development stages. In total, 1 127 individuals benefitted from training initiatives valued at R118 million. Initiatives included staff development, bursaries for staff and their children, internships, learnerships, external bursaries and bursary partnerships.

Employee training Financial year	2024/25	2023/24
Number of employees trained	**1 127**	680
Women	**716**	374
Men	**411**	306

A total of 383 bursaries was allocated through three bursary schemes: for staff, for their children and for underprivileged, unemployed South African youth. In FY 2024/25, 98 bursaries were afforded to employees (2023/24: 96) and 110 bursaries to children of staff (2023/24: 110). Bursary numbers for underprivileged, unemployed youth increased by 33% to 175 recipients (2023/24: 132).

Leadership and team development

Leadership and team development initiatives are powerful catalysts for culture transformation. With 45 graduates in the Corporation's leadership pipeline programme now completing job shadowing and several already in acting leadership positions, we are seeing the tangible benefits of our strategic investment in people development.

Strong, intentional leadership is the cornerstone of culture transformation and our programmes have created a shared leadership language and framework across strategic business units and departments, reinforcing our organisational values through consistent leadership practices.

IDC leadership development framework

Level		Band	Leadership development	Programme and key focus areas
Leading organisation	05	The **Business Leader** band	Executive leadership	**Leading into the Future Programme (Heads to executives)** **Key focus areas** Vision and strategy formulation; Agile leadership; Leverage AI and technology; Drive purpose and meaning; Create people and customer centricity culture; Drive change and organisational impact; Strategic decision making
Leading organisation	04	The **Strategic Leader** band	Senior leadership development	**The pinnacle leadership (Managers to heads)** **Key focus areas** Influence and drive business strategy; Agile leadership; Trust and inspire others; Change leadership; Leverage AI and technology; Strategic decision making
Leading teams	03	The **Developing Leader** band	Advanced leadership development	**Quantum leadership (Professionals to managers)** **Key focus areas** Implement strategy through others; Lead, coach, develop and empower others; Drives diversity, equity, inclusion and belonging; Leveraging AI and technology; Operational decision making
Leading self	02	The **Emerging Leader** band	Compact leadership development	**Leap to leadership programme (Administrators to professionals)** **Key focus areas** Building self awareness and leadership skills; Emotional and social intelligence; Data driven decision making; Stakeholder engagement; Leveraging AI and technology
Leading self	01	The **Aspiring Leader** band	Aspiring leadership	**Next generation programme** **Key focus areas** Building leadership foundational skills and self awareness

Our people *continued*

The continued growth and development of our leaders is critical to our culture transformation focus. Leaders are evaluated annually to equip them with feedback on leadership strengths and areas to focus on. The leadership 360-degree evaluation, in its fifth year, is undertaken in line with the Corporation's leadership framework and competencies. As leaders are a key enabler to building our desired culture, the survey was enhanced to assess and determine the extent to which employees experience a psychologically safe environment to thrive. The evaluation outcomes facilitate ongoing leadership awareness and development, thereby improving leadership capability and transformation.

For the reporting period, leadership results have increased slightly to a score of 4.0/5 (2023/25: 3.9/5). More importantly, the survey revealed a score of 4.0/5 for psychological safety, this is an improvement of 0.2 from the previous period (2023/24: 3.8/5). This indicates a positive impact of initiatives to build and maintain an enabling work environment. These included awareness sessions on anti-workplace harassment, bullying and victimisation and driving awareness of and sensitisation for diversity, equity and inclusion, as well as broader leadership development initiatives outlined below. LA

Coaching circles have accelerated collaborative learning and problem solving by establishing peer support networks that extend beyond formal reporting structures and create psychologically safe spaces for leaders to discuss challenges and share solutions. Twelve teams have concluded coaching circles. Individual one-on-on coaching has addressed specific leadership needs, helping leaders to navigate complex interpersonal dynamics that affect organisational performance and create confidential space to work through leadership challenges. Forty individual coaching journeys are in progress.

Our leadership and team development initiatives have produced not just skilled individuals but a powerful community of practice that advances our culture.

Youth development

Youth development programmes are crucial for building a pipeline of essential skills and create job opportunities for young South African professionals, providing them with practical skills and experience to enter the job market.

During the year, we launched a 12-month post-matric work-integrated-learning programme to empower 10 black youth living with disabilities. This initiative culminates in a National Qualifications Framework Level 4 skills certificate. We also expanded our bursary scheme to bridge the 'missing middle' gap. Through partnerships with Universities South Africa (USAf) and Ikusasa Student Financial Aid Programme (ISFAP), 60 bursaries were awarded, half to people with disabilities.

Nurturing continuous professional growth is a priority, hence the IDC youth coaching programme for employees under 35, including interns. This 12-month initiative covers career development strategies, self-leadership, brand-building and essential workplace skills. Forty young IDC employees are participating in monthly two-hour team coaching sessions facilitated by IDC senior management, executive management and external specialists.

In addition, our dealmakers programme welcomed 12 new chartered accountant and technical professional cadets to join the 11 already participating. Ten candidates from the 2023 intake have cleared their first discipline and three have cleared their second discipline, making them qualified dealmakers to drive operational activity.

Managing employee wellness

Permanent and fixed-term employees, and their dependants, continue to use the services of our employee wellness partner, whose Ask Nelson programme includes counselling, coaching, financial advice and legal support.

Employees are reminded through internal communication of the need to stay healthy and annual IDC-funded medical assessments continue for qualifying employees aged 40 and older.

External healthcare providers offered services and clinical screening to staff at our annual wellness day, at which the IDC creche, gym and staff restaurant showcased their employee value propositions.

People living with disabilities are encouraged to declare their disability to enable a disability verification assessment to be performed. Affected employees are considered for reasonable accommodation support mechanisms.

Other services provided to staff during the year included clinical advice, bereavement support, extended sick leave assistance, information on group risk insurance and provision of the annual flu vaccine. This holistic employee support reduced the number of absent days in the review year by 28% (2023/24: 286 days).

Employee relations

The IDC adheres to labour laws and is dedicated to employment practices that create a fair and supportive work environment, as outlined in section 23(1) of the Constitution. We also align with government's commitments to the International Labour Organisation.

Capacitation of line managers and policy engagement sessions continued in the reporting period. A campaign was launched to embed the Anti-workplace harassment and Bullying Policy. This will be followed in 2025/26 by publication of an employee handbook setting out the Corporation's zero tolerance for harassment, bullying and victimisation.

Union relationship

The Public Servants Association remains the only recognised trade union, with membership at 60.4% of the workforce at the end of FY 2024/25 (2023/24: 60.8%). The Corporation concluded a three-year collective bargaining agreement to strengthen its relationship with the union.

Employee recognition, rewards and benefits

In response to changing demographics, increased life expectancy and evolving workforce trends, the IDC reviewed its retirement age policy to align with industry developments and promote long-term sustainability. Effective 1 December 2024, the retirement age was extended from 60 to 65 years, aligning with South African Revenue Service regulations and industry best practice. This trend will enable us to retain critical skills longer, enhance workforce diversity and promote ensure financial sustainability for our provident fund. It will also help us to attract and retain experienced senior talent while improving employees' retirement outcomes.

The IDC promotes a culture of appreciation and high performance through its employee recognition and rewards initiatives. Submission of nominations for on-the-spot recognition gained significant momentum during the year, recognising and appreciating the efforts and contribution of employees. Our annual recognition awards, hosted in November 2024, was a celebration of more than 150 IDC employees who provided outstanding performance in various categories during 2023/24.

Talent and succession planning

Talent and succession planning are crucial enablers for business continuity. Our operating model and structure, bolstered by the long term sustainability plan, reveal essential future roles and:

- Ensure that the Corporation has the appropriate bench strength or talent readily available and developed to take up leadership and key roles when they arise
- Contain strategies to attract, develop and retain identified talent
- Facilitate development of identified talent for business growth and continuity.

During FY 2024/25, the Corporation reassessed talent needs and identified roles core to our business. Ensuring a pipeline of talent will continue in the year ahead. A review of the succession pipeline for leadership and critical roles, which informs leadership development initiatives, was undertaken. Going forward, we will review our talent management strategy and maturity levels against best practice to identify possible enhancements.

Performance management

A high performance culture facilitates continuous coaching of employees. We have implemented the recently revised and approved Performance Management Policy to embed principles and behaviours to support our philosophy and achieve high performance. A review is underway of the target setting model to align individual targets to those of the Corporation and appropriate cascading of targets.

Culture transformation

Culture transformation remains a key strategic drive as high performance requires an engaged and motivated workforce.

A culture survey conducted during the year returned a commendable 77% participation rate. However, the outcome of the survey points to a significant regression in the state of our employee engagement, with a culture entropy score at 50%. This indicates that the Corporation must prioritise key focus areas that will have high impact on increasing employee engagement and improving the current state of our culture.

A key focus for FY 2025/26 will be to shifting the leadership team's approach to culture transformation as a priority. This will be achieved through:

- Setting a new aspirational culture vision
- Aligning leadership to the desired culture
- Developing leadership standards
- Creating an accountability culture founded on ownership
- Addressing barriers to culture change
- Aligning ways of working with the desired culture
- Building an environment of trust and encouraging frequent employee engagement.

Occupational health and safety

The IDC prioritises the health and safety of all employees, visitors and contractors. Important initiatives include a comprehensive Occupational Health and Safety Policy, terms of reference for the Occupational Health and Safety Committee and a standardised occupational health and safety process and procedure.

No fatalities occurred during the review year, reflecting the effectiveness of safety measures. There were three lost time incidents and three first aid incidents. To further bolster our safety programme, we introduced two educational videos for employees, visitors and contractors, reinforcing our commitment to a safe workplace environment.

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.

By having an online declaration, the IDC strengthens transparency, accountability and operational efficiency, reinforcing its commitment to ethical business practices. Through digitising processes, the IDC reduces paper usage, lowers its environmental impact and promotes sustainability. This approach enhances communication security, minimises errors and streamlines operations, improving responsiveness to stakeholders. Ultimately, the IDC's adoption of online declarations reflects its dedication to innovation, ensuring alignment between business objectives and its responsibility as a corporate citizen. LA

Governance of the IDC is guided primarily by the IDC Act, PFMA, Companies Act, JSE Debt and Securities Listing requirements and King IV. The Board is committed to ensuring that principles, processes and practices enable the IDC to conduct its business with sound governance principles, ethical culture, good performance, effective control and legitimacy. Governance is entrusted to the Board, which directs, controls and oversees operations according to laws and regulations.

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 in consultation with Cabinet and in terms of section 6(3) of the IDC Act. The executive authority ensures that there is an appropriate balance of knowledge, skills, experience, capability and diversity in gender, race, tenure and socioeconomic background among Board members appointed to the Corporation.

The executive authority provides oversight on the IDC through regular interactions on the approved Corporate Plan, quarterly reports and the annual report.

Being a public entity, the Corporation also accounts to Parliament through the Standing Committee on Public Accounts that reviews the annual financial statements and the external auditors' report. Corporate performance is reported regularly to the Portfolio Committee on Trade, Industry and Competition.

Key governance considerations and activities during FY 2024/25

During the year under review, the Board considered and/or approved the following key matters:

- Considered and approved the FY 2024/25 Corporate Plan and alignment of the Plan to the MTDP priorities
- Approved the Corporation's quarterly corporate performance reports for submission to National Treasury and **the dtic**
- Approved the audited IDC Group annual financial statements for the year ended 31 March 2025
- Reviewed and approved the IDC Risk Appetite Framework
- Approved the revised Dividend Policy and submitted to the shareholder
- Approved its revised charter, committee terms of reference and the governance framework
- Approval of 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 FY 2025/26
- Supported by the shareholder, finalised the appointment of the CEO.

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 the executives and Board Committees.

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

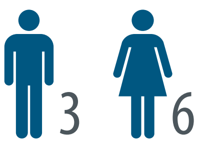
The Board

The Board is the primary custodian of governance.

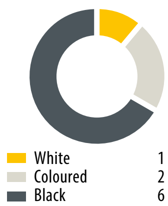
It is responsible for directing, controlling and overseeing the Corporation in accordance with all applicable laws and governing rules. It steers and sets the strategic direction of the Corporation, approves major policies and plans, ensures accountability and oversees the execution of approved strategy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

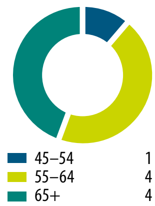
Gender diversity



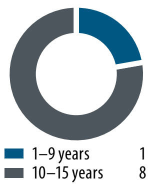
Ethnicity



Age diversity

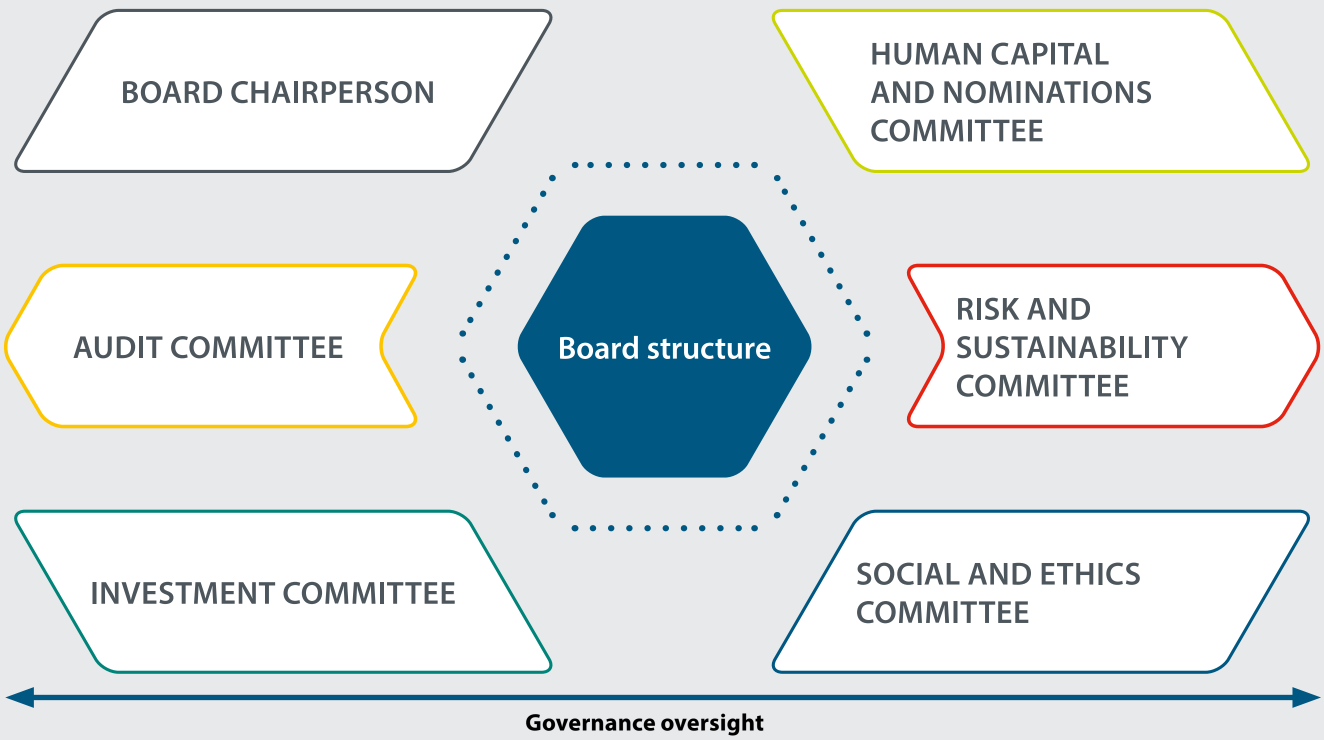


Tenure



Skills

Governance structure



Composition

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 of nine non-executive directors, six women and three men.

The Chairperson is considered independent and non-executive. There is a clear separation of responsibilities between the leadership of the Board (the chairperson) and the executive responsibility for leadership of the business (the chief executive officer). The experience of our Board members contribute to the long term sustainable success of the Corporation.

Importantly, the Board is supported by the Group Company Secretary in executing its roles and responsibilities.

Board committees

The Board has delegated specific responsibilities to its committees. These committees function according to terms of reference and delegations of authority which are reviewed annually. The Board is satisfied that the terms of reference 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
- Human Capital and Nominations Committee
- Investment Committee
- Risk and Sustainability Committee
- Social and Ethics Committee.

Each committee is chaired by a non-executive director who reports to the Board and makes recommendations for approval. Committee members are appointed through the Human Capital and Nominations Committee.

Members of the Audit Committee are non-executive individuals appointed by the shareholder at the annual general meeting. The Board Chairperson and the CEO are standing invitees to all committee meetings, while other executives attend when needed or invited.

Terms in office

Non-executive director tenures:

Member	Number of years on the Board
B Mabuza	14
L Bethlehem*	15.5
BA Dames	14
PM Mthethwa	14
B Godsell	14
Dr SM Magwentshu-Rensburg	14
Adv ND Orleyn	10
NP Mnxasana	10
A Kriel	9
S Mangole**	-

* *On leave of absence since June 2023; retired on 20 July 2024*

** *Appointed 1 June 2024*

Board meetings and attendance

An annual workplan enables the Board to attend to its responsibilities in a structured and orderly way. In the year under review,, the Board held nine scheduled meetings, including a strategy session, and nine special meetings. The special meetings were necessitated by an urgent request for the Corporation to respond to an economic crisis in the steel industry. The table below details attendance by directors:

Director	Scheduled meetings	Special meetings	Strategy
Total number of meetings	**8**	**9**	**1**
B Mabuza	8/8	8/9	1/1
D Jarvis#	7/7	5/5	1/1
M Lekhethe*	2/2	4/4	–
L Bethlehem##	0/8	0/9	0/1
BA Dames	6/8	7/9	1/1
B Godsell	8/8	6/9	1/1
A Kriel	8/8	8/9	1/1
Dr S Magwentshu-Rensburg	8/8	8/9	1/1
S Mangole**	6/6	6/9	1/1
NP Mnxasana	8/8	8/9	1/1
PM Mthethwa	8/8	9/9	1/1
Adv ND Orleyn	7/8	7/9	1/1

\# *D Jarvis was interim CEO until 31 January 2025.*

* *M Lekhethe was appointed CEO on 1 February 2025.*

\## *L Bethlehem was on leave of absence since June 2023 and retired on 20 July 2024.*

** *S Mangole was appointed on 1 June 2024, and therefore, did not attend any Board meeting before July 2024.*

Conflicts of interest

In order to lead 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. This policy is reviewed every three years. It requires directors to declare their interests annually, disclose conflicts and also determine the extent to which the conflict declared 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. Every effort is made to prevent conflicts of interest from undermining governance protocols and eroding stakeholder confidence.

Board and committee evaluation

Every year, the Board evaluates its effectiveness and performance, including that of its committees and individual directors. The last externally facilitated Board effectiveness review was undertaken in 2023, the results of which were reported in the 2024 Integrated Report. In the period under review, the Board and its committees underwent a comprehensive internal evaluation of their performance 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 an average rating of 4.35, while the respective committees scored an average of 4.83 out of a 5-point rating scale. This underscores an overall satisfactory performance by the Board.

Although these results are commendable, areas of improvement have been identified to further enhance the effectiveness of the Board.

Board remuneration

Annual fees for non-executive directors are approved by the shareholder at the annual general meeting. For the reporting year, fees remained unchanged. Directors do not receive performance-based remuneration or retainers.

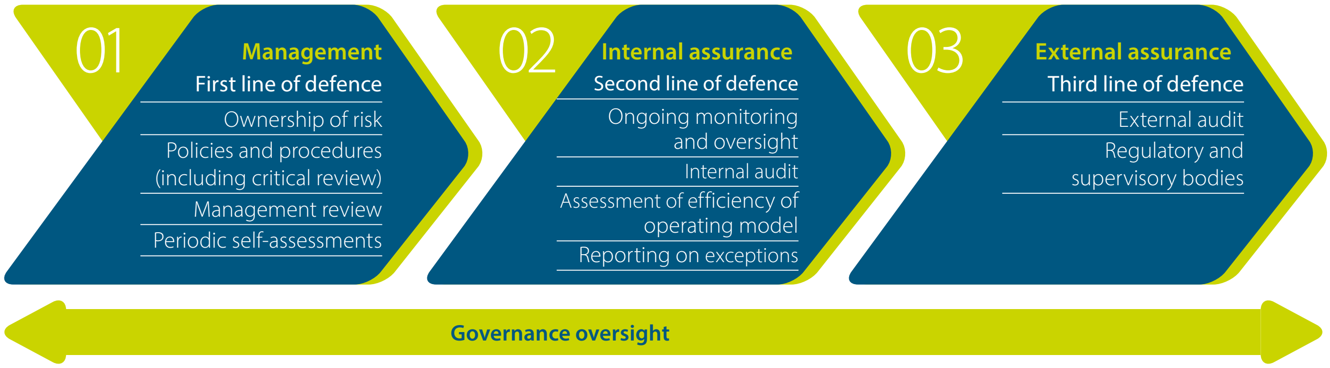
Company Secretary

In line with King IV recommendations, the Board appointed Group Company Secretary, Advocate Maseapo Kganedi provides 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 with the adequacy of the Secretariat office.

Combined assurance

The Board and Board committees practice a common approach to governance and risk management based on the IDC's integrated risk management framework, which supports the Corporation's strategy and sets strategic risk management standards.

It is the basis for the combined assurance model, which incorporates and optimises all assurance services and functions to create an effective, holistic control environment that supports the integrity of information used for decisionmaking by management, the Board and its committees. There are three lines of defence:



The role of the Combined Assurance Forum is essential to coordinating assurance efforts and reporting combined assurance results as it integrates the expertise of internal audit, enterprise risk management and compliance and regulatory affairs departments under the sponsorship of the Chief Risk and General Counsel offices. It administers the combined assurance model by developing annual assurance plans, compiling detailed reports and ensuring alignment with organisational risk management strategies. It also facilitates collaboration across assurance functions, promotes consistency in risk oversight and implements recommendations from the Board Audit Committee to enhance the effectiveness of assurance activities.

Internal audit

Internal audit is the third line of defence in the Corporation's enterprise risk management framework.

The department provides independent and objective assurance to the Board on the adequacy and effectiveness of the Corporation's governance processes, risk management and internal control systems in mitigating key risks that could affect the achievement of strategic objectives. It also offers *ad hoc* support to subsidiaries on request. The detailed responsibilities are formally defined in a charter approved by the Board Audit Committee.

Internal audit has a risk-based internal audit plan informed primarily by the risk registers of the risk management department, the revised IDC corporate plan and key emerging risks identified by external auditors and audit experts.

The department also houses a dedicated forensic team, which investigates allegations of fraud and misconduct. Matters can be reported anonymously to the team through an independent external service provider.

During FY 2024/25, the Corporation assessed the adequacy and effectiveness of internal controls designed to ensure financial and performance reporting reliability, compliance with laws and regulations and the effectiveness of 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 control environment architecture was deemed adequate in addressing and managing most identified risks effectively. Where improvements were indicated, management took remedial action. Management remains committed to continuously enhancing the control environment by regularly reviewing and enhancing systems and procedures, policies and other governance processes and frameworks.

Internal assurance

The Corporation assessed the adequacy and effectiveness of key controls for the valuation and management of assets held as collateral to ensure that these assets are accurately valued, appropriately managed and adequately safeguarded to mitigate credit and operational risks:

- Assessed progress in implementing systems, processes and controls to ensure adherence to the Protection of Personal Information Act
- Determined whether conflicts of interest existed between employees and other parties having business relationships with the IDC, such as vendors and clients
- 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 the Prevention and Combatting of Corrupt Activities Act was circulated

- Collaborated with the corporate secretariat on an ethics awareness session to reinforce a culture of integrity, ethical conduct and accountability across the Corporation.

Assurance continued to focus on the processes affecting IDC core activities and business, such as due diligence, risk grading and pricing system controls – integral components of credit risk management and portfolio monitoring – and post-investment activities.

Reports detailing management actions to address weaknesses noted by internal audit are submitted to both the Board Audit Committee and executive management quarterly.

During FY 2024/25, management continued to demonstrate 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. The internal audit department also provided financial crime awareness training to our strategic business units and departments. In total, 334 employees (39% of IDC employees) attended the training. LA

Twenty-two cases were reported for investigation during the year, compared to 13 in FY 2023/24.

Internal audit underwent an independent external quality assurance review as required by the International Standards for the Professional Practice of Internal Auditing. The department achieved the highest rating, general conformance denoting conformance on all core measurements, namely attribute standards, performance standards, Institute of Internal Auditors code of ethics, and Institute of Internal Auditors definition of internal audit and core principles.

The internal audit charter was updated and approved by the Board Audit Committee during the year in line with the revised Global Internal Audit Standards, which came into effect on 9 January 2025. Adherence to these standards will be a priority for FY 2025/26.

FOCUSES FOR 2025/26 INTERNAL AUDIT ACTIVITIES FOR THE NEXT FINANCIAL YEAR WILL INCLUDE:

Heightened focus on information technology and digital transformation given the global rise in cybersecurity breaches, digital disruption and business continuity interruptions

Reviewing the IDC's progress in implementing its responsible investment policy signalling its commitment to sustainable and responsible investments

Ensuring third-party fund risks are adequately reviewed and monitored

Supporting the Corporation's efforts to strengthen controls with new technology to counteract fraud and undertaking fraud awareness initiatives while investigating and reporting instances fraud cases perpetrated against the organisation

Evaluating adherence to key legislation such as the Financial Intelligence Centre Act, particularly the newly introduced Financial Intelligence Centre directive 8

Extending the FY 2024/25 governance review on the effectiveness of the Executive Investment Management Committee in, for example, accurate valuation of investments to assess the accuracy, validity and completeness of information by evaluating the effectiveness of the Management Investment Monitoring Committee

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 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 Compliance and Regulatory Affairs Department 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, provides a regulatory framework for South Africa's anti-money laundering and counter financing of terrorism programmes and positions the Financial Intelligence Centre as the supervisory body overseeing compliance with the framework. The Act complements the Prevention of Organised Crime Act, the Protection of Constitutional Democracy against Terrorism-related Activities Act and the Prevention and Combatting of Corrupt Activities Act. It gives the Financial Intelligence Centre authority over accountable institutions 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 obligation. 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 some of its regulations and requested specific arrangements for itself and some subsidiaries.

CRAD and the Procurement Department continue to support subsidiaries in improving their compliance with the Preferential Procurement Policy Framework Act (PPPFA) and its regulations. Currently, CRAD is assisting the subsidiaries in rectifying issues identified during recent monitoring exercises. During FY 2025/26 our monitoring focus will shift to labour and environmental laws.

Enterprise risk management

The IDC enterprise-wide risk management framework encompasses a universe of key strategic, financial and operational risks, ensuring that risk management is integrated into the management process to enable achievement of objectives, sustainable long-term success and resilience. A risk lifecycle includes risk identification, assessment and measurement, treatment and monitoring through key indicators and combined assurance.

Strategic risks are integrated into the strategic planning process to ensure the risk profile is aligned to the organisational strategic objectives and corporate plans. The second and third lines of defence provide assurance through a coordinated combined assurance plan approved annually by the Board Audit Committee. Refer to page 38 for the current strategic risks approved by the Board Risk and Sustainability Committee.

Operational risk management ensures that risks resulting from inadequate internal processes, systems, people and external events are consistently and comprehensively identified, assessed, mitigated and controlled. These risks can develop quickly with overlaps with other types of risks and can have both financial and non-financial consequences. Response tools include:

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

Operational resilience and business continuity sustain operations and provide the ability to withstand and recover from disruptions, while continuing to deliver product and services at acceptable levels.

The Enterprise Risk Management Forum, which meets quarterly, oversees and monitors risk-related decisions across the Corporation. Undesirable risk exposures are escalated to ExCo and the Board Risk and Sustainability Committee.

Board committee reports

Board Audit Committee

This is a statutory committee constituted in terms of section 77 of the PFMA, as amended, section 94 of the Companies Act, as amended, read with King IV and JSE's Debt and Specialist Securities (DSS) Listings requirements. It assists the Board in overseeing finance, internal and external audits, combined assurance, financial risk management and integrated reporting. The IDC is required to maintain a good balance sheet, manage the quality of its assets and ensure financial sustainability to deliver on its mandate.

Composition and attendance

During the year under review, the committee comprised three independent non-executive directors and two external members who were appointed by the shareholder representative at an AGM. The Board Chairperson is not a member of the committee. The CEO, CFO, Head of Internal Audit, IDC-appointed joint external auditors and a representative from the office of the AGSA are permanent invitees to committee meetings. The committee held six meetings. The table below depicts member attendance:

Members	Scheduled meetings	Special meetings
NP Mnxasana (Chairperson)	6/6	–
B Godsell	6/6	–
Dr SM Magwentshu-Rensburg	5/6	–
P Mathidi	5/6	–
R Pitot	6/6	–

Activities and focuses

The committee reviewed and recommended its terms of reference to the Board for approval, and also approved its annual workplan in line with its approved terms of reference.

During the year, the committee recommended to the Board for submission to the shareholder and approval at the annual general meeting, the reappointment of the IDC group's external auditor (Deloitte) and also the appointment of BDO, supported by SKX, as the second external auditor. Audit fees were referred to the Board for recommendation to the shareholder representative. The committee also approved the external audit engagement letter, audit plan and scope of work for the financial year, assessed the auditor's skills, independence and performance, and monitored the effectiveness of audit plan execution and reporting. The auditor's report and management's responses were reviewed.

The Corporation's financial management was closely monitored, including the appropriateness and effectiveness of the finance function and the effectiveness of internal controls. The committee noted that the capacity of the finance function had been strengthened. The committee also consulted with executive management on the engagement letter, terms, audit plan, scope of work and audit fees for the financial year.

The quarterly and audited annual financial statements were reviewed and recommended to the Board for approval.

The five-year corporate financial plan for the years 31 March 2026 to 31 March 2030 was considered and recommended to the Board. This plan comprises that of the mini group (the Corporation and its wholly owned subsidiaries) and of the IDC.

The committee also monitors the internal audit function and its activities. During the year under review, it assessed the independence and effectiveness of internal audit, ensuring that the combined assurance model in line with the revised three-year rolling internal audit plan addressed all significant risks, approving the internal audit plan and monitoring its execution. Internal audit's quarterly reports were assessed in line with the approved internal audit plan and audit processes, identifying weaknesses. The effectiveness of management actions and implementation plans to address adverse audit findings were monitored.

The committee agreed that the going-concern assumption was appropriate for the preparation of the consolidated annual financial statements, subsequent to a review of management's documented assessment of the Corporation and the IDC Group.

Future focus

The committee will ensure an improvement in finance function efficiencies to improve audit outcomes, while monitoring internal controls.

The committee is satisfied that it fulfilled the responsibilities in its terms of reference for the reporting period. The committee also reviews the JSE Compliance Report to ensure adherence, assesses the CFO and finance function, as well as conducting separate meetings between management and the committee, and the committee and the Auditors.

NP Mnxasana
Chairperson

15 August 2025

Board Investment Committee

This is a standing committee that supports the Board in considering transactions with an IDC cumulative exposure to a business partner between R300 million and R1.5 billion and group counterparty exposure between R500 million and R5 billion. Transactions exceeding these limits are recommended by the committee to the Board for approval.

Composition and attendance

During the year under review, the committee comprised six non-executive directors. Executives including the CEO are permanent invitees to meetings of the committee. Other persons may be invited at the committee's discretion.

The committee held 20 meetings, five of which were special meetings. The table below depicts members' attendance:

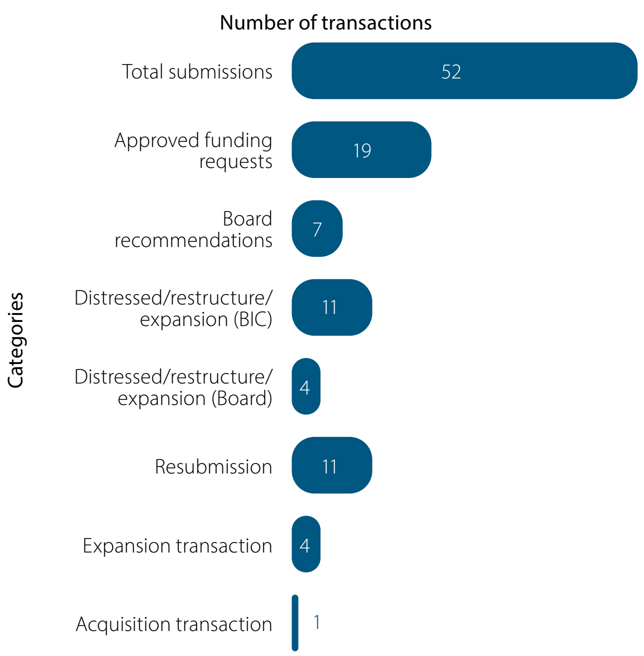
Members	Scheduled meetings	Special meetings
Dr SM Magwentshu-Rensburg (Chairperson)	15/15	5/5
BA Mabuza	14/15	5/5
S Mangole*	8/11*	3/3*
NP Mnxasana	14/15	3/5
PM Mthethwa	12/15	4/5
Adv ND Orleyn	6/15	3/5

* *Appointed on 1 June 2024*

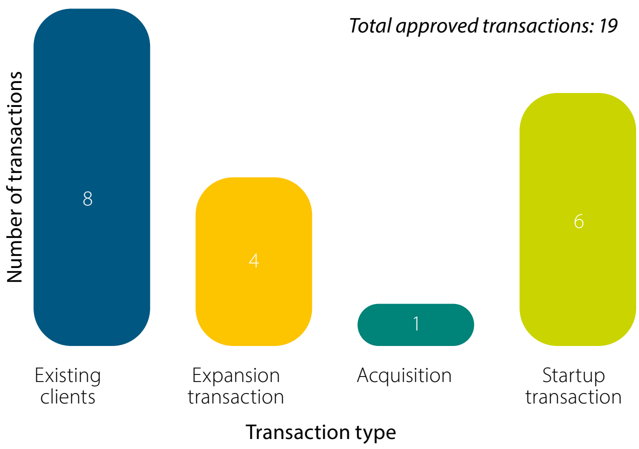
Activities and focuses

The committee reviewed its terms of reference and submitted them to the Board for approval. During its FY 2024/25 the committee experienced a notable rise in the number of transactions submitted, reflecting Management's dynamic efforts to turn a strong pipeline into finalised deals.

FY 2024/25 committee meeting outcomes



Breakdown of approved transactions by the committee in FY 2024/25



The committee considered 52 submissions, approving 19 new funding requests and recommending seven for Board approval. In total, 26 transactions with a combined value of R10.66 billion were approved, expected to create and/or save 10 898 job opportunities. Of the 52 submissions, 15 transactions were considered under Distressed, Restructure and Expansions (11 by BIC and four by Board) and 11 were resubmissions, reflecting the committee's rigorous review process to ensure proposals meet the required standards and criteria before final approval.

The approved transactions included support to SMEs, targeting youth-owned enterprises, and additional transactions aligned with strategic priorities such as black industrialists, women entrepreneurs, black empowered businesses and localisation, reflecting a strong commitment to inclusive economic growth and transformation. Eight out of the 19 approved transactions were to existing clients totalling R543 million, aimed at supporting distressed businesses, focused on restructuring efforts, and dedicated to business expansion. In addition, four expansion transactions totalling R917 million and one acquisition valued at R718 million were approved.

The committee also approved six startup transactions valued at R3.7 billion, expected to create and/or save 2 765 jobs across various sectors, with three of these startups operating in the energy sector. Among the approved projects, a significant R782 million investment is projected to create 2 000 jobs for the development of a R2.1 billion luxury resort near Tinley Manor in the KwaZulu-Natal North Coast. This resort will be managed and operated by Club Med and feature 345 hotel rooms, 64 private villas for sale and an 80-room Big Five game reserve located in Pongola, Northern KZN. The inclusion of the game lodge offers a unique competitive edge, making it the first and only Club Med resort globally to combine both beach and safari experiences.

The seven transactions recommended to the Board for approval totalling R4.8 billion are expected to create and/or save 2 052 jobs. These include transactions supporting women entrepreneurs, localisation, black empowered businesses, business expansion and growth, distressed business responses and working capital, reflecting a diverse and strategic approach to economic development and job preservation.

Transactions where counter party sector or regional limits were breached were considered and recommended to the Board for approval. The committee also received regular updates on the management of the deal pipeline compared to liquidity.

Geopolitical factors contributed to heightened risks during the period, and this continues to impact the pipeline. Volatile exchange rates are impacting sourcing of raw materials as well as capex project costings. The war in Ukraine has also significantly threatened the stability of global energy supplies and prices, leading to disruptions and influencing energy markets. This uncertainty has caused delays in projects and expansion plans, as many stakeholders adopt a cautious approach.

In addition to its mandate, the committee met jointly with the Board Risk and Sustainability Committee (BRSC) to consider matters of the operating environment and portfolio performance. These included reviewing the Liquid Fuel House View, Portfolio Management and Monitoring Report, the IDC's role in South Africa's green hydrogen commercialisation and Impairment and Valuation Policy.

Future focus

The committee is currently undertaking a comprehensive review of the delegation matrix to ensure it 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.

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

Chairperson

15 August 2025

Board Human Capital and Nominations Committee

This standing committee assists the Board by overseeing implementation of the approved remuneration philosophy and human capital policies, plans and performance goals for the Corporation. It also approves the nomination of non-executive directors to key IDC subsidiaries and major investee companies.

Composition and attendance

During the year under review, the committee comprised five non-executive directors, including the Board Chairperson. The CEO, COO and the Divisional Executive: Human Capital are permanent invitees to committee meetings.

The committee held six meetings and one workshop, scheduled to review the IDC Remuneration Philosophy and Policy, including the approach to pay, principles for the determination of salaries and benefits and recognition of performance.

The table below depicts member attendance:

Members	Scheduled meetings	Workshop
BA Dames (Chairperson)	6/6	1/1
B Mabuza	6/6	1/1
B Godsell	6/6	1/1
A Kriel	5/6	0/1
Adv ND Orleyn	3/6	0/1

Activities and focuses

During the period under review, the committee reviewed its terms of reference for approval by the Board and reviewed and approved its annual workplan (as shown on the next page).

The committee constituted a recruitment panel and concluded the appointment of the CEO. A process was initiated to fill the vacancies of divisional executive for mining, metals, infrastructure and energy, for manufacturing and for industry planning and project development.

The committee considered a progress report on 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 on black representation and female representation at management level. The Corporation achieved its target for people living with disabilities.

The committee reviewed the corporate plan performance management targets and recommended them to the Board for approval. It also assessed the Corporation's performance against full-year targets for 2023/24, including how transactions contributed to its performance against KPIs. It also reviewed the quarterly corporate performance against targets for FY 2024/25.

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 leadership bench strength.

Annual salary adjustments for staff and executives were considered and approved in line with the Corporation's remuneration philosophy and policy. A special intervention to retain critical skills was approved.

Future focus

The committee will maintain oversight on the filling of executive positions and will also ensure that the remuneration philosophy and policy remains fit for purpose. It will also oversee the ongoing review of culture transformation work that will lead to improved staff-engagement levels and high performance, while monitoring the culture shifts that have taken place.

The committee is satisfied that it fulfilled the responsibilities in its terms of reference for the reporting period.

Chairperson

15 August 2025

Board Social and Ethics Committee

This statutory committee constituted in terms of section 72 read with regulation 43 of the Companies Act 71 of 2008, as amended, ensured that the Board and management of the Corporation considered stakeholder interests, maintained positive stakeholder relations, embedded an ethical culture, acted responsibly, managed significant reputational risks and ensured the IDC remained a good corporate citizen.

As the IDC's financing activities and social impacts have a measurable impact on stakeholders, the committee monitored the impact of these activities.

Composition and attendance

During the year under review, the committee comprised six members, four non-executive directors and two executives. The CEO, COO and CRO are permanent invitees to committee meetings.

The committee held nine meetings, three of which were special meetings.

The table below depicts member attendance:

Members	Scheduled meetings	Special meetings
Adv ND Orleyn (Chairperson)	6/6	3/3
D Jarvis	5/6	2/3
A Kriel	5/6	2/3
T Legodi	5/6	3/3
S Mangole*	3/6	–
PM Mthethwa	4/6	2/3

** Appointed to the committee on 1 September 2024*

The committee monitors the implementation of the approved code of ethics and Conflict of Interest Policy to ensure that ethics are adequately governed and managed. During the year under review, it considered the report on the conflict of interest review conducted by internal audit, which concluded that the conflict of interest mechanisms were adequate, but with room for improvement.

Activities and focuses

The committee executed its mandate by reviewing its terms of reference and recommending them to the Board for approval. The terms were amended to factor in some legislative changes brought in to improve the scope of the Board Social and Ethics Committee and its composition. It also approved the annual workplan and monitored compliance with activities stated in the plan. An annual review of the committee's performance was conducted, the findings of which were noted and submitted to the Board.

Corporate governance reviews for investee companies and subsidiaries were considered and progress of the action plan to address gaps identified during committee evaluation reviewed to enhance its effectiveness and performance.

The committee noted the Corporation's continued promotion of its ethical culture through ethics awareness sessions and the annual ethics awareness week in November.

In line with its mandate, the committee provided oversight in managing reputational risk matters and approved the disclosure list of IDC-funded business partners for publishing on the Corporation's website. Additionally, it reviewed a report on reputationally sensitive matters involving clients.

The committee's discussions were often centred on promoting an ethical culture, evidenced by its examination of 14 forensic investigation reports of allegations of unethical behaviour, most against external parties. The committee also addressed 13 submissions from the Tip-offs Anonymous service, indicating a vigilant stance on internal and external integrity. The committee commended the training sessions to raise awareness of fraud, cybercrime, anti-money-laundering and corruption prevention. These sessions underscore the IDC's unwavering commitment to maintaining integrity. Management actions in response to negative findings against implicated parties were acknowledged. Issues included delinquency listings, disciplinary actions, referrals to law enforcement, civil litigations and notifications to professional entities. The committee commended the provision for training provided to four IDC subsidiaries.

Following a decline in the Corporation's B-BBEE rating from a level 2 contributor in 2020/21 to level 5 in 2021/22, the committee endorsed management's strategy to enhance performance. The IDC complied with all the priority elements of the B-BBEE scorecard, a key transformation metric. The Corporation achieved a level 4 rating in 2022/23. The certification is valid until November 2025.

During the period under review, the committee visited Social Employment Fund beneficiaries in Eastern Cape.

The committee considered and noted the results of the annual client experience survey. The survey targeted 300 business partners and was successfully concluded with 153 respondents – a 53% response rate – which is significantly lower than the previous year's 90%.

The ESRG and sustainability impact programme annual update was considered and efforts noted to integrate ESRG principles across all operations, from investment policies to post-investment management, ensuring a sustainable impact on the environment and society.

The committee is satisfied it fulfilled its responsibilities for the reporting period.

Chairperson

15 August 2025

Board Risk and Sustainability Committee Report

This standing committee oversees risk governance, financial sustainability, the independent portfolio and the development of the Corporation's risk appetite framework, ensuring that its portfolio risk profile is within risk appetite parameters.

Composition and attendance

During the year under review, the committee comprised five non-executive directors, including the Board Audit Committee Chairperson. The CEO, CFO and CRO are permanent invitees to committee meetings.

The committee held seven meetings, one of which was specially constituted. The table below depicts member attendance:

Members	Scheduled meetings	Special meetings
PM Mthethwa (Chairperson)	6/6	1/1
LI Bethlehem**	0/6	0/1
BA Dames	4/6	1/1
A Kriel	6/6	1/1
NP Mnxasana	6/6	1/1

** *On leave of absence since June 2023 and subsequently retired on 20 July 2024*

Activities and focuses

The committee performed its regular governance roles during FY 2024/25, including reviewing and recommending transactions and its terms of reference to the Board for approval. It also approved its FY 2024/25 annual workplan.

Being responsible for reviewing and approving the risk governance frameworks and policies essential to the Corporation's effective functioning, the committee approved and/or recommended the following to the Board for approval:

- Board Risk and Sustainability Committee integrated governance report
- Risk management and compliance programme
- Counterparty limits review
- Africa portfolio limits
- Business Continuity Management Policy
- Anti-financial-crime Compliance Policy
- Combined assurance report
- Risk appetite framework and updated industry limits methodology
- Impairment and Valuation Policy
- ESRG Risk Policy
- Listed investments review report
- Continental Strategy and investment guidelines to support the Strategy.

In addition, the committee reviewed and noted the IDC rating and pricing approach, sanctions position paper, BRICS participation, combined assurance report, CRO risk profile report, compliance overview and roadmap, compliance risk profile, records management inspection by the national archives, combined assurance plan and IDC liquidity crisis simulation exercise report.

Oversight formed a major part of the committee's work during FY 2024/25. The Corporation's strategic risks and their potential impact on the achievement of strategic goals were assessed, as was the adequacy of action plans and strategies to mitigate identified risks through the combined assurance model. The committee also focused on the top 20 non-performing loans and the status of the IDC portfolio under management, the status and adequacy of the information technology ecosystem and the status of compliance with Financial Intelligence Centre Act (FICA) provisions.

The committee, including Board members and management, participated in a liquidity crisis simulation exercise delivered by Deloitte on the IDC's blackout response plan and state of readiness given a total power grid failure, including scenarios of higher stages of loadshedding. This exercise aimed to assess management's ability to manage a possible liquidity crisis event and prevent a runaway situation (a bank run) that may lead to significant disruptions to IDC operations and threaten its continued existence.

Future focus

In FY 2025/26, the committee plans to embed its sustainability responsibility and focus strongly on regulatory compliance. It will keep a watching brief on the top 20 investments, assisting the Corporation to attain a balance on portfolio concentrations. Progress on the implementation of digitalisation and data management plans will be monitored closely.

The committee is satisfied that it fulfilled its responsibilities for the reporting period.

Chairperson

15 August 2025

Chief Financial Officer's report

Performance overview

The Corporation's performance for 2024/25 was strongly influenced by an economic environment that remained under pressure, weighed down by weak global demand, declining commodity prices, and an ongoing logistical inefficiency that hampered South Africa's export capabilities.

Sectoral performance, where the IDC has significant exposure, resulted in the following headwinds:

- **Manufacturing:** The sector experienced marked slowdowns driven by persistent local constraints, including input cost pressures, compounded by broader global economic headwinds.
- **Mining:** Performance was negatively affected by inefficiencies in the rail and port infrastructure, declining commodity prices and subdued international demand.

IDC Group financial performance highlights – 2024/25

R329 million
(2023/24: R7.5 billion)
95.6%
Group profit

R21.7 billion
(2023/24: R23.4 billion)
7.3%
Group revenue

R16.3 billion
(2023/24: R15.9 billion)
2.5%
Disbursements

R134.5 billion
(2023/24: R154.6 billion)
13%
Group total assets

R21.3 billion
(2023/24: R19.5 billion)
9.2%
Impairments

52 %
(2023/24: 46%)
13.0%
Debt-to-equity ratio

The IDC Group reported a significant decline in profit to R329 million for 2024/25, compared to R7.5 billion in the previous financial year (2023/24). This decline in Group profit was mainly driven by:

- A R1.8 billion reduction in revenue, largely due to lower dividend income from investment companies, stemming from material unrealised dividends.
- A notable increase in impairments of R2.2 billion, reflecting heightened financial distress among business partners and a rise in non-performing loans.
- A R2.5 billion decrease in the share of profit from associates, stemming from ongoing operational challenges, weaker commodity prices and persistent logistical constraints that limited their export capacity and production volumes.

Despite these challenges, it is pleasing to report that the value of our disbursements increased by 2.5% to R16.3 billion, underscoring the Corporation's continued commitment to driving development impact. The Corporation remains focused on job creation initiatives, while contributing to inclusive growth and empowerment with targeted funding directed towards black-owned and black-empowered businesses, black industrialists, as well as women- and youth-owned enterprises.

The IDC Group assets decreased by 13.0% in 2024/25. This is primarily attributed to a fair value movement of R16.4 billion of our equity investments, both listed and unlisted. The key contributors include Kumba Iron Ore, Sasol, BHP Billiton and others. The performance of these entities was driven mainly by the headwinds in the commodity markets and operational challenges.

IDC performance indicators for the year emphasise effective execution and support for key developmental outcomes while upholding financial sustainability, organisational capabilities and market credibility. More information can be found on pages 34 to 37 of the Integrated Report (IR).

Statements of financial position

	Group restated		Company restated	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Assets				
Cash and cash equivalents	**7 649**	12 548	**7 470**	8 016
Short-dated investments	**559**	1 100	**559**	1 100
Derivative assets	**1**	3	**–**	–
Trade and other receivables	**2 765**	2 989	**494**	841
Inventories	**2 429**	2 249	**2**	2
Current tax receivable	**16**	734	**16**	677
Lease receivable	**338**	436	**–**	–
Loans and advances	**43 546**	41 329	**49 181**	46 596
Investment securities	**34 023**	50 470	**32 107**	41 992
Non-current assets held for sale	**2 176**	–	**724**	–
Investments in subsidiaries	**–**	–	**22 447**	24 155
Investments in associates	**25 545**	27 824	**25 313**	26 944
Deferred tax asset	**7 902**	8 036	**5 683**	5 665
Investment property	**123**	308	**25**	26
Property, plant and equipment	**7 377**	6 444	**42**	39
Right of use assets	**25**	60	**222**	272
Intangible assets	**33**	33	**15**	23
Total assets	**134 507**	154 563	**144 300**	156 348
Equity and liabilities				
Equity				
Equity attributable to equity holders of parent				
Share capital	**1 393**	1 393	**1 393**	1 393
Reserves	**37 725**	49 851	**48 822**	61 597
Retained income	**56 418**	57 122	**39 846**	36 880
Non-controlling interest	**(96)**	(136)	**–**	–
Total equity	**95 440**	108 230	**90 061**	99 870
Liabilities				
Bank overdraft	**169**	202	**–**	–
Derivative liabilities	**7**	6	**–**	–
Trade and other payables	**2 576**	8 005	**595**	819
Lease liabilities	**39**	76	**324**	370
Current tax payable	**262**	–	**259**	–
Borrowings	**31 066**	28 513	**46 733**	45 689
Retirement benefit obligation	**349**	330	**199**	186
Deferred tax liability	**3 733**	8 586	**5 428**	9 078
Financial guarantees	**249**	216	**341**	299
Provisions	**617**	399	**360**	37
Total liabilities	**39 067**	46 333	**54 239**	56 478
Total equity and liabilities	**134 507**	154 563	**144 300**	156 348

Statements of profit or loss and other comprehensive income

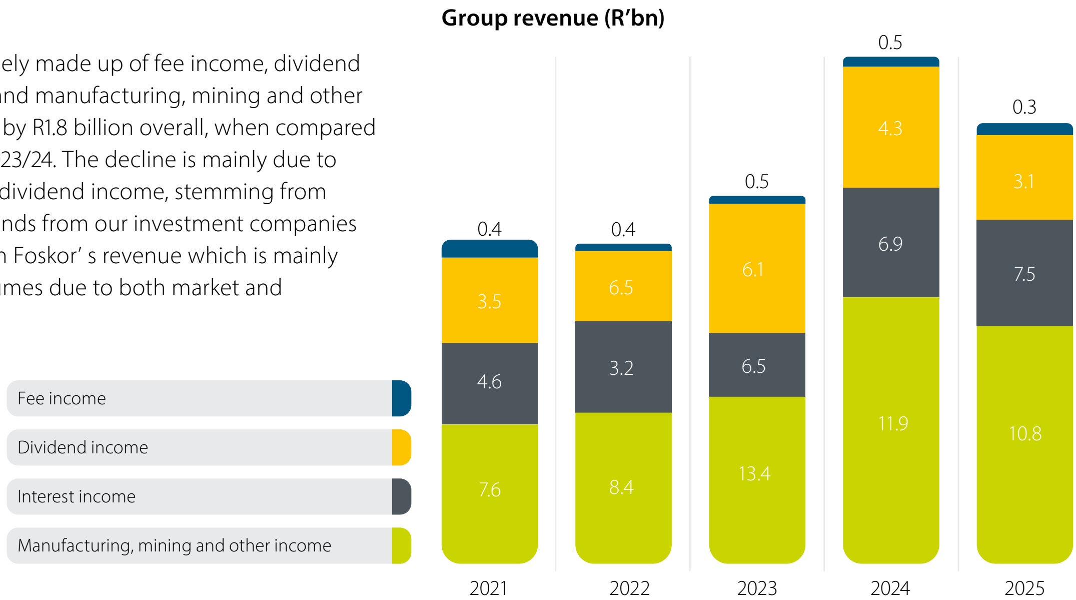
	Group *restated*		Company *restated*	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Continuing operations				
Revenue	**14 215**	16 593	**4 303**	6 229
Interest income	**7 451**	6 855	**7 430**	7 007
Total revenue	**21 666**	23 448	**11 733**	13 236
Finance costs	**(4 095)**	(3 141)	**(3 359)**	(3 054)
Other income	**518**	580	**–**	–
Loss on financial assets classified as amortised cost	**–**	(4)	**–**	(4)
Profit/(loss) on financial assets classified as FVTPL	**184**	(102)	**734**	(236)
Expected credit gains/(losses) on financial assets	**(3 171)**	(1 008)	**(3 303)**	1 475
Financial assets written off	**(728)**	(1 594)	**(508)**	(1 594)
Operating expenses	**(13 842)**	(14 419)	**(3 071)**	(2 679)
Operating profit	**532**	3 760	**2 226**	7 144
Income from associates	**6**	2 553	**–**	–
Profit before taxation	**538**	6 313	**2 226**	7 144
Taxation	**(363)**	100	**(432)**	(108)
Profit for the year from continuing operations	**175**	6 413	**1 794**	7 036
Profit from discontinued operations	**154**	68	**–**	–
Profit on loss of control	**–**	1 010	**–**	–
(Loss)/profit for the year	**329**	7 491	**1 794**	7 036
Other comprehensive income/(loss):				
Items that will not be reclassified to profit or loss:				
Retirement benefit obligation	**7**	14	**10**	15
Fair value movements on equity instruments	**(13 583)**	(4 741)	**(14 293)**	(10 574)
Share of comprehensive income/(losses) of equity accounted investments	**7**	(1 220)	**–**	–
Movements on property valuation	**252**	–	**–**	–
Income tax relating to items that will not be reclassified	**2 688**	645	**2 730**	1 821
Total items that will not be reclassified to profit or loss:	**(10 629)**	(5 302)	**(11 553)**	(8 738)
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	**165**	(1 201)	**–**	–
Total items that may be reclassified to profit or loss	**165**	(1 201)	**–**	–
Other comprehensive loss for the year net of taxation	**(10 464)**	(6 503)	**(11 553)**	(8 738)
Total comprehensive income/(loss) for the year	**(10 135)**	988	**(9 759)**	(1 702)
Profit for the year attributable to:				
Owners of the parent	**294**	7 403	**1 794**	7 036
Non-controlling interest	**35**	88	**–**	–
	329	7 491	**1 794**	7 036
Total comprehensive (loss)/income for the year attributable to:				
Owners of the parent	**(10 175)**	900	**(9 759)**	(1 702)
Non-controlling interest	**40**	88	**–**	–
	(10 135)	988	**(9 759)**	(1 702)

Statements of cashflows

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Cash flows from operating activities				
Cash used in operations	**(3 828)**	(3 609)	**(4 178)**	(4 512)
Interest received	**3 547**	3 599	**3 665**	4 007
Dividend received	**4 118**	5 974	**4 118**	5 335
Interest paid	**(2 471)**	(2 647)	**(2 437)**	(2 045)
Tax paid	**(523)**	(1 449)	**(565)**	(1 421)
Net cash from operating activities	**843**	1 868	**603**	1 364
Cash flows from investing activities				
Purchase of property, plant and equipment	**(1 164)**	(693)	**(26)**	(28)
Purchase of intangible assets	**(19)**	(7)	**(5)**	(5)
Purchase of financial assets	**(1)**	–	**–**	–
Acquisition of investments	**(312)**	(42)	**(312)**	(187)
Proceeds on realisation of investments	**200**	588	**196**	581
Deconsolidation due to loss of control	**(4 911)**	–	**(1 477)**	–
Acquisition of short-dated investments	**(2 163)**	(2 323)	**(2 163)**	(2 323)
Proceeds on realisation of short-dated investments	**2 705**	1 473	**2 705**	1 473
Net cash from investing activities	**(5 665)**	(1 004)	**(1 082)**	(489)
Cash flows from financing activities				
Repayments of lease liabilities	**(41)**	(32)	**(10)**	(66)
Dividend paid	**(50)**	–	**(50)**	–
Net cash from financing activities	**(91)**	(32)	**(60)**	(66)
Effects of exchange rate changes on cash and cash equivalents	**50**	–	**(6)**	–
Total cash movement for the year	**(4 863)**	832	**(544)**	809
Cash at the beginning of the year	**12 345**	11 524	**8 016**	7 218
Expected credit loss on cash and cash equivalents	**(2)**	(11)	**(2)**	(11)
Cash as disclosed per note	**7 480**	12 345	**7 470**	8 016

Group revenue

The Group revenue is largely made up of fee income, dividend income, interest income and manufacturing, mining and other income, and has reduced by R1.8 billion overall, when compared to revenue achieved in 2023/24. The decline is mainly due to a R1.2 billion reduction in dividend income, stemming from material unrealised dividends from our investment companies and R412 million decline in Foskor' s revenue which is mainly driven by lower sales volumes due to both market and operational factors.



Subsidiary and associate performance

The performance of IDC's subsidiaries and associates reflected the challenges of a difficult economic environment, with lower export volumes and operational cost pressures.

Foskor experienced a notable decline, turning a R367 million profit in 2023/24 into a loss of R277 million for 2024/25, mainly driven by high operating expenses as a result of aging infrastructure that demands frequent and costly maintenance, as well as energy-intensive operations made worse by escalating Eskom tariffs and load shedding, amongst other factors. The past financial year has been a period of continuous and intersecting global volatility and disruptions. During this time, the primary focus of the business was ensuring compliance with the new atmospheric emissions standards. For the first time in Foskor's history, all three sulphuric acid plants were simultaneously down which had a negative impact on production and sales. Both sefa and Prilla showed improvement.

sefa posted R154 million in profit in 2024/25, an increase from a loss of R41 million realised in 2023/24, while Prilla reduced its losses by more than 50%.

On 23 July 2024, the President signed the amendment to the National Small Enterprise Amendment Act of 1996 ("the Act") to establish a new entity, Sedfa, which incorporated sefa, the Small Enterprise Development Agency (Seda) and the Cooperative Banks Development Agency (CBDA). The Act provided that, as of 1 October 2024, all assets, liabilities, rights and obligations of sefa, including the unexpended balance of appropriations, authorisations, allocations and other funds employed, held or used in connection with the furtherance of its objectives and functions, pass to Sedfa. sefa has since transferred its assets and liabilities to Sedfa for no consideration effective 1 October 2024. On that date, sefa's Net Asset Value (NAV) amounts to R2.6 billion.

The income from associates was subdued at R6 million in 2024/25 (R2.6 billion in 2023/24) reflecting the inefficiencies in the rail and port infrastructure, declining commodity prices and subdued international demand. The IDC Group continues to monitor these investments closely, focusing on restructuring and sustainable support.

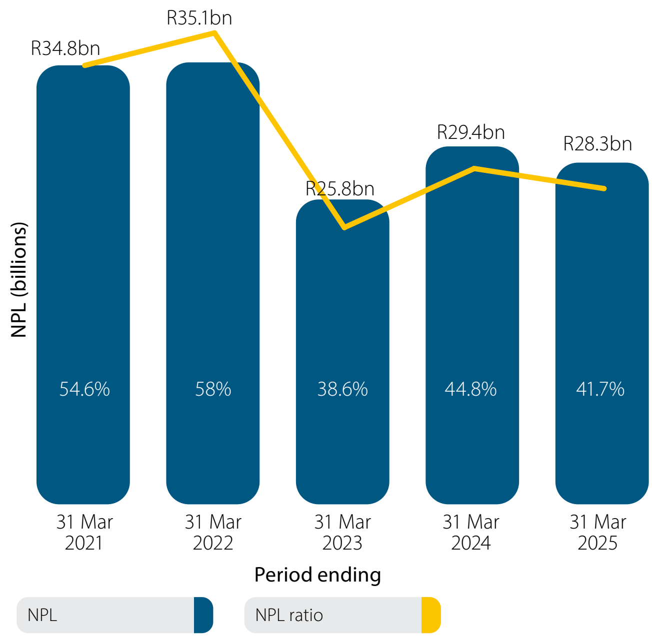
Non-performing loans, impairments and write offs (Company)

The Corporation continued to address the quality of loans on the book, to lower impairments and write offs and to attract good-quality loans that will be repaid.

Despite management efforts to continuously reduce impairment risk and optimise the balance sheet, impairments remained elevated at R21.3 billion in 2024/25 compared to R19.5 billion in 2023/24. The impairment ratio as a percentage of the total book is 30.6% (2023/24: 36.3%) while the IFRS NPL ratio is 41.7% (2023/24: 44.8%), which represents the loan book classified under stage 3.

Difficult economic and trading conditions facing our business partners are leading to defaults and breaches, despite the approval and implementation of interventions (e.g., partial settlements, payment plans and partial write off). The IDC has intensified its interventions to manage distressed assets and to improve overall assets quality.

NPL five-year trend analysis



Group asset base

The IDC Group saw a reduction of 13.0% in total assets from R154.6 billion in 2023/24 to R134.5 billion in 2024/25, largely due to fair value decline across listed and unlisted IDC investments which amounted to a net fair value of R16.4 billion. Key equity investments by companies like Kumba Iron Ore, Sasol and BHP experienced a significant markdown in 2024/25 due to commodity price volatility, weak global demand and rising operational costs among other factors.

The decline in the fair value of our top three listed investments for 2024/25 were:

- **Kumba Iron Ore** (R6.2 billion) fair value was affected by a combination of factors, including declining iron ore prices. In addition to weak iron ore prices, Kumba has been impacted by reduced sales volumes following its decision to reconfigure its business to a lower production profile from 2024 to 2026 in line with Transnet rail capacity.
- **Sasol** (R3.7 billion) share price continues to underperform on the back of weak international petrochemical prices, operational challenges at its coal mines (e.g. poor-quality coal, etc.) as well as concerns over its ability to generate free cash flows required to reduce its high debt levels and pay dividends to shareholders.
- **BHP** (R2.5 billion) has been impacted mainly by the weakness in iron ore prices partially offset by a marginal increase in copper prices and increased sales volumes due to a strong operational performance relative to prior years.

The Corporation is actively pursuing reallocation strategies to stabilise its investment base and shield performance from cyclical downturns in the resources sector.

More information on our financial sustainability can be found on page 46 of the IR.

Borrowings and funding model

The IDC primarily funds its activities through a combination of domestic and international borrowings, divestment from mature equity holdings, and income generated from its lending and investment activities.

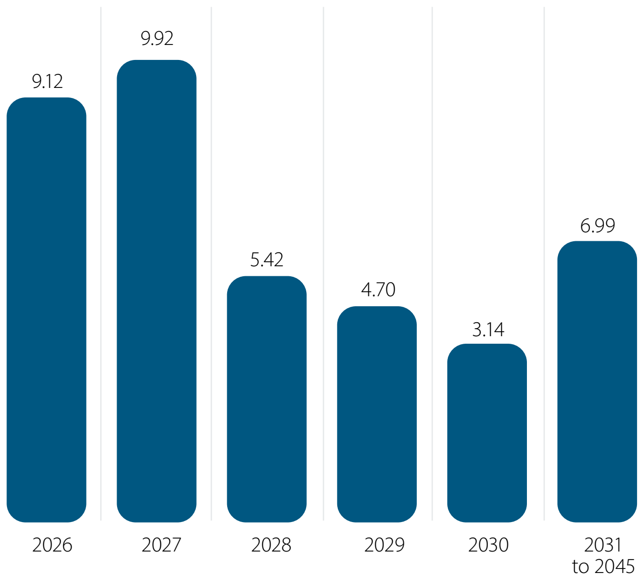
The Company's total borrowing increased modestly by 2.2% in 2024/25, supported by strong liquidity access and capital market participation. The Corporation raised R8.3 billion in new funding, of which R2 billion was raised through the inaugural Sustainability bond issuance. More details on the Sustainable bond framework can be found on our website.

The Corporation's debt to equity ratio has remained resilient at 52% (2023/24: 46%). At a mini-group* level the debt-to-equity ratio is 33.4% (2023/24: 29.2%). This is well below the Group's sustainability guideline of 60%. The Group continues to exercise diligence in managing its gearing to maintain financial flexibility while fulfilling its developmental obligations.

The Corporation is expecting a smooth debt maturity profile with a notable redemption spike in 2026/27.

* *Mini-group consists of IDC company and three wholly owned subsidiaries*

Debt maturity (R'bn)



Irregular expenditure

Reconciliation of irregular expenditure

	Group		Company	
Figures in R'000	**2024/25**	**2023/24**	**2024/25**	**2023/24**
Opening balance	**27 574 813**	21 634 300	**33 062**	26 550
Add: Irregular expenditure confirmed	**4 463 171**	5 940 513	**227**	6 512
Closing balance	**32 037 984**	27 574 813	**33 289**	33 062

a) Reconciling notes to the annual financial statement disclosure

	Group		Company	
Figures in R'000	**2024/25**	**2023/24**	**2024/25**	**2023/24**
Irregular expenditure for the current year	**4 463 171**	5 940 513	**227**	6 512
Total	**4 463 171**	5 940 513	**227**	6 512

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

	Group		Company	
Figures in R'000	**2024/25**	**2023/24**	**2024/25**	**2023/24**
Irregular expenditure under assessment	–	231	–	231
Total	–	231	–	231

During 2024/25, the IDC Group reported R4.5 billion of irregular expenditure, an improvement against irregular expenditure of R5.9 billion reported in 2023/24. This improvement is attributable to Foskor, which had been the largest contributor in the previous year. In 2024/25, Foskor accounted for R4.4 billion in irregular expenditure, mainly due to procurement of goods, works or service which was not done in line with the PFMA and Treasury Regulations requirements. The remaining irregular expenditure of R51 million is attributed to other subsidiaries, Lodox and Prilla.

The IDC Company reported R227 000 irregular expenditure declared in 2024/25, a significant improvement from prior years' irregular expenditure of R6.5 million. These results reflect IDC's strengthened internal controls, governance and commitment to compliance.

Outlook

As we look forward, we remain focused on creating sustainable, long term value through strategic investments that drive industrialisation, job creation and inclusive growth.

The Corporation continues to focus on the following strategic areas

- **Driving diversification and jobs-rich industrialisation**
  The Corporation supports businesses in upgrading along value chains and managing production complexities to enhance local value addition and employment creation.
- **Supporting green growth and low-carbon transitions**
  The IDC prioritises investment in green growth sectors such as renewable energy, green hydrogen, battery manufacturing and critical minerals to accelerate South Africa's transition to a low-carbon economy.
- **Deepening regional value chains for Africa's prosperity**
  Through its critical minerals game plan, the IDC aims to establish regional value chains essential for the global energy transition, including renewables, EVs, hydrogen, battery storage and digital technologies.
- **Promoting economic enablers of sustainable industrial development**
  The IDC targets industrial infrastructure, especially in transport and logistics, to unlock industrial growth and support broader development goals.

To sustain and enhance our value creation, we will continue to refine our investment strategies, ensuring alignment with our risk appetite and developmental mandate. Greater focus will be placed on portfolio optimisation, leveraging balance sheet strength and divesting from underperforming assets where necessary. The Corporation will expand co-investment partnerships to amplify developmental impact while mitigating funding and concentration risk.

Basis of presentation

This report is based on the audited annual financial results of the IDC Group for the year ended 31 March 2025. The figures are presented in South African rand (R million) and conform to IFRS accounting standards. Comparative figures for 2023/24 have been restated where necessary. Key financial ratios and balances reflect the Group's consolidated performance.

All efforts have been made to ensure the report reflects the true and fair view of IDC's financial position and operational context.

Appreciation

I acknowledge the sterling contribution of the financial management team and our colleagues across the organisation, whose dedication and hard work in the year under review has enabled us to deliver commendable results despite the complex and challenging operating environment. My sincere gratitude and appreciation go to the Chairperson of the Board, the Board Audit Committee and all Board members for their unwavering support, strategic oversight and valuable guidance throughout the year.

Isaac Malevu
Chief Financial Officer

INDEPENDENT AUDITORS' SUSTAINABILITY ASSURANCE REPORT

Independent assurance practitioner's report

Independent assurance practitioner's limited assurance report on selected sustainability key performance indicators of the Industrial Development Corporation of South Africa Limited

To the Directors of the Industrial Development Corporation of South Africa Limited

Report on selected key performance indicators

We have undertaken a limited assurance engagement on selected sustainability key performance indicators (selected sustainability KPIs), as described below and presented in the Annual Integrated Report of the Industrial Development Corporation of South Africa Limited (IDC) for the year ended 31 March 2025 (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 a limited assurance conclusion on the selected sustainability KPIs in the table and marked with a "LA" in the Report. The selected sustainability KPIs below have been prepared in accordance with the IDC Reporting guidelines (Reporting Criteria), which are set out on pages 3 to 5.

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
Socioeconomic development	Number and Value of Social and Solidarity economic enterprises and initiatives funded	Number	IDC Ltd
	Number of workers' and community funds	Number	IDC Ltd
Socioeconomic development	Scope 1 carbon emissions	tCO_2e	IDC Sandton Office
	Scope 2 carbon emissions	tCO_2e	IDC Sandton Office
	Scope 3 Carbon emissions (Financed emissions)	tCO_2e	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	Leadership index (360 leadership survey)	Rand	IDC Ltd
Governance, risk and compliance	Percentage of employees who completed the annual on-line staff declarations	%	IDC Ltd
	Percentage of employees who completed the communication and training on anti-corruption policies and procedures	%	IDC Ltd

Directors' responsibilities

The Directors 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 control

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 sustainability KPIs are prepared, in all material respects, in accordance with the 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 sustainability 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 sustainability 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 sustainability 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.

Independent assurance practitioner's report *continued*

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 sustainability KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the 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 the IDC's selected sustainability 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 sustainability information as set out the Subject Matter paragraph above for the year ended 31 March 2025 are not prepared, in all material respects, in accordance with the reporting criteria.

Other matters

Our report includes the provision of limited assurance on scope 1, scope 2 and scope 3 – financed emissions and spend on corporate sponsorships. These selected sustainability KPIs were previously not required to provide assurance on. The reputation survey score KPI scoped for assurance in the prior year was not scoped for assurance. The definitions of the previously assured KPIs, communication and training on anti-corruption policies and procedures, and a process is in place for annual online staff declarations and analysis of results have been changed to percentage of employees who completed training on anti-corruption policies and procedures and percentage of employees who completed the annual on-line staff declarations respectively. All relevant changes to the selected sustainability KPIs are indicated in the subject matter table above.

The maintenance and integrity of the 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 Integrated 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 sustainability KPIs to the Directors of the 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 the IDC, for our work for this report, or for the conclusion we have reached.

BDO South Africa Inc

BDO South Africa Inc (Aug 28, 2025 10:37:24 GMT+2)

BDO South Africa Incorporated
Registered Auditors

C Mashishi
Director

Registered Auditor

28 August 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Perspective	Performance indicator	Achieved
Organisational capabilities	Customer satisfaction index (Scale 1-10)	8.3
	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 business days for complex transactions (excluding projects, time waiting for client and days between	Complex transactions – 65% Non-complex transactions – 41.54%
Strategic positioning and stakeholder alignment	Corporate sponsorships spend	R17 014 570.66
Socioeconomic development	Number and value of social and solidarity economy enterprises and initiatives funded	15 totalling R69 million
	Number of worker's and community trusts	6
	Scope 1 carbon emissions (tCO_2e)	209
	Scope 2 carbon emissions (tCO_2e)	3720
	Scope 3 financed emissions ($ktCO_2e$)	16 070
Human capital	Talent retention (voluntary turnover rate of individuals in critical roles)	4.80
	Leadership index (360 leadership survey)	Average 4
Governance risk and compliance	Percentage of employees who completed the annual on-line staff declarations	54%
	Percentage of employees who completed the communication and training on anti-corruption policies and procedures	39%

List of abbreviations and acronyms

AfCFTA	African Continental Free Trade Area
AGSA	Auditor-General South Africa
BEE	Black Economic Empowerment
B-BBEE	Broad-based Black Economic Empowerment
BRSC	Board Risk and Sustainability Committee
BSEC	Board Social and Ethics Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGISA	Chartered Governance Institute of Southern Africa
CO_2e	Carbon dioxide equivalent
COO	Chief Operations Officer
COP29	29th Conference of the Parties to the United Nations Framework Convention on Climate Change
COVID-19	Coronavirus disease 2019
CRAD	Compliance and Regulatory Affairs Department
CRO	Chief Risk Officer
CSI	corporate social investment
CSIR	Council for Scientific and Industrial Research
CTFL	Clothing, textile, footwear and leather
DFI	Development finance institution
ESG	environmental, social and governance
ESRG	environmental, social, resilience and governance
EU	European Union
ExCo	Executive Committee
FICA	Financial Intelligence Centre Act 38 of 2001
FVTPL	fair value through profit or loss
FY	Financial year
GDP	Gross domestic product
GHG	Greenhouse gas
GNU	Government of National Unity
GRI	Global Reporting Initiatives
ICE	Internal combustion engine

ICMA	International Capital Markets Association
IDC	Industrial Development Corporation
IDC Act	Industrial Development Corporation Act 22 of 1940, as amended
IFRS	International Financial Reporting Standards
IoDSA	Institute of Directors in South Africa
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
IT	Information Technology
km	kilometres
King IV	King Report on Corporate Governance for South Africa
KPI	key performance indicators
MBA	Master of Business Administration
MoU	memorandum of understanding
MTDP	Medium-term Development Plan
NDP	National Development Plan
NGOs	non-governmental organisations
NPO	non profit organisations
PCAF	Partnership for Carbon Accounting Financials
PFMA	Public Finance Management Act No. 1 of 1999
PGM	platinum group metals
SADC	Southern African Development Community
SBF	Sustainability Bond Framework
SDG	Sustainable Development Goals
SEF	Social Employment Fund
SME	small and medium enterprises
SOE	state-owned enterprise
SPO	Second Party Opinion
tCO_2eq	tonnes of CO2 equivalent
the dtic	Department of Trade, Industry and Competition
US	United States
WWF	Worldwide Fund for Nature

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Administration

Directors

Executives

M Lekhethe*
D Jarvis**

* *M Lekhethe was appointed CEO on 1 February 2025*
** *D Jarvis was interim CEO until 31 January 2025*

Non-executive

Busisiwe Mabuza (Chairperson)
Brian Dames
Bobby Godsell
André Kriel
Dr Sizeka Magwentshu-Rensburg
Susan Mangole*
Nomavuso Mnxasana
Philisiwe Mthethwa
Adv Thandi Orleyn

* *Susan Mangole (appointed to the Board 1 June 2024)*

Auditors

Deloitte (Johannesburg)
BDO (Johannesburg)

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Group Company Secretary

Adv Maseapo Kganedi

Registration number

1940/014201/06

Industrial Development Corporation

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IDC

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ANNUAL FINANCIAL **STATEMENTS 2025**

CONTENTS

Confirmation of accuracy and fair presentation

Annual financial statements for the 2025 financial year-end

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

Annual financial statements

The financial statements have been prepared in accordance with IFRS® accounting standards as issued by the International Accounting Standards Board and IFRS Interpretation Committee (IC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Johannesburg Stock Exchange (JSE) Debt Listings Requirements as well as the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Performance information

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the Corporate Plan of the IDC and approved amendments for the financial year ended 31 March 2025. The performance information has been reported in accordance with the requirements of the guidelines on annual reports as issued by National Treasury. A system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of performance information.

In respect of material issues

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

Preparation of the financial statements

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

Mmakgoshi Lekhethe
Chief Executive Officer

31 July 2025

Busi Mabuza
Chairperson of the Board

31 July 2025

Accounting Authority's statement of responsibility for annual financial statements

The Accounting Authority is responsible for the preparation of the IDC's annual financial statements and for the judgements made in preparing these financial statements. The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements. In my opinion, the annual financial statements fairly reflect the operations of the IDC for the financial year ended 31 March 2025. The external auditors are engaged to express an independent opinion on the annual financial statements of the IDC. The IDC's annual financial statements for the year ended 31 March 2025 have been audited by the external auditors and their report is presented on page 17 to 25. The annual financial statements of the IDC are set out on page 26 to 126 have been approved.

Mmakgoshi Lekhethe
Chief Executive Officer

31 July 2025

Report of the Board Audit Committee

Report of the Board Audit Committee (BAC or the Committee) in terms of Regulations 27(1)(10)(b) and (c) of the Public Finance Management Act of 1999 (as amended) and the requirements of King IV Code of Governance.

Background

The BAC oversees the Corporation's financial reporting process on behalf of the Board of Directors, specifically with regard to evaluating the adequacy and efficiency of accounting policies, internal controls, risk management and financial reporting processes. In addition, the BAC assesses the effectiveness of the internal auditors, independence and effectiveness of the external auditors.

The responsibility for the financial statements, maintenance of effective internal control and the assessment of the effectiveness of financial reporting and internal controls is that of the Corporation's management.

Responsibilities, composition and functions of the committee

The Committee's role and responsibilities include its statutory duties according to the PFMA of 1999 (as amended), the requirements of the King IV Code of Governance, the Companies Act 71 of 2008 (as amended), the JSE Debt and Specialists Securities Listing requirements and the responsibilities assigned to it by the Board.

As a Committee, we report that we adopted the appropriate formal Terms of Reference as approved by the Board and are satisfied that we have discharged our responsibilities according to the Companies Act, King IV, PFMA and the JSE Debt and Specialists Securities Listing requirements.

The Committee carried out its functions through attendance of Committee meetings, discussions with executive management, internal audit, external auditors and external advisors where appropriate.

The Committee meets at least four times per annum, with the authority to convene additional meetings as circumstances require. In executing its key functions and discharging its responsibilities as outlined in its Terms of Reference during the period under review, the Committee:

- Assisted the Board of Directors in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems, risk management and auditing processes applied within the Corporation in the day-to-day management of its business;
- Facilitated and promoted communication between the Board, management, the external auditors and Internal Audit Department on matters that are the responsibility of the Committee;
- Introduced measures that, in the opinion of the Committee, may enhance the credibility and objectivity of the financial statements and reports prepared with reference to the affairs of the Corporation and the IDC Group;
- Nominated and recommended for re-appointment of registered auditors, Deloitte & Touche, as the Corporation's external auditors, the firms who, in the opinion of the Committee, are independent of the IDC;
- Approved the appointment of BDO as the new joint external audit firm with effect from 17 January 2025 to replace Nexia SAB&T whose contract came to an end as at 30 August 2024 due to the expiry of audit tenure;
- Determined the fees to be paid to the external auditors and the auditors' terms of engagement;
- Ensured that the re-appointment of the external auditors complies with the Companies Act and any other legislation relating to the appointment of auditors;
- Reviewed legal and compliance matters that could have a significant impact on the financial statements;
- Monitored internal control frameworks and procedures, including accounting policies, legislative compliance, regulatory matters and governance;
- Reviewed and approved the annual internal audit three-year rolling plan to ensure alignment with the key risks of the business; and
- Assessed combined assurance from the external auditors, internal auditors and management and ensured that the combined assurance received is adequate to address all material risks.

Internal controls

We monitored the effectiveness of the IDC's internal controls and compliance with the Enterprise-wide Risk Management Framework (ERMF). The emphasis on risk governance is based on three lines of defence and the BAC uses the regular reports received from the three lines of defence i.e., Management, Risk and Compliance Departments and Internal Audit Department to evaluate the effectiveness of internal controls. The ERMF places weight on accountability, responsibility, independence, reporting, communication and transparency, internally and with all the IDC's key external stakeholders.

The Committee is of the opinion that the internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the consolidated annual financial statements, that accountability for assets and liabilities is maintained and that this is based on sound accounting policies, supported by reasonable and prudent judgements and estimates. The Committee is further of the opinion that the internal controls of the Corporation have been effective in all material respects in the year under review. This opinion is based on the information and explanations given by management regarding various processes and initiatives aimed at improving the internal control environment and the integrity of information, discussions with the Internal Audit Department and the independent external auditors, on the results of their audits.

The Committee considered the independent auditors' report and the findings related to the accuracy of the preparation of the financial statements submitted for auditing in compliance with the prescribed framework as required by section 55(1)(b) of the PFMA. Except for these findings, the consolidated annual financial statements are fairly presented in terms of IFRS accounting standards. With the above findings having been rectified, the Committee is satisfied that the system of internal financial controls and the financial reporting improvements being undertaken to combat a breakdown in these controls provide a reasonable basis for the preparation of the annual financial statements.

To formulate its opinion, the Committee:

- Monitored the identification and correction of weaknesses and breakdowns of systems and internal controls;
- Monitored the adequacy and reliability of management information and the efficiency of management information systems;
- Reviewed quarterly, interim and annual financial results for proper and complete disclosure of timely, reliable and consistent information;
- Evaluated, on an ongoing basis, the appropriateness, adequacy and efficiency of accounting policies and procedures and compliance with IFRS accounting standards;
- Discussed and resolved any significant accounting issues;
- Reviewed reports supplied by management regarding the effectiveness and efficiency of the credit monitoring process, exposures and related impairments and adequacy of impairment provisions to discharge its obligations satisfactorily;
- Reviewed and monitored all key financial performance indicators to ensure that they are appropriate and that decision-making capabilities are maintained at high levels; and
- Reported to the Board on the effectiveness of the Corporation's internal financial reporting controls.

External auditors

As a Committee, we recognise the importance of maintaining the independence of the Corporation's external auditors, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance and independence of the Corporation's external auditors and determines whether to re-engage the current external auditors. In doing so, the Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities, technical expertise and knowledge of the Corporation's operations and industry.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and audit fees for the financial year ended 31 March 2025.

The Committee:

- Approved the external auditors' annual plan and related scope of work;
- Monitored the effectiveness of the external auditors in terms of their skills, independence, execution of the audit plan, reporting and overall performance;
- Considered whether the extent of reliance placed on internal audit by the external auditors was appropriate and whether there were any significant gaps between the internal and external audits; and
- Confirmed that it has complied with paragraph 7.3 (e) III and IV of the JSE Debt and Specialists Securities Listings requirements, in that is has obtained information detailed in paragraph 3.84(g)(iii) of the JSE Debt and Specialists Securities Listings requirements in their assessment of their suitability.

Expertise and experience of finance function

We have considered and satisfied ourselves of the overall appropriateness of the expertise and strengthening of the existing resources of the IDC's finance function, including experience of the senior members of management responsible for the financial function. We have however noted management's intention to further increase the IFRS Technical resources in the function, in line with the Corporation's increasing reporting requirements.

Report of the Board Audit Committee *continued*

Duties assigned by the Board

Integrated and sustainability reporting

The BAC fulfils an oversight role regarding the Corporation's Integrated Report and the reporting process and considers the level of assurance coverage obtained from management and internal and external assurance providers in making its recommendation to the Board.

We considered the Corporation's information as disclosed in the Integrated Report and assessed its consistency with operational and other information known to Committee members and for consistency with the annual financial statements. We discussed the information with management and considered the conclusions of the external assurance provider.

The Committee is satisfied that the sustainability information is reliable and consistent with the financial results.

Combined assurance

The Committee is responsible for monitoring the combined assurance model detailing significant processes, line management monitoring, internal audit and external audit. This model is used to assess the appropriateness of assurance over risks/controls provided to the Board.

Engagement regarding the extent to which the various assurance providers rely on each other's work takes place continuously and we are of the view that adequate coordination occurred between the external auditors and internal audit. Furthermore, a Combined Assurance Plan was approved and used to monitor the activities in relation to the Combined Assurance Process.

Going concern

The Committee concurs that the adoption of the going concern assumption in the preparation of the consolidated annual financial statements is appropriate and sound. This is after the Committee reviewed a documented assessment by management of the going concern premise of the Corporation and the Group. The assessment included a review of the financial (solvency, liquidity and profitability ratios), operating and regulatory compliance indicators.

Governance of risk

The Board has assigned oversight of the Corporation's risk management function to a separate Board Risk and Sustainability Committee. The Chairperson of the BAC attends the Board Risk and Sustainability Committee meetings as a member to ensure that information relevant to these committees is shared regularly. This Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk and information technology risks as they relate to financial reporting. We are satisfied that the appropriate and effective risk management processes are in place.

Internal audit

Internal audit forms part of the third line of defence as set out in the ERMF and engages with the first and second lines of defence to facilitate the escalation of key control breakdowns.

The Internal Audit Department has a functional reporting line to the Committee Chairperson, an operational reporting line to the CEO and full access to other BAC members.

The BAC, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from internal audit on a quarterly basis, assesses the effectiveness of the internal audit function and reviews and approves the internal audit plan. The Committee is responsible for ensuring that the Corporation's internal audit function is independent and has the necessary resources, standing and authority within the Corporation to discharge its duties. We approved the internal audit function's annual audit plan and as a Committee, monitored and challenged, where appropriate, action taken by management with regard to adverse internal audit findings.

The Committee has overseen a process by which internal audit has performed audits according to a risk-based audit plan, which amongst others considers the three-year rolling plan, where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Board in reporting on the effectiveness of internal controls. The Committee is satisfied with the independence and effectiveness of the internal audit function.

Conclusion

Having considered, analysed, reviewed and debated information provided by management, internal audit and the external auditors, the Committee confirmed that:

- Notwithstanding the need for improvement of certain controls, the overall internal controls of the Group were effective.
- Where areas of improvement have been identified, they are being addressed by management.
- These controls ensured that the Group's assets had been safeguarded.
- Proper accounting records had been maintained.
- Resources had been utilised efficiently.
- The skills, independence, audit plan, reporting and overall performance of the external auditors were acceptable.

Following our review of the financial statements for the year ended 31 March 2025, we are of the opinion that they comply with the relevant provisions of the PFMA, as amended, IFRS accounting standards and JSE Debt and Specialists Securities Listing, and that they present fairly the results of the operations, cash flow and financial position of the Corporation.

The Committee is satisfied that it has complied in all material respects, with its legal, regulatory and other responsibilities. The BAC recommended these annual financial statements to the Board for approval.

Nomavuso Mnxasana
Chairperson of the Board Audit Committee

31 July 2025

Directors' report

Introduction

The Industrial Development Corporation of South Africa Limited was established in 1940 by the Industrial Development Corporation Act. It is a registered public corporation and a Schedule 2 listed entity in terms of the PFMA and the related Treasury regulations. This report is presented in accordance with the provisions of the prescribed legislation and addresses the performance of the IDC, as well as relevant statutory information requirements. The Board of Directors is the Accounting Authority as prescribed in the PFMA.

Nature of business

The IDC is a state-owned development finance institution that provides funding aimed at the development of enterprises; playing a catalytic role in attracting industry players and developing ecosystems to promote industrial capacity development and address gaps in the market.

The IDC's purpose is to drive an ambitious programme of inclusive and sustainable employment-creating industrialisation in South Africa and the region. The Corporation's activities correspond to the key activities of a development finance institution, namely:

- developing and supporting greenfield projects;
- providing customised finance and investment solutions;
- partnering with others to extend IDC's reach, capital, and impact; and
- providing non-financial support to entrepreneurs and selected state programmes.

As a responsible corporate citizen, IDC pays income tax at corporate rates, and, subject to performance and at the discretion of the Board in line with its Dividend Policy, pays dividends to its shareholder.

As part of its industry development activities, the IDC has equity interests in several companies operating in a range of industries throughout the economy. Although the Corporation aims to keep its shareholding in these companies to levels below 50%, we do in some instances gain control of these businesses for various reasons. Details of trading subsidiaries and joint ventures are set out in the notes to the financial statements.

Public Finance Management Act

The IDC Board is responsible for the development of the Corporation's strategic direction, which is captured in the Shareholder's Compact and Corporate Plan, reviewed on an annual basis to cater for changes both in the internal and external environment. Following agreement with the shareholder representative, these documents form the basis for detailed action plans and continuous performance evaluation.

Our business units and departments are therefore guided by the Corporate Plan to prepare annual business plans, budgets and capital programmes to meet their strategic objectives. Day-to-day management responsibility is vested in line management through a clearly defined organisational structure and formal, delegated authority.

The IDC as an organ of state and its subsidiaries are subject to the PFMA and in turn the Preferential Procurement Policy Framework Act (PPPFA), (Act no. 5 of 2000).

We have a comprehensive system of internal controls designed to ensure that we meet corporate objectives and the requirements of the PFMA and other relevant legislation. The IDC's subsidiaries which are relatively new to PFMA compliance requirements, continue to receive the necessary support and guidance from the IDC and other stakeholders.

Processes are in place to ensure that where controls fail, the failure is detected and corrected.

Performance management

The IDC's performance indicators reflect the Corporation's goals set out in our strategic objectives. Performance indicators and targets form part of our annual Corporate Plan and are agreed upon between the Board and the Shareholders Representative. Our primary performance evaluation focus is on our financing activities. The performance measurement system ensures that the IDC aligns with its mandated objectives.

IDC sets Corporate targets annually as part of its performance management process and in terms of PFMA requirements. These targets define in measurable terms what the IDC aims to achieve in the short- and long term and is integral to the performance management system.

Performance indicators

IDC performance indicators for the period emphasise execution and support of key development outcomes while ensuring that the Corporation maintains a focus on its financial sustainability and addresses organisational capabilities and its reputation in the market. The indicators include both key and supporting KPIs, mapping a path to achieve our strategic ambitions. The indicators are aligned to the Joint-KPIs of the Department of Trade, Industry and Competition (**the dtic**).

The table of key performance indicators shows IDC's targets for 2024/25, actual achievements as well as combined primary and supporting KPIs:

- Primary KPIs: These are the KPIs that form part of IDC's compact with the shareholder representative.
- Supporting KPIs: These are indicators that IDC monitors on an ongoing basis and form part of the Corporation's ongoing reporting to the shareholder representative.

Performance overview

Overall, the Corporation's performance for the 2024/25 year shows results that are mixed compared to the prior year. The R13.4 billion of approvals during the year under review show a decline compared to the previous year (R17.3 billion). The 2024/2025 year on-balance sheet disbursements are at R16.3 billion, which is higher than the previous year (R15.9 billion).

A total of 15 732 full-time equivalent jobs will be created and/or saved through committed funding in 2024/25. This is lower than the target of 34 023, representing 46% of the target.

Improvements in the risk quality of the portfolio of the IDC book is also moving in the right direction with the majority of the transactions in the medium- to low-risk category. More specifically, 44.7% of the portfolio was rated as medium and low risk, better than the targeted 51.5%.

Non-performing loans (amortising book) reached 20.4%, better than the targets for the year.

Performance against predetermined objectives

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

Key performance indicators

✓ *Achieved* × *Not achieved*

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Development effectiveness	a) Total investment flows facilitated	a) Total investment flows facilitated (R'm) (a1+a2+a3)	**Output 1:** R200 billion in investment pledges across the state	54 928	51 238	×
	a1) IDC own balance sheet funding	a1) Value of on-balance sheet funding disbursed (R'm)		21 416	16 275	×
	a2) Managed development funds	a2.1) Value of off-balance sheet funding disbursed (R'm)		4 133	2 966	×
		a2.2) Value of off-balance sheet funding disbursed as a % of funds available (this FY)		75%	56%	×
	a3) Co-funding leveraged/ syndicated/ catalysed	a3) Value of leveraged funding committed by other funders (R'm)		29 379	31 997	✓
		a4) Output growth by black industrialist clients (%)		Growth in BI clients output as calculated, baseline + CPI + 3.5%	6.7%	×

✓ *Achieved* × *Not achieved*

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Development effectiveness	b1) Funds committed (financial close reached) and facilitated to support policy priorities: transformation*	b1) Total funds committed and facilitated in support of transformation (aggregate comprised of i) IDC own funds, ii) off-balance sheet funds and iii) leveraged/ catalysed funds). Transformation is broadly defined to include funding for black industrialists, black-owned companies, companies with broad-based ownership, trade union owned entities, women- and youth-entrepreneurs (R'm)		17 523	26 614	✓
		b1.1) Black industrialists	**Output 4:** R40 billion in black industrialist output achieved	7 400	23 439	✓
		b1.2) Black-owned businesses		11 900	23 797	✓
		b1.3) Women entrepreneurs	**Output 14:** R8 billion in financial support programmes to SMMEs and women- and youth-empowered businesses	3 500	5 627	✓
		b1.4) Youth entrepreneurs		1 500	1 700	✓
	b2) Increase in output for manufacturing companies supported (localisation and beneficiation)	b2) Growth in value of sales for manufacturing companies in IDC's portfolio (%)	**Output 4:** R40 billion in additional local output committed or achieved	Growth in sales for the total manufacturing industry +2% with a minimum of inflation +3.0%	6.8%	✓
	b3) Funds committed and facilitated to support policy priorities*: Master Plans and IDC Industry Priorities	b3) Total: Industry Master Plans and IDC Industry Priorities (R'm)	**Output 2:** 100 investor facilitation and unblocking interventions provided	24 930	43 441	✓
	b4) Funds committed and facilitated to support policy priorities: Spatial equity	b4.1) Total funds committed and facilitated to improve spatial equity (investment outside six main metro municipalities[1]) (R'm)	**Output 13:** R15 billion support programmes to enterprises in areas outside the five main metros	16 660	37 967	✓

[1] *Cape Town, Ekurhuleni, eThekwini, Johannesburg, Nelson Mandela Metro and Tshwane*

Achieved Not achieved

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Development effectiveness		b4.2) Total funds committed and facilitated for businesses in SEZs (including economic infrastructure projects that enable SEZs (e.g. energy supply, logistics, water) (R'm)	**Output 3:** Two new SEZs designated and support work with provinces related to industrial parks	1 000	2 128	Achieved
	b5) Funds committed and facilitated to support policy priorities: SME development	b5) Total funds committed and facilitated for SMEs (R'm)	**Output 14:** R8 billion in financial support programmes to SMMEs and women- and youth-empowered businesses	5 493	4 204	Not achieved
	b6) Support for policy priorities: worker empowerment	b6) Number of workers that will gain a level of shareholding in their companies through direct or indirect structures in approved transactions (number)	**Output 18:** 20 000 additional workers with shares in their companies	950	171	Not achieved
	b7) Support for energy provision	b7) Generating capacity for electricity generation projects approved, including utility scale and small-scale embedded generation (MW)	**Output 25:** 550 MW of energy available for the grid	580	1 109	Achieved
	b8) Export development	b8) Increase in exports generated for intra-regional and global trade through funds committed (R'm)	**Output 6:** R700 billion in manufacturing exports	14 000	7 454	Not achieved
	c) Job creation and preservation*	c1) Number of jobs expected to be created/saved from committed funds (number)	**Output 21:** 100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full time jobs)	34 023	15 732	Not achieved
		c1.1) Number of jobs expected to be created from IDC regularly committed funds (number)		24 800	8 482	Not achieved
		c2) Number of jobs expected to be created/saved from grant-related committed funds (number)		8 045	5 828	Not achieved
		c3) Number of jobs expected to be created excluding construction and other short-term jobs annualised (number)		23 663	3 790	Not achieved
		c4) Township economy jobs (number)		3 828	1 792	Not achieved
		c5) Expected new jobs to be created/saved by Black Industrialists (number)		8 596	3 751	Not achieved

✓ *Achieved* × *Not achieved*

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Development effectiveness		c6) Percentage change in the number of people at South African companies in IDC's portfolio (% change y-o-y		IDC sectors employment growth +3%	3.9%	Achieved
	d) Project development	d1) Investment value of projects that graduated from preparation to the investment phase (R'm)	**Output 2:** 100 investor facilitation and unblocking interventions provided	4 800	15 700	Achieved
		d2) Number of proactive new business/deals generated		47	69	Achieved
		d3) Number of projects (in EVs and critical minerals value chain (excluding pure mining extraction and concentration projects), green hydrogen being funded either through project development or transactional funding		2	3	Achieved
		d4) Progress against Green Economy Industry Planning implementation milestones		Qualitative assessment (1–5)	3.96	Achieved
Financial sustainability	e) Improve quality of the portfolio through i) managed exits of non-performing assets, ii) appropriate origination of quality deal flow, iii) turnaround actions	e1) Impairment ratio (total book) (%)	**Output 43:** Oversight of IDC, NEF and ECIC to ensure that at least 95% of planned KPIs are achieved	28.7%	30.6%	Not achieved
		e2.1) Non-performing loans (NPLs) (%)		24.1%	20.4%	Achieved
		e2.2) Rand value of NPL		11 988	10 203	Achieved

Achieved | Not achieved

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Financial sustainability		e3) Achieve critical milestones in the turnaround plans for Cast Products SA, Foskor and Kalagadi Manganese, and for other significant exposures		**Foskor:** • EBITDA: Achieve 100% of EBITDA board approved numbers. • BEE restructure and/ or balance sheet restructure: Full Implementation by end of March 2025. **Cast Products:** • Turnaround milestone: Termination of Rescue Plan and approval of Turnaround Plan (by end Q2 2024/25). • EBITDA: Achieve 100% of budgeted EBITDA target. • Governance: Reconstitution of the Board that complies with the King IV principle of independent non-executive directors being in the majority (by the end of August 2024). **Kalagadi Manganese:** Turnaround milestone: Critical Review of Competent Persons Report for reasonableness; and Completion of the detailed Mine Plan (by October 2024). **Significant exposure 1** Business case and funding model: Develop long-term sustainable business case and funding model. (September 2024). **Significant Exposure 2** Industry action plan: Industry action plan to be developed and IDC Board-approved for IDC's interventions in the steel sector (December 2024). Jobs retention: 80% of jobs retained for the Group.	**Foskor: not achieved** • EBITDA: Achieve 57% of EBITDA board approved numbers. • The target was achieved score of 5: The BEE and Balance Sheet Restructures was approved by IDC end of 2024. **Cast Products: not achieved** Target not achieved score of 1: The termination of the CPSA business rescue proceedings is delayed as the company continues to be financially distressed. **Kalagadi Manganese: achieved** The target was achieved with score of 3.5: Review of Competent Persons Report (CPR) completed and finalised. Base case financial model completed. No restructure contemplated yet due to the various litigations between Kalagadi Manganese and IDC, and AfDB. **Significant Exposure 1** Target not achieved score of 3: The final business model and funding was approved in April 2025. **Significant Exposure 2: achieved** Industry Action Plan: Industry action plan to be developed and IDC Board-approved for IDC's interventions in the steel sector (December 2024). Jobs retention: 80% of jobs retained for the Group.	

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Financial sustainability		e4) Risk profile of the portfolio (predominantly medium risk portfolio)		5%point improvement from 31 March 2024 actual	47.7%	✗
	f) Proactively driving and enabling the management of value increase of the IDC's unlisted portfolio	f) Appreciation in carrying value of unlisted investments (excluding listed assets) (y-o-y; %)		Inflation + 3.25%	5.7%	✗
	g) Optimise the balance sheet for long-term sustainability	g) Growth in the value of reserves (y-o-y; %)		Real GDP growth + inflation + 3.25%	(9.8%)	✗
Organisational capabilities	h) Build an organisational culture that is characterised by individual excellence, cross-divisional team collaborations	h) Culture entropy score		25%	50	✗
	i) Achieve efficiencies in terms of end-to-end deal process to meet desired service standards and deliver the right products and solutions to clients	i1) Customer satisfaction index (scale of 1 to 10)	**Output 39:** Ten high-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies	8	8.3	✓
		i2.1) 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 business days for complex transactions (excluding projects, time waiting for client and days between ECIC approval and BIC/Board submissions)		80%	40.9%	✗

Perspective	Performance area	Performance indicator	Alignment to dtic outputs	Target 2024/25	Post audit actuals	Achievement
Organisational capabilities		i2.2) Percentage of applications where the turnaround time from receipt of application to legal agreements having been signed is within the service standard of 180 business days for complex transactions (excluding projects, time waiting for client)		80%	65.0%	✗
Strategic positioning and stakeholder alignment	j) Enhance IDC's reputation and build trust amongst its stakeholders.	j) Reputation survey score (scale of 1 to 100)		75	77.3	✓

** Some of the KPIs overlap by their nature, but are not double counted in the total figures, namely:*

- *b1.1) Black industrialists, b1.2) Black-owned businesses, b1.3) Women-entrepreneurs and b1.4) Youth-entrepreneurs overlap with each other, but they are not double counted in the total funds committed and facilitated in support of transformation – b1)*
- *Industry Master Plans and IDC industry priorities overlap significantly, but they are not double counted in b3) Total: Industry Master Plans and IDC industry priorities*
- *The jobs-related indicators overlap as follows (without double counting in c1) Number of jobs expected to be created and saved)*
  - *c1.1) Number of jobs expected to be created from committed and facilitated funds overlaps with c1)*
  - *c2) Number of jobs expected to be created/saved from grant - related committed funds does not overlap i.e., not included in c1)*
  - *c3) Number of jobs expected to be created excluding construction and other short-term jobs annualised, c4) Township economy jobs, c5) Jobs created/saved by black industrialists will have overlaps with c1) and c1.1)*

Corporate governance

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

Share capital

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

Audit committee information

Board Audit Committee currently consists of the following non executive directors:

- NP Mnxasana (Chairperson)
- RM Godsell
- Dr SM Magwentshu-Rensburg

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

Events after the reporting period

Deemed distribution

Following the disestablishment of the Small Enterprises Finance Agency (sefa) on 30 September 2024 and in line with the National Small Enterprise Amendment Act, sefa's assets and liabilities of a net asset value of R2.6 billion, have been transferred to the Small Enterprise Development and Finance Agency (Sedfa) at no value.

The Board has therefore declared a deemed distribution of R2.6 billion to the shareholder on 29 July 2025.

Appointment of new Board of Directors

On 26 June 2025, the Cabinet of South Africa announced the following appointments to the IDC Board to replace the current board when their term ends:

- Dr G Serobe (Chairperson)
- R Barnard
- TR Cohen
- A Dlodlo
- Dr N Dube-Ncube*
- Dr K Mothibeli
- Dr S Mufamadi

The effective date will be announced in due course.

** Dr N Dube-Ncube is no longer available following her appointment as the Deputy Minister for Higher Education on 22 July 2025*

Going concern

The directors assessed the IDC as being a going concern in terms of financial, operational and other indicators. The directors are of the view that our status as a going concern is assured.

Directors and secretary

The current directors of the IDC are listed below:

Executive

- DA Jarvis (Interim CEO[1])
- ME Lekhethe (CEO[2])

Non-executive

- BA Mabuza (Chairperson)
- LI Bethlehem[3]
- BA Dames
- RM Godsell
- A Kriel
- Dr SM Magwentshu-Rensburg
- NP Mnxasana
- MP Mthethwa
- Adv NDB Orleyn
- Ms S Mangole[4]

Adv M Kganedi is the Group company secretary.

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

[1] *Mr DA Jarvis was appointed as Interim CEO effective 1 October 2023 and his term ended on 31 January 2025.*

[2] *Ms ME Lekhethe was appointed as CEO on 1 February 2025.*

[3] *Ms L Bethlehem has retired from the board of the IDC as announced at the AGM held on 20 July 2024.*

[4] *Ms S Mangole was appointed to the Board on 1 June 2024 to succeed Dr Nimrod Zalk, who stepped down on 31 July 2023.*

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

Independent Auditors' report to Parliament

On the Industrial Development Corporation of South Africa Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of the Industrial Development Corporation of South Africa Limited (the Company) and its subsidiaries (the Group or IDC) set out on pages 26 to 126, which comprise the consolidated and separate statement of financial position as at 31 March 2025, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, and the consolidated and separate statement of cash flows for the year then ended and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Industrial Development Corporation of South Africa Limited as at 31 March 2025, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Public Finance Management Act of South Africa (Act No. 1 of 1999) (PFMA) and the requirements of the Industrial Development Corporation Act of South Africa (Act No. 22 of 1940, as amended) (IDC Act).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final materiality

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

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

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

Materiality considerations	Consolidated financial statements	Separate financial statements
Final materiality amount	R1 908 million	R1 801 million
Basis for determining materiality	2% of net asset value, as disclosed in the statement of financial position to the financial statements.	2% of net asset value, as disclosed in the statement of financial position to the financial statements.
Rationale for benchmark applied	We have identified net asset value to be as the most appropriate basis for a state owned development finance institution and that this is the key focus for the primary users of the financial statements.	We have identified net asset value to be as the most appropriate basis for a state owned development finance institution and that this is the key focus for the primary users of the financial statements.

Independent Auditors' report to Parliament on Industrial Development Corporation of South Africa Limited *continued*

Group audit scope

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

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

In our assessment of the residual account balances not covered by the audit procedures, we considered whether or not these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing analytical procedures at the Group level on the residual balances.

In total we identified three components and selected all three components to require an audit response having considered our evaluation of the risks of material misstatement to the consolidated financial statements. Two components for which the financial information of the component was audited and one component where our procedures were limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements given the specific risks identified.

In respect of the reporting components where we performed audit procedures, 99% of the group's total net assets was covered by the audit of the components.

Key audit matters

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

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

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

Materiality considerations	Separate financial statements
Key audit matter	**How the matter was addressed in the audit**
Valuation of unlisted investments	
This key audit matter is applicable to both the consolidated and separate financial statements.	
Unlisted investments are classified as at fair value through other comprehensive income and are significant in context of the consolidated and separate financial statements. For the group and company, significant judgement is applied by management in the valuation of unlisted investments in the mining category included in: • Investment securities. • Investment in subsidiaries. • Investment in associates. For the group and company, significant judgement is applied by management in the valuation of unlisted mining investments. The significant judgements and assumptions applied by management in valuing these investments include the following: • Free cash flows of investees; • Life of mine determination; • Commodity price forecasting; • Discount rates (along with discounts and premiums) applied to valuations. Due to the significant judgment applied by the group and company, the valuation of unlisted mining investments is considered to be a matter of most significance in the current year audit of the consolidated and separate financial statements. The related disclosures in the financial statements are included in: • Section 1.4, 1.5,1.6, 1.26 and 1.27 – Accounting policies; • Note 2 – Financial risk management; • Note 3 – Fair value information • Note 7 – Investments in subsidiaries; • Note 8 – Investments in associates; and • Note 11 – Investment securities.	With the assistance of our valuation specialists, we performed the following procedures over the valuation of unlisted mining investments: • Tested the design, implementation, of the relevant controls over the valuation of unlisted investments. • Performed a risk assessment on key inputs of fair value, based on complexity, risk and sensitivity to direct our testing. • Evaluated the technical appropriateness and accuracy of valuation methodologies (including key assumptions made and modelling approaches adopted) applied by management with reference to industry practice, compliance with IFRS and for consistency with prior periods. • For a sample of unlisted investments, we independently recalculated the fair values and challenged the significant assumptions used and the evidence on which these assumptions were based. • Assessed the appropriateness of the significant judgemental and/or unobservable inputs used in valuations relating to free cash flows of investees, life of mine determination, commodity price forecasting and discount rates with reference to the best available independent information. • Assessed the appropriateness of the fair value hierarchy disclosure due to lower levels of observability and liquidity with reference to the requirements of IFRS 13 *Fair Value Measurement*. • Assessed the completeness and appropriateness of the disclosure in the financial statements. • In particular, we assessed whether the disclosure adequately conveys the significant judgements and assumptions made by management in the current economic environment. Based on the audit procedures performed and the level of expertise and effort associated with the current year audit, we are satisfied that our audit procedures were sufficient to mitigate the risk associated with significant judgemental nature of the valuation and disclosure of unlisted mining investments.

Materiality considerations	Separate financial statements
Key audit matter	**How the matter was addressed in the audit**

Valuation of expected credit loss ("ECL") on loans and advances

This key audit matter is applicable to both the consolidated and separate financial statements.

Key audit matter

The ECL provision for loans and advances is significant in the context of the consolidated and separate financial statements due to its magnitude and the significant level of judgement required in determining the value of the ECL provision. Accordingly, we have identified the valuation of ECL on loans and advances to be a key audit matter.

The determination of impairment allowance for expected credit losses requires significant management judgement, due to the following:

- The evaluation of Significant Increase in Credit Risk ("SICR").
- Incorporation of macro-economic inputs and forward-looking information ("FLI") into the SICR assessment and ECL measurement.
- Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement.
- The evaluation of post model adjustments to address limitations not considered by the model.

Evaluation of SICR

- Assessing whether there has been a SICR event since the origination date of the exposure to the reporting date (i.e., a trigger event that has caused a significant deterioration in credit risk and results in migration of the loan from Stage 1 to Stage 2).

Incorporation of macro-economic inputs and forward-looking information into the ECL measurement

- The incorporation of FLI and macroeconomic inputs into the SICR assessment and ECL calculations.
- Determining and weighting of assumptions used in the forward-looking economic model to account for the forward-looking uncertainty.

Assessment of post model adjustments

- Constraints in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, specific events and changes in risk profile necessitate adjustments in model results.

Disclosure

Financial reporting requires inclusion of disclosures that provide an adequate level of transparency regarding uncertainties inherent in the judgements, assumptions and estimates applied in determining ECL.

How the matter was addressed in the audit

Our audit of impairment of advances included the following procedures to address the significant judgement and estimation in determining the ECL.

Our response to the key audit matter included performing the following audit procedures:

- Evaluated how management have opted for and applied key definitions in IFRS 9, *Financial Instruments* such as default and significant increase in credit risk, policy choices and key judgements.
- Assessed whether key definitions, policy choices and judgements are updated to appropriately reflect current economic conditions.
- Assessed the impact of these key definitions on the staging migration of exposures.

With the assistance of economic and credit specialists, we performed the following procedures to address the risks relating to ECL for loans and advances:

- Tested the design and implementation of relevant controls over the valuation of ECL, including those within governance processes. We also focused on substantively testing the completeness and accuracy of external and internal data inputs into the ECL calculation.
- Performed a detailed risk assessment by portfolio, including assessing trends in impairment data and benchmarking against market information.
- Evaluated the assumptions used in the inputs to calculate ECL and reperform the stage allocation and ECL calculation.
- Reperformed the development of the model components (i.e. PD, LGD, EAD, SICR) and have also independently calculated specific model components.
- Assessed the application of forward-looking information in determining FLI-adjusted model components.
- Performed loan file reviews and assessed transactional and behavioural data included in the model development, for completeness and accuracy.
- Assessed competence, independence, professional qualifications, and experience of management experts utilised to provide valuations or validation support of the ECL models.
- Assessed the appropriateness of the Group and Company's SICR methodology and calibrations of the ECL models and tested the stage allocations including SICR for a sample of individual exposures and portfolios back to source data.

Forward looking information ("FLI"):

- We assessed the IDC's FLI approach.
- We assessed the macro-economic variable forecasts for each given scenario as well as the probability weighting of the respective scenarios. This was based on our internal views as well as benchmarking to multiple agencies.

Materiality considerations	Separate financial statements
Key audit matter	**How the matter was addressed in the audit**
The related disclosures in the financial statements are included in: • Section 1.4, 1.16 and 1.26 – Accounting policies. • Note 1 – Financial assets and liabilities • Note 2 – Financial risk management • Note 10 – Loans and advances. • Note 22 – Financial guarantees.	**Post model adjustments** • We assessed the completeness of the post model adjustments against our own research and publicly available information including sector, lender and portfolio specific risk factors • We assessed whether the disclosure adequately conveys the significant judgements and assumptions made by management in the current economic environment. Based on the audit procedures performed, we are satisfied that our audit procedures were sufficient to mitigate the risk associated with significant management judgement within the ECL calculations.

Emphasis of matter

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

Restatement of corresponding figures

As disclosed in note 36 to the consolidated and separate financial statements, the corresponding figures for March 2024 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the Accounting Authority for the Consolidated and Separate Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

Report on the audit of the annual performance report

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

We selected the following objectives presented in the annual performance report for the year ended 31 March 2025 for auditing. We selected objectives that measure the Company's performance on its primary mandated functions and that are of significant national and public interest.

	Pre-determined objective	Page numbers	Purpose
1.	Development effectiveness	9–12	Grow sustainable industries, support entrepreneurs, improve lives.
2.	Financial sustainability	12–14	

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

Independent Auditors' report to Parliament on Industrial Development Corporation of South Africa Limited *continued*

We performed procedures to test whether:

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

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

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

Other matter

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

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

Material misstatement

We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Development Effectiveness and Financial Sustainability. Management subsequently corrected all the misstatements, and we did not include any material findings in this report.

Report on compliance with legislation

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

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

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

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

Annual financial statements

The financial statements submitted for auditing were not prepared in accordance with the prescribed reporting framework, as required by section 55(1)(b) of the PFMA.

Material misstatements of investments in associates, non-current assets held for sale, notes to loans and advances, statement of cash flows (net cash from operating activities and net cash from investing activities), and related disclosures items in the consolidated financial statements identified by the auditors in the submitted financial statements were corrected, resulting in the consolidated financial statements receiving an unqualified audit opinion.

Other information in the integrated report and annual financial statements

The Accounting Authority is responsible for the other information. The other information obtained prior to the date of this auditors' report comprises the information included in the integrated report and certain information included in the annual financial statements, which includes the confirmation of accuracy and fair presentation, the accounting officer's statement of responsibility of annual financial statements, the report of the board audit committee, and the directors' report. The IDC's Integrated report is expected to be made available to us after this auditors' report date.

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Internal control deficiencies

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

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

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

Other reports

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

Matters under investigation

As at the date of this report there is an internal investigation being conducted at Foskor (Pty) Ltd with regards to allegations of fraud in procurement services. The directors have employed the services of a forensic firm to assist in the investigation. As at the reporting date, the investigation remains ongoing, and we could not determine the extent of the impact of the outcomes of the investigation to the consolidated financial statements.

Audit-related services

A limited assurance engagement was performed, on selected sustainability key performance indicators (KPIs), as presented in the Integrated Report for the year ended 31 March 2025.

An agreed upon procedures (AUP) engagement was performed on the Tirisano construction fund for the period ending 31 March 2024. The scope of the AUP was centred around access controls and change management focusing on SAP application systems.

Audit tenure

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

Signed by:
Deloitte & Touche
48655B0046E7418...

Deloitte & Touche
Registered Auditor

Per Vuyelwa Sangoni
Partner

31 July 2025

5 Magwa Crescent
Waterfall City
Waterfall
2090

Signed by:
BDO South Africa Inc.
06FFE1E90581484...

BDO
Registered Auditor

Per Collins Mashishi
Director

31 July 2025

Wanderers Office Park
52 Corlett Drive
Illovo
2196

Independent Auditors' report to Parliament on Industrial Development Corporation of South Africa Limited *continued*

Annexure to the auditors' report

The annexure includes the following:

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

Auditors' responsibility for the audit

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

Consolidated and separate financial statements

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

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Group and Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate financial statements. Our conclusions are based on the information available to us at the date of this auditors' report. However, future events or conditions may cause a Group and/or the Company to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

We communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Annexure to the auditors' report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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

Statements of financial position

		Group Restated[1]		Company Restated[1]	
Figures in Rand million	**Note(s)**	**2025**	**2024**	**2025**	**2024**
Assets					
Cash and cash equivalents	14	7 649	12 548	7 470	8 016
Short-dated investments	14	559	1 100	559	1 100
Derivative assets	9	1	3	–	–
Trade and other receivables	13	2 765	2 989	494	841
Inventories	12	2 429	2 249	2	2
Current tax receivable		16	734	16	677
Lease receivable		338	436	–	–
Loans and advances	10	43 546	41 329	48 538	46 596
Investment securities	11	34 023	50 470	32 107	41 992
Non-current assets held for sale	8.2	2 176	–	724	–
Investments in subsidiaries	7	–	–	22 447	24 155
Investments in associates	8.1	25 545	27 824	25 956	26 944
Deferred tax asset	29	7 902	8 036	5 683	5 665
Investment property	5	123	308	25	26
Property, plant and equipment	4	7 377	6 444	42	39
Right of use assets	30	25	60	222	272
Intangible assets	6	33	33	15	23
Total assets		**134 507**	**154 563**	**144 300**	**156 348**
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Share capital	16	1 393	1 393	1 393	1 393
Reserves		37 725	49 851	48 822	61 597
Retained income		56 418	57 122	39 846	36 880
Non-controlling interest		(96)	(136)	–	–
Total equity		**95 440**	**108 230**	**90 061**	**99 870**
Liabilities					
Bank overdraft	14	169	202	–	–
Derivative liabilities	9	7	6	–	–
Trade and other payables	32	2 576	8 005	595	819
Lease liabilities	30	39	76	324	370
Current tax payable		262	–	259	–
Borrowings	17	31 066	28 513	46 733	45 689
Retirement benefit obligation	33	349	330	199	186
Deferred tax liability	29	3 733	8 586	5 428	9 078
Financial guarantees	22	249	216	341	299
Provisions	25	617	399	360	37
Total liabilities		**39 067**	**46 333**	**54 239**	**56 478**
Total equity and liabilities		**134 507**	**154 563**	**144 300**	**156 348**

[1] *Restated, refer to note 36*

Statements of profit and loss and other comprehensive income

Figures in Rand million	Note(s)	Group Restated[1] 2025	Group 2024	Company Restated[1] 2025	Company 2024
Continuing operations					
Revenue	18	14 215	16 593	4 303	6 229
Interest income[1]	19	7 451	6 855	7 430	7 007
Total revenue		**21 666**	**23 448**	**11 733**	**13 236**
Finance costs	20	(4 095)	(3 141)	(3 359)	(3 054)
Other income		518	580	–	–
Loss on financial assets classified as Amortised cost		–	(4)	–	(4)
Profit/(loss) on financial assets classified as FVTPL		184	(102)	734	(236)
Expected credit gains/(losses) on financial assets[1]	10	(3 171)	(1 008)	(3 303)	1 475
Financial assets written off	10	(728)	(1 594)	(508)	(1 594)
Operating expenses		(13 842)	(14 419)	(3 071)	(2 679)
Operating profit	27	**532**	**3 760**	**2 226**	**7 144**
Income from associates	8	6	2 553	–	–
Profit before taxation		**538**	**6 313**	**2 226**	**7 144**
Taxation	28	(363)	100	(432)	(108)
Profit for the year from continuing operations		**175**	**6 413**	**1 794**	**7 036**
Profit from discontinued operations		154	68	–	–
Profit on loss of control		–	1 010	–	–
Profit for the year		**329**	**7 491**	**1 794**	**7 036**
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss:					
Retirement benefit obligation	35	7	14	10	15
Fair value movements on equity instruments	35	(13 583)	(4 741)	(14 293)	(10 574)
Share of comprehensive income/(losses) of equity accounted investments	35	7	(1 220)	–	–
Movements on property valuation	35	252	–	–	–
Income tax relating to items that will not be reclassified	35	2 688	645	2 730	1 821
Total items that will not be reclassified to profit or loss:		**(10 629)**	**(5 302)**	**(11 553)**	**(8 738)**
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	35	165	(1 201)	–	–
Total items that may be reclassified to profit or loss		**165**	**(1 201)**	**–**	**–**
Other comprehensive loss for the year net of taxation	35	**(10 464)**	**(6 503)**	**(11 553)**	**(8 738)**
Total comprehensive income/(loss) for the year		**(10 135)**	**988**	**(9 759)**	**(1 702)**
Profit for the year attributable to:					
Owners of the Parent		294	7 403	1 794	7 036
Non-controlling interest		35	88	–	–
		329	**7 491**	**1 794**	**7 036**
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Parent		(10 175)	900	(9 759)	(1 702)
Non-controlling interest		40	88	–	–
		(10 135)	**988**	**(9 759)**	**(1 702)**

[1] *Restated, refer to note 36*

Statements of changes in equity

Group

Figures in Rand million	Share capital	Foreign currency translation reserve	Associated entities reserves	Equity revaluation reserve[1]	Common control reserve	Retirement obligations	Property revaluation reserve	Share-based payment reserve	Retained earnings[1]	Non controlling interest	Total equity
Balance at 1 April 2023	**1 393**	**3 521**	**8 497**	**42 268**	**1 657**	**107**	**–**	**304**	**51 738**	**(224)**	**109 261**
Profit for the year[1]	–	–	–	–	–	–	–	–	7 403	88	7 491
Other comprehensive income	–	(1 201)	(1 220)	(4 096)	–	14	–	–	(2 019)	–	(8 522)
Balance at 1 April 2024	**1 393**	**2 320**	**7 277**	**38 172**	**1 657**	**121**	**–**	**304**	**57 122**	**(136)**	**108 230**
Profit for the year	–	–	–	–	–	–	–	–	294	35	329
Other comprehensive income	–	165	7	(10 895)	–	7	247	–	–	4	(10 464)
Dividend paid	–	–	–	–	–	–	–	–	(50)	–	(50)
Deemed distribution of sefa[3]	–	–	–	–	–	–	–	–	(2 605)	–	(2 605)
Reclassification of common control[2]	–	–	–	–	(1 657)	–	–	–	1 657	–	–
Balance at 31 March 2025	**1 393**	**2 485**	**7 284**	**27 277**	**–**	**128**	**247**	**304**	**56 418**	**(96)**	**95 440**

[1] *Restated, refer to note 36*
[2] *The Common control reserve was reclassified to retained earnings due to the sefa disestablishment, the reserve was created when sefa was acquired and with the disestablishment, the reserve has been released*
[3] *Refer todiscontinued operation section in note 7*

Company

Figures in Rand million	Share capital	Associated entities reserves	Equity revaluation reserve[1]	Common control reserve	Retirement obligations	Retained earnings[1]	Total equity
Balance at 1 April 2023	**1 393**	**156**	**68 818**	**1 222**	**139**	**29 844**	**101 572**
Profit for the year[1]	–	–	–	–	–	7 036	7 036
Other comprehensive income	–	–	(8 753)	–	15	–	(8 738)
Balance at 1 April 2024	**1 393**	**156**	**60 065**	**1 222**	**154**	**36 880**	**99 870**
Profit for the year	–	–	–	–	–	1 794	1 794
Other comprehensive income	–	–	(11 563)	–	10	–	(11 553)
Dividend paid	–	–	–	–	–	(50)	(50)
Reclassification of common control[2]	–	–	–	(1 222)	–	1 222	–
Balance at 31 March 2025	**1 393**	**156**	**48 502**	**–**	**164**	**39 846**	**90 061**

[1] *Restated, refer to note 36*
[2] *The Common control reserve was reclassified to retained earnings due to the sefa disestablishment, the reserve was created when sefa was acquired and with the disestablishment, the reserve has been released*

Statements of cashflows

Figures in Rand million	Note(s)	Group 2025	Group 2024	Company 2025	Company 2024
Cash flows from operating activities					
Cash used in operations	21	(3 828)	(3 609)	(4 178)	(4 512)
Interest received	19	3 547	3 599	3 665	4 007
Dividend received		4 118	5 974	4 118	5 335
Interest paid	20	(2 471)	(2 647)	(2 437)	(2 045)
Tax paid	31	(523)	(1 449)	(565)	(1 421)
Net cash from operating activities		**843**	**1 868**	**603**	**1 364**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1 164)	(693)	(26)	(28)
Purchase of intangible assets	6	(19)	(7)	(5)	(5)
Purchase of financial assets		(1)	–	–	–
Acquisition of investments		(312)	(42)	(312)	(187)
Proceeds on realisation of investments		200	588	196	581
Acquisition of short-dated investments		(2 163)	(2 323)	(2 163)	(2 323)
Deconsolidation due to loss of control		(4 911)	–	(1 477)	–
Proceeds on realisation of short-dated investments		2 705	1 473	2 705	1 473
Net cash from investing activities		**(5 665)**	**(1 004)**	**(1 082)**	**(489)**
Cash flows from financing activities					
Repayments of lease liabilities	30	(41)	(32)	(10)	(66)
Dividend paid		(50)	–	(50)	–
Net cash from financing activities		**(91)**	**(32)**	**(60)**	**(66)**
Effects of exchange rate changes on cash and cash equivalents		50	–	(6)	–
Total cash movement for the year		(4 863)	832	(544)	809
Cash at the beginning of the year		12 345	11 524	8 016	7 218
Expected credit loss on cash and cash equivalents	14	(2)	(11)	(2)	(11)
Cash as disclosed per note	**14**	**7 480**	**12 345**	**7 470**	**8 016**

Reportable segments

	Group					
	Industrial Development Corporation		sefa, Konoil, Findevco and Impofin[6, 7]		Foskor (Pty) Ltd	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Income						
Interest received[2]	7 430	7 007	2	500	103	95
Dividends received	4 002	5 838	–	639	–	–
Fee income	301	391	–	7	–	–
Mining income: phospate rock and magnetite	–	–	–	–	3 668	2 929
Fertiliser and acid sales	–	–	–	–	5 891	7 050
Other revenue	–	–	–	697	1	1
Revenue	11 733	13 236	2	1 843	9 663	10 075
Share of profits/(loss) of associates	–	–	–	47	45	82
Other income	–	–	–	31	320	446
Expenses						
Financing costs	(3 359)	(3 054)	–	(68)	(743)	(723)
Cost of sales	–	–	–	–	(7 411)	(7 856)
Salaries, wages, bonuses and other benefits	(1 461)	(1 585)	–	(284)	(1 692)	(1 513)
Operating expenses	(1 528)	(1 018)	–	(321)	(4)	66
Taxation	(432)	(108)	–	(1)	125	267
Depreciation	(82)	(77)	–	(17)	(442)	(412)
Loss on financial assets classified as amortised cost	–	(4)	–	–	–	–
Profit/(loss) on financial assets classified as FVTPL	734	(236)	–	9	–	–
Expected credit losses on financial assets[2]	(3 303)	1 477	64	(750)	(138)	(65)
Financial assets written off	(508)	(1 594)	–		–	–
Profit/(loss) from discontinued operations	–	–	154	–	–	–
Profit/(loss) on reclassification of operations	–	–	–	–	–	–
Profit/(loss) for the year	**1 794**	**7 036**	**220**	**489**	**(277)**	**367**
Total assets[3]	144 300	156 348	19 805	31 505	12 908	11 498
Inventory	2	2	–	–	2 163	1 896
Investment in associates	25 956	24 155	–	945	–	82
Non-current assets held for sale	724	–	–	–	–	–
Total liabilities[4]	54 239	56 478	59	7 506	9 440	7 712
Capital expenditure[5]	26	746	–	–	1 057	33
Commitments	–	–	–	–	211	–

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

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

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

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

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

[7] *The IDC lost control of sefa effective 30 September 2024 as a result of disestablishment.*

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

	Group			
	Other[1]		Total	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Income				
Interest received[2]	(84)	(747)	7 451	6 855
Dividends received	(906)	(2 211)	3 096	4 266
Fee income	1	60	302	458
Mining income: phosphate rock and magnetite	–	–	3 668	2 930
Fertiliser and acid sales	–	–	5 891	7 050
Other revenue	1 257	1 192	1 258	1 890
Revenue	268	(1 706)	21 666	23 448
Share of profits in associates	(39)	2 424	6	2 553
Other income	198	104	518	581
Expenses				
Financing costs	7	704	(4 095)	(3 141)
Cost of sales	(336)	–	(7 747)	(7 856)
Salaries, wages, bonuses and other benefits	(198)	(156)	(3 351)	(3 538)
Operating expenses	(382)	(1 181)	(1 913)	(2 454)
Taxation	(56)	(59)	(363)	100
Depreciation	(307)	(66)	(831)	(572)
Loss on sale of financial assets classified as amortised cost	–	–	–	(4)
Profit/(loss) on financial assets classified as FVTPL	(550)	125	184	(102)
Expected credit losses on financial assets[2]	206	(1 668)	(3 171)	(1 006)
Financial assets written off	(221)	–	(728)	(1 592)
Profit/(loss) from discontinued operations	–	68	154	68
Profit/(loss) on reclassification of operations	–	1 010	–	1 010
Profit/(loss) for the year	**(1 409)**	**(401)**	**329**	**7 491**
Total assets[3]	(42 506)	(44 788)	134 507	154 563
Inventory	264	351	2 429	2 249
Investment in associates	(411)	(686)	25 545	27 824
Non-current assets held for sale	1 452	–	2 176	–
Total liabilities[4]	(24 671)	(25 363)	39 067	46 333
Capital expenditure[5]	523	(33)	1 605	746
Commitments	–	–	211	–

1 *These amounts relate to other immaterial subsidiaries.*

2 *Restated, refer to note 36.*

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

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

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

Geographical segments

	Group					
	South Africa		Other[1]		Total	
Figures in Rand million	2025	2024	2025	2024	2025	2024
Income						
Interest received[2]	7 451	6 850	–	–	7 451	6 855
Dividends received	2 444	3 452	651	814	3 096	4 266
Fee income	302	458	–	–	302	458
Mining income: phospate rock and magnetite	3 668	2 929	–	–	3 668	2 930
Fertiliser and acid sales	5 891	7 050	–	–	5 891	7 050
Other revenue	1 005	1 754	253	136	1 258	1 890
Revenue	20 762	22 493	904	950	21 666	23 448
Share of profits of associates	6	2 553	–	–	6	2 553
Other income	409	581	109	–	518	581
Expenses			–		–	–
Financing expenses	(4 027)	(3 143)	(68)	–	(4 095)	(3 143)
Cost of sales	(7 747)	(7 856)	–	–	(7 447)	(7 856)
Salaries, wages, bonuses and other benefits	(3 351)	(3 502)	–	(36)	(3 351)	(3 538)
Operating expenses	(1 904)	(2 319)	(9)	(135)	(1 913)	(2 454)
Taxation	(329)	100	(34)	–	(363)	100
Depreciation	(577)	(572)	(254)	–	(831)	(572)
Loss on financial assets classified as amortised cost	–	(4)	–	–	–	(4)
Profit/(loss) on financial assets classified as FVTPL	184	(102)	–	–	184	(102)
Expected credit losses on financial assets[2]	(3 171)	(1 008)	–	–	(3 171)	(1 008)
Proft/(loss) from discontinued operations	154	68	–	–	154	68
Profit/(loss) on reclassification of operations	–	1 010	–	–	–	1 010
Financial assets written off	(728)	(1 594)	–	–	(728)	(1 592)
Profit/(loss) for the year	**(320)**	**6 706**	**649**	**779**	**329**	**7 491**
Total assets[3]	133 540	154 700	967	208	134 507	154 563
Inventory	2 429	2 155	–	94	2 429	2 249
Investment in associates	25 545	26 863	–	–	25 545	27 824
Non-current assets held for sale	2 176	–	–	–	2 176	–
Total liabilities[4]	38 290	45 956	777	377	39 067	46 333
Capital expenditure[5]	1 605	746	–	–	1 605	746
Commitments	211	–	–	–	211	–

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

2 *Restate, refer to note 36.*

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

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

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

Material accounting policies

The IDC is domiciled in South Africa. The consolidated financial statements for the year ended 31 March 2025 comprise the IDC, its subsidiaries and the Group's interest in associates and jointly controlled entities (referred to as the Group).

The annual financial statements were authorised for issue by the Board of Directors on 31 July 2025.

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

1. Material accounting policies

1.1 Statement of compliance

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

1.2 Basis of preparation

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

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

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

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

1.3 New standards, amendments and interpretations to existing standards

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

1.4 Financial instruments

1.4.1 Recognition and derecognition

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

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

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

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

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

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.1 Recognition and derecognition *continued*

Classification and initial measurement of financial assets

Debt instruments

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

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

Financial assets are classified into the following categories:

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

Equity instruments

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

The classification of debt instruments depends on both:

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

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

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

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

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

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

1.4.2 Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

Financial assets that have cashflows that are not SPPI are measured at FVTPL.

Funds administered on behalf of third parties

The IDC manages funds on behalf of third parties. Funds managed on behalf of third parties are in ringfenced bank accounts, which are restricted and are utilised for specific purposes as determined in the agreements with third parties and as instructed by the parties to the agreements. The funds are not disclosed in the IDC's statement of financial position as they do not meet the definition of an asset as per the accounting framework.

Trade and other receivables

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

Other receivables also include Value-added Tax (VAT) receivables which are not financial instruments as they do not arise from a contractual relationship. They are measured at the value estimated to be received from tax authorities.

The impairment for trade receivables is presented under expected credit losses on the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss

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

1.4.3 Impairment of financial assets

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

Measurement of impairment

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

Under IFRS 9, there are three bases on which loss allowances are measured under:

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

Stage 2: these are underperforming loans where by credit risk has increased significantly since initial recognition. Lifetime ECLs are recognised.

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

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

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

- The ECL is calculated by taking into account the Probability of Default, Exposure at Default, Loss Given Default and Macroeconomic conditions forecasts. Probability of Default (PD) – is the likelihood of an account defaulting within a specified period;
- Exposure at Default (EAD) – is the total value the IDC is exposed to when a loan defaults;
- Loss Given Default(LGD) – is the proportion of the exposure that is most likely not to be recovered, considering the capital security held against the exposure.

For trade receivables that do not contain a significant financing component e.g., financial assets with a credit rating or trade receivables with a maturity of 12 months or less, we use a simplified impairment approach.

1. Material accounting policies *continued*

1.4 Financial instruments *continued*

1.4.3 Impairment of financial assets *continued*

Definition of default

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

Credit-impaired financial assets

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

Presentation of impairment

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

Modification of financial instruments

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

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

Renegotiation of financial assets is often done because of financial difficulty of the borrower. As such, a significant number of renegotiated loans are loans that are in stage 3 which is a stage characterised by non-performing loans.

The Group modifies the terms of loans provided to clients due to commercial renegotiations or in cases of distressed loans, with the aim of maximising recovery. Such restructuring activities include extended payment terms, payment holidays and payment forgiveness. Restructuring is based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. The Group monitors the subsequent performance of modified assets and may determine that the credit risk has significantly improved where assets have performed for three consecutive months or more. Refer to note 10 for further details. These policies are kept under continuous review.

The Group may determine that the credit risk has improved significantly after restructuring and the assets are then moved from lifetime ECL (stage 2 and stage 3) to 12-month ECL (stage 1). This is the case for assets that have performed in accordance with the new terms for six or more consecutive months. The Group continues to monitor whether there is a subsequent significant increase in credit risk in relation to such assets which may necessitate a change in the relevant stage of ECL.

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

Reclassification of financial assets and financial liabilities

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

The Group does not reclassify any financial liability.

Write off policy

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

1.4.4 Classification and measurement of financial liabilities

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

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

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

1.4.5 Derivative financial instruments and hedge accounting

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

1.5 Investments in subsidiaries

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

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

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

Loss of control

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

1. Material accounting policies *continued*

1.6 Investments in associates

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

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

Unrealised gains and losses arising from transactions with equity-accounted investments are eliminated against the investment to the extent of the Group's interest in the investment. Unrealised losses are eliminated only to the extent that there is no evidence of impairment. Given that IDC has no control over the performance of its associates, the share and profits and losses therefrom are represented beneath on the statement of profit or loss and other comprehensive income.

Investments in associates in the Company's separate financial statements are measured at FVOCI in accordance with IFRS 9. Where the equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it may be reclassified in equity.

1.7 Intangible assets

Intangible assets acquired separately

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

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

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

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

1.8 Impairment of non-financial assets

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

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

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

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

1.9 Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated into South African rand at the foreign exchange rate prevailing at the date of the transaction. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the reporting period, if applicable.

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

Financial statements of foreign operations

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

1.10 Investment property

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

Measurement

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

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

1.11 Property, plant and equipment

Measurement

All items of property, plant and equipment recognised as assets are measured initially at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and any other cost directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Except for land and buildings all other items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are subsequently measured at fair value less accumulated depreciation and any accumulated impairment losses. Land and buildings are revalued by external, independent valuers. Valuers have appropriate recognised professional qualifications and recent experience in the location and category of the property being valued are used to value the portfolio.

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

1. Material accounting policies *continued*

1.11 Property, plant and equipment *continued*

Subsequent cost

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

Depreciation

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

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

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

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

Derecognition

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

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

1.12 Leases

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

At inception or upon re-assessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

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

Right-of-use asset

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

The right-of-use assets are subsequently depreciated using the straight-line basis from commencement of the lease to the end of the lease term. The average depreciation rate to depreciate the right-of-use assets is six years as 31 March 2025 (seven years: 31 March 2024).

Lease liability

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

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

1.13 Share capital

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

1.14 Inventories

Spares and consumables

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

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

Raw materials, finished goods and phosphate rock

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

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

1.15 Provisions

Provisions are recognised when:

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

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

Decommissioning provision

The decommissioning provision includes estimated costs for the rehabilitation or restoration of any sites, land or location as a result of prior business activity. The obligation to make good environmental or other damage incurred in installing an asset is provided in full immediately, as the damage arises from a past event.

If an obligation to restore the environment or dismantle an asset arises on the initial recognition of the asset, the cost is capitalised to the asset and amortised over the useful life of the asset. The cost of an item of property, plant and equipment includes not only the 'initial estimate' of the costs relating to dismantlement, removal or restoration of property, plant and equipment at the time of installing the item but also amounts recognised during the period of use, for purposes other than producing inventory. If an obligation to restore the environment or dismantle an asset arises after the initial recognition of the asset, then a provision is recognised at the time that the obligation arises.

1.16 Contingent liabilities and commitments

Contingent liabilities

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

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

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

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

1. Material accounting policies *continued*

1.16 Contingent liabilities and commitments *continued*

Commitments

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

1.17 Taxation

Current tax assets and liabilities

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

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

Income tax

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

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

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

Deferred tax

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

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity or other comprehensive income, in which case the deferred tax is also recognised in equity or other comprehensive income.

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

1.18 Revenue

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

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

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

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency and gain or loss on financial assets and financial liabilities.

Sales to customers

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

Dividends

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

Interest

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

Fees

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

- Income earned on the execution of a significant act, such as the managing of funds, and is recognised when the significant act has been performed.
- Income earned from the provision of services is recognised as the service is rendered (i.e., over time) by reference to the stage of completion of the service, measured using an output method.
- Income that forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate and recognised in revenue other than from contracts with customers.
- Fees charged for servicing a loan are recognised in revenue as the service is provided.

Mining Division revenue

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

1. Material accounting policies *continued*

1.18 Revenue *continued*

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

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

1.19 Borrowing costs

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

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

1.20 Employee benefits

Post-retirement medical benefits

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

Defined contribution plans

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

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

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

Defined benefit plans

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

Short-term employee benefits

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

1. Material accounting policies *continued*

1.21 Segment reporting

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

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

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

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

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

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

1.22 Non-current assets held for sale

Non-current assets held for sale

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

Measurement

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

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

Reclassification

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

1.23 Related parties

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

IDC's shareholder is the government of South Africa through **the dtic**. The entity is classified as a Schedule 2 listed entity in terms of PFMA. IDC is part of the national sphere of government and its related parties in that sphere include national departments and public entities.

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

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

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

1.24 Share-based payments

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

The equity settled plan was entered into with Strategic Business Partners (SBPs) and Special Black Groups, under which Foskor will receive services (BEE credentials) as consideration for its own equity instruments. The equity settled share-based payments vest immediately; the reserve was recognised in equity at grant date.

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

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

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

1.25 Determination of fair values

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

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

Financial assets and liabilities

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

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

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

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

Property, plant and equipment

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

1. Material accounting policies *continued*

1.25 Determination of fair values *continued*

Investment property

Valuation methods and assumptions used in determining the fair value of investment property are as follows:

Capitalisation method

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

Comparative method

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

Residual land valuation method

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

Non-derivative financial liabilities

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

1.26 Use of estimates and judgements

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

Income taxes

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

Fair value of financial instruments

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

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

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

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

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

Loans with no repayment terms

Certain shareholder loans have no explicit repayments terms. When assessed under IFRS 9 whether these meet the criteria for SPPI judgement was applied by management. Based on common law principles in South Africa, loans with no repayment terms are deemed to be repayable on demand. As such shareholder loans are seen to meet the definition of SPPI under IFRS 9 and are thus classified at amortised cost.

Post-employment obligations

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

Environmental rehabilitation liability

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

Fair value of share-based payments

The valuation technique applied to determine the simulated Company value is part of the Black Scholes Option Pricing methodology. The market conditions relating to the growth in the market value of the Foskor shares have been taken into account in estimating the fair value of the equity instruments granted. The key assumptions used in the calculation are included in note 26 of the financial statements.

Impairment of non-financial assets

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

Transfer of function

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

Expected credit losses

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

1.27. Transfer of functions

Transfers between entities under common control

Recognition

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

Measurement

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

Derecognition

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

1.28 Preparation of the annual financial statements

The financial statements have been prepared under the supervision of the Group's Chief Financial Officer.

Notes to the financial statements

1. Financial assets and liabilities

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

Figures in Rand million	Group – 2025 FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	7 649	7 649
Short dated investments	–	–	559	559
Derivative assets	1	–	–	1
Trade and other receivables	–	–	2 765	2 765
Loans and advances[4]	2 684	–	40 862	43 546
Investments – listed equities	–	28 236	–	28 236
Investments – unlisted equities	–	5 787	–	5 787
Investments – preference shares[1]	–	–	–	–
Investments in associates[1, 2]	–	–	25 545	25 545
Total financial assets	**2 685**	**34 023**	**77 380**	**114 088**
Financial liabilities				
Bank overdrafts	–	–	(169)	(169)
Derivative liabilities	(7)	–	–	(7)
Trade and other payables	–	–	(2 576)	(2 576)
Borrowings[3]	–	–	(31 066)	(31 066)
Total financial liabilities	**(7)**	**–**	**(33 811)**	**(33 818)**

Figures in Rand million	Group – 2024 FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	12 548	12 548
Short dated investments	–	–	1 100	1 100
Derivative assets	3	–	–	3
Trade and other receivables	–	–	2 989	2 989
Loans and advances[4]	2 307	–	39 022	41 329
Investments – listed equities	–	44 292	–	44 292
Investments – unlisted equities	–	6 105	–	6 105
Investments – preference shares[1]	73	–	–	73
Investments in associates[1, 2]	–	–	27 824	27 824
Total financial assets	**2 383**	**50 397**	**83 483**	**136 263**
Financial liabilities				
Bank overdrafts	–	–	(202)	(202)
Derivative liabilities	(6)	–	–	(6)
Trade and other payables	–	–	(8 005)	(8 005)
Borrowings[3]	–	–	(28 513)	(28 513)
Total financial liabilities	**(6)**	**–**	**(36 720)**	**(36 726)**

1 *Restated, refer to note 36.*

2 *The investment in associates at Group level is measured using equity accounting method.*

3 *At 31 March 2025, management believes the amortised cost of borrowings represents the fair value since borrowings are either repayable on demand and therefore have no implications relating to the time-value of money and the remainder which is not repayable on demand is raised in open capital markets, and the Group lends on arms-length terms with commercial lenders.*

4 *The fair value of loans and advances measured at amortised cost that is shown for disclosure purposes was calculated using the discounted cash flow method. The fair value of loans and advances as well as preference shares is obtained by reducing from the exposure, the probability-weighted difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the risk-free rate (12.9%) adjusted by operational expenses and profit margin. The fair value for company as at 31 March 2025 was R43.0 billion (31 March 2024: R45.9 billion) and for Group as at 31 March 2025 was R41.1 billion (31 March 2024: R40.6 billion).*

Figures in Rand million	Company – 2025 FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	7 470	7 470
Short dated investments	–	–	559	559
Trade and other receivables	–	–	494	494
Loans and advances[4]	2 695	–	45 843	48 538
Investments – listed equities	–	27 577	–	27 577
Investments – unlisted equities	–	4 530	–	4 530
Investments – preference shares	–	–	–	–
Investment in subsidiaries	–	22 447	–	22 447
Investments in associates[1]	–	25 956	–	25 956
Total financial assets	**2 695**	**80 510**	**54 366**	**137 571**
Financial liabilities				
Trade and other payables	–	–	(595)	(595)
Borrowings[3]	–	–	(46 733)	(46 733)
Total financial liabilities	**–**	**–**	**(47 328)**	**(47 328)**

Figures in Rand million	Company – 2024 FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	–	–	8 016	8 016
Short dated investments	–	–	1 100	1 100
Trade and other receivables	–	–	841	841
Loans and advances[1, 4]	2 319	–	44 277	46 596
Investments – listed equities	–	36 494	–	36 494
Investments – unlisted equities	–	5 487	–	5 487
Investments – preference shares[1]	11	–	–	11
Investment in subsidiaries	–	24 155	–	24 155
Investments in associates[1]	–	26 944	–	26 944
Total financial assets	**2 330**	**93 080**	**54 234**	**149 643**
Financial liabilities				
Trade and other payables	–	–	(819)	(819)
Borrowings[3]	–	–	(45 689)	(45 689)
Total financial liabilities	**–**	**–**	**(46 508)**	**(46 508)**

1 *Restated, refer to note 36.*

2 *The investment in associate at group level are measured using equity accounting method.*

3 *At 31 March 2025, management believes the amortised cost of borrowings represents the fair value since borrowings are either repayable on demand and therefore have no implications relating to the time-value of money and the remainder which is not repayable on demand is raised in open capital markets and the Group lends on arms-length terms with commercial lenders.*

4 *The fair value of loans and advances measured at amortised cost that is shown for disclosure purposes was calculated using the discounted cash flow method. The fair value of loans and advances as well as preference shares is obtained by reducing from the exposure, the probability-weighted difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the risk-free rate (12.9%) adjusted by operational expenses and profit margin. The fair value for company as at 31 March 2025 was R43.0 billion (31 March 2024: R45.9 billion) and for Group as at 31 March 2025 was R41.1 billion (31 March 2024: R40.6 billion).*

2. Financial risk management

This risk category encompasses losses that may occur as a result of the way the IDC is financed and its own financing or investment activities. Financial risk includes credit and settlement risk related to the potential for counterparty default, market risk related to volatility in interest rates, exchange rates, commodity and equity prices, liquidity/funding risk related to the cost of maintaining various financial positions as well as financial compliance risk.

Other financial risks faced by the Corporation include the risk of concentration of investments in certain economic sectors, regions and/or counterparties as well as the risk of over-dependency in relation to income on a limited number of counterparties and/or financial products.

Risk management plan

Risk management is a core function of the Corporation that ensures risk management policies, processes, procedures and practices are implemented and adherence to these is maintained at all levels of business activity. This means that the Corporation will always continue to improve governance, risk identification, risk assessment, risk monitoring and risk optimisation and as such a Risk Management Plan detailing proposed activities and improvements to IDC's Enterprise Risk Management activities is prepared on an annual basis.

Risk appetite statement

The risk appetite statement communicates the Corporation's stance with regards to risk management. It is a qualitative statement about the Corporation's commitment to risk management and is informed by, *inter alia*, the Corporation's risk profile, risk appetite, risk tolerance and sustainability management.

Financial: Credit risk

This refers to the risk that a counterparty to a financial transaction will fail to meet its obligations in accordance with the agreed terms and conditions of the contract, thereby causing the asset holder to suffer a financial loss. Credit risk, as defined by the IDC, comprises the potential loss on loans, advances, guarantees, quasi-equity and equity investments due to counterparty default.

Credit risk arises because of the Corporation's lending and investment activities.

Approach to managing credit risk

The IDC endeavours to maintain credit risk exposure within acceptable parameters, managing the credit risk inherent in the entire portfolio as well as the risk associated with individual clients or transactions. The effective management of credit risk is a critical component of a comprehensive risk management approach and is essential to the long-term success of the Corporation. This is the dominant risk within the IDC as the provision of loans, advances, quasi equity, equity investments and guarantees represents the Corporation's core business.

Managing credit concentration risk

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

Investment or credit concentrations are a large Group of exposures that respond similarly to the same stresses. These stresses include:

- Sensitivity to a certain industry or economic factors;
- Sensitivity to geographical factors, either a single country or region of interlinked countries; and/or
- Sensitivity to the performance of a single company or counterparty.

The potential for loss reflects the size of the position and the extent of loss given a particular adverse circumstance. The IDC can be exposed to various forms of credit risk concentration which, if not properly managed, may cause significant losses that could threaten its financial health. Accordingly, the IDC considers the management (including measurement and control) of its credit concentrations to be of vital importance.

There is recognition in the Basel Accords that portfolios of financial institutions can exhibit credit concentrations and that prudently managing such concentrations is an important aspect in effective credit risk management. However, despite the recognition of credit concentrations as important sources of risk for portfolios, there is no generally accepted approach or methodology for dealing with the measurement of concentration.

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

- Exposure to a single obligor;
- A Group of related parties (Group counterparty);
- Geographical locations (outside of South Africa); and
- Industries.

The concentration limits and thresholds are reviewed on a regular basis. The status of the IDC's credit and investment book including credit concentration risk, is reported to IDC Executive Management, the Board Risk and Sustainability Committee and the IDC Board on a quarterly basis.

Single obligor and group counterparty limits

The Basel principles for the management of credit risk indicate in particular, that an important element of credit risk management is the establishment of exposure limits on a single obligor and Group counterparty basis. In determining the recommended limits for the IDC, its strategic objectives are taken into account, as well as protecting the IDC's financial position and profitability. A single obligor is defined as a single IDC client whereas a Group counterparty refers to an 'economic group' of related entities, meeting the following criteria:

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

Africa portfolio and regional limits and country thresholds

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

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

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

Risk appetite and risk tolerance

One of the key practices in risk management is the determination and quantification of an organisation's risk appetite based on what is of strategic importance. IDC through an annual review of its risk appetite makes improvements to the process to ensure that it remains relevant to the Corporation and its strategic intent.

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

Defining risk appetite enables the IDC to:

- Make better informed business decisions;
- Focus on those risks that exceed the defined appetite for risk;
- Develop a risk culture within the organisation; and
- Strike a balance between taking on risk and prudence.

The IDC's risk appetite is linked and aligned to its mandate and business objectives and is an agreement between its business goals and the related risks.

Risk tolerance is considered an integral part of the process and indicates an organisation's readiness to bear the risk after mitigation, in the pursuit of its strategic objectives. The setting of risk appetite and tolerance levels aids operational decision making and strategic planning and provides management with the information to determine whether the risk profiles of current and potential activities are either financially acceptable or require additional risk mitigation. Hence, it helps management to allocate resources to the most significant risks.

2. Financial risk management *continued*

Concentration by location of financial assets

Figures in Rand million	Loans and advances						Investment securities	
	Group – 2025			Group – 2024			2025	2024
	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
South Africa[1]	55 406	(17 601)	37 805	54 911	(19 806)	35 105	30 121	46 571
SADC	3 962	(1 350)	2 612	4 261	(1 482)	2 779	1 794	1 993
Rest of Africa	3 674	(545)	3 129	4 242	(797)	3 445	–	18
Outside Africa	–	–	–	–	–	–	2 108	1 888
	63 042	**(19 496)**	**43 546**	**63 414**	**(22 085)**	**41 329**	**34 023**	**50 470**

Figures in Rand million	Loans and advances						Investment securities	
	Company – 2025			Company – 2024			2025	2024
	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
South Africa[1]	61 356	(18 391)	42 965	58 228	(17 843)	40 385	28 425	38 093
SADC	3 871	(1 349)	2 522	4 293	(1 531)	2 762	1 693	1 993
Rest of Africa	3 596	(545)	3 051	4 273	(824)	3 449	–	18
Outside Africa	–	–	–	–	–	–	1 989	1 888
	68 823	**(20 285)**	**48 538**	**66 794**	**(20 198)**	**46 596**	**32 107**	**41 992**

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

Industry limits

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

The monitoring and limiting of the concentration of exposures in a certain industry is necessary to reduce the risk of exposure to a significant downturn in a particular industry timeously, and thus to be able to avoid losses, as far as possible, by implementing counter measures (e.g., withdrawing from, reducing or hedging certain exposures). Experience has shown that the earlier risks are identified, the more effectively they can be countered. The IDC's business cuts across several industries, and as such it could be exposed to concentration risk by virtue of disproportionately large exposures in any of these industries.

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

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

Concentration by industry of financial assets

Figures in Rand million	Loans and advances						Investment securities	
	Group – 2025			Group – 2024			2025	2024
	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
Agriculture and food	5 614	(1 251)	4 363	4 060	(1 349)	2 711	10	62
Chemicals and petroleum	3 249	(1 967)	1 282	7 767	(3 348)	4 419	284	8 151
Finance and insurance	879	(25)	854	13 051	(626)	12 425	–	561
Metals and machinery[1]	14 483	(4 862)	9 621	9 939	(4 255)	5 684	13 394	14 646
Mining[1]	16 687	(6 167)	10 520	10 141	(5 658)	4 483	16 785	24 946
Other manufacturing	2 352	(1 027)	1 325	2 631	(1 858)	773	61	80
Other services	2 435	(920)	1 515	2 766	(1 873)	893	2 923	1 679
Trade, catering and accommodation	3 881	(1 126)	2 755	3 489	(1 611)	1 878	268	–
Transport, communication and utilities	13 462	(2 151)	11 311	9 570	(1 507)	8 063	298	345
	63 042	**(19 496)**	**43 546**	**63 414**	**(22 085)**	**41 329**	**34 023**	**50 470**

Figures in Rand million	Loans and advances						Investment securities	
	Company – 2025			Company – 2024			2025	2024
	Gross carrying amount	ECL	Amortised cost	Gross carrying amount	ECL	Amortised cost	Fair value	Fair value
Agriculture and food	5 485	(1 249)	4 236	5 416	(1 300)	4 116	9	62
Chemicals and petroleum	8 528	(2 166)	6 362	10 520	(3 397)	7 123	268	242
Finance and insurance	982	(31)	952	884	(30)	854	–	–
Metals and machinery[1]	14 722	(4 888)	9 834	13 192	(4 395)	8 797	12 639	14 646
Mining[1]	16 313	(6 160)	10 152	14 097	(5 809)	8 288	15 842	24 939
Other manufacturing	3 329	(1 598)	1 732	3 019	(1 509)	1 510	57	80
Other services	2 386	(919)	1 468	3 058	(1 420)	1 638	2 759	1 679
Trade, catering and accommodation	3 869	(1 125)	2 744	3 979	(1 102)	2 877	252	–
Transport, communication and utilities	13 209	(2 149)	11 060	12 629	(1 236)	11 393	281	344
	68 823	**(20 285)**	**48 538**	**66 794**	**(20 198)**	**46 596**	**32 107**	**41 992**

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

2. Financial risk management *continued*

Internal rating model and pricing

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

The IDC manages and assesses its exposures in terms of risk tendency. Risk tendency is the measurement of the quality of a counterparty based on the PD. This PD is then translated into an IDC Risk Grade (IRG). The IDC's grading framework is based on the Corporation's risk appetite, which may be adjusted from time to time based on experience and back-testing. A key element of the internal risk rating and pricing model is the IRG master rating scale. This scale was developed to distinguish differences in the probability of default risk throughout the risk range. The grading estimates are derived from internal data which is based on the performance of the loan book. The master scale is comparable and has been approximately benchmarked to rating agencies as well as similar financial institutions. The IDC has grading models and methodologies for SME/middle market (MM), project finance and Financial institutions (FI) clients.

The rating and pricing methodology follows a two-step approach namely, rating which is incorporated into the pricing solution for all credit transactions.

The models offer amongst others, the following key value added features:

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

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

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

The IDC loan book is reviewed on a regular basis, by IMC, which monitors and manages the quality and arrears on a proactive basis. IFRS 9 requires an assessment to be performed of the credit risk of a financial asset at the valuation date, compared to the credit risk as at inception to determine whether a significant increase in credit risk (SICR) has occurred.

As such, all financial assets that meet SPPI are assessed for SICR at each reporting period. The SICR assessment is done at business partner level.

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

- Amounts past due (arrears), exceed 30 days (rebuttable presumption);
- The business partner is on the IDC's watch list and is categorised as a 'high' risk; or
- A deterioration in probability of default has occurred.

The SICR assessment is done at business partner level with reference to the stages described in accounting policy 1.4.3. The rebuttable presumption has not been rebutted in either of the reporting periods.

A financial asset is considered in default when the amount in arrears for more than 90 days. Business partners may transition from stage 3 to stage 2 if there are indications that the business partner has cured, provided the predetermined cure rules are met:

- For exposures below R100 million the cure period is six months;
- For exposures exceeding R100 million and for clients in Business Advisory and Turnaround and Business Rescue and Insolvencies, the cure period is 12 months.

Watchlist

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

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

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

Credit quality of loan commitments

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

	Group – 2025			
Figures in Rand million	**Stage 1 12 months ECL IRG1–IRG24**	**Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24**	**Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24**	**Total**
Total	**78**	**229**	**316**	**623**

	Group – 2024			
Figures in Rand million	**Stage 1 12 months ECL IRG1–IRG24**	**Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24**	**Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24**	**Total**
Total	**254**	**344**	**385**	**983**

	Company – 2025			
Figures in Rand million	**Stage 1 12 months ECL IRG1–IRG24**	**Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24**	**Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24**	**Total**
Total	83	229	316	628

	Company – 2024			
Figures in Rand million	**Stage 1 12 months ECL IRG1–IRG24**	**Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24**	**Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24**	**Total**
Total	254	344	385	983

2. Financial risk management *continued*

Credit quality of financial guarantees

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

	Group – 2025			
Figures in Rand million	Stage 1 12 months ECL IRG1–IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24	Total
Total	15	49	185	249

	Group – 2024			
Figures in Rand million	Stage 1 12 months ECL IRG1–IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24	Total
Total	37	83	96	216

	Company – 2025			
Figures in Rand million	Stage 1 12 months ECL IRG1–IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24	Total
Total	15	74	252	341

	Company – 2024			
Figures in Rand million	Stage 1 12 months ECL IRG1–IRG24	Stage 2 Lifetime ECL (not credit impaired) IRG1–IRG24	Stage 3 Lifetime ECL (credit impaired) IRG1–IRG24	Total
Total	37	94	168	299

Forward-looking information incorporated in the ECL models

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

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

- Household consumption
- Gross fixed capital formation
- Exports
- PPI
- IDC commodity index (calculated by rand based on the IDC's commodity mix).

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

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

Scenario	Probability weighting (%)	Economic measure	2025 (%)	2026 (%)	2027 (%)	2028 (%)	2029 (%)
Base case	**60**	Household consumption expenditure	1.30	1.80	2.30	2.50	2.30
		Gross fixed capital formation	3.00	3.30	3.80	3.40	2.40
		Exports	2.40	3.10	3.40	3.30	2.20
		PPI	4.60	4.90	4.80	5.10	4.50
		Commodity price index	(6.60)	(3.90)	(5.80)	(5.90)	0.60
Adverse scenario	**35**	Household consumption expenditure	0.80	1.30	2.10	2.40	2.20
		Gross fixed capital formation	0.40	1.50	2.60	3.00	1.80
		Exports	0.70	3.10	3.90	3.70	2.60
		PPI	5.20	5.60	5.20	5.20	4.50
		Commodity price index	(11.40)	(2.70)	(0.90)	(5.30)	0.90
Optimistic scenario	**5**	Household consumption expenditure	1.60	2.00	2.70	2.90	2.50
		Gross fixed capital formation	3.30	4.10	5.20	4.70	3.40
		Exports	2.50	3.60	4.00	3.80	3.20
		PPI	4.30	4.30	4.10	4.30	3.80
		Commodity price index	(3.90)	(3.50)	(5.70)	(5.50)	1.10

The base case scenario represents the best estimate view of expected future macroeconomic conditions;

The adverse scenario represents a view of expected future macroeconomic conditions during a downturn period; and

The optimistic scenario represents a view of expected future macroeconomic conditions during a period of good economic conditions.

[1] *2029e – based on data up to Q4 2028, with Q1 2029 data not available from the current set of forecasts.*

Collateral held

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

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

2. Financial risk management *continued*

Collateral held *continued*

Collateral held against stage 3 loans and advances

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
General notarial bond	2 274	1 901	2 320	1 901
Special notarial bonds	2 667	2 617	2 670	2 617
Mortgage bond	14 217	11 531	14 509	11 531
Other	87	127	87	46
	19 245	**16 176**	**19 586**	**16 095**

Collateral held against stage 1 and stage 2 loans and advances

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
General notarial bond	4 736	4 570	5 775	4 570
Special notarial bonds	9 076	13 209	14 851	13 209
Mortgage bond	5 286	4 576	5 331	4 576
Other	60	234	60	216
	19 158	**22 589**	**26 017**	**22 571**

As at 31 March 2025 R2.4 billion (31 March 2024: R2.4 billion) of loans and advances have no loss allowance owing to sufficient collateral in place.

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

	Group – 2025					
Figures in Rand million	**On demand**	**Due within one year**	**Due after one year but within three years**	**Due after three years**	**Non-determinable**	**Total**
Financial assets						
Cash and cash equivalents	5 413	2 236	–	–	–	7 649
Short dated investments	–	559	–	–	–	559
Loans and advances	–	10 397	15 446	21 966	–	47 809
Derivative assets	–	1	–	–	–	1
Investments – listed equities	–	–	–	–	28 236	28 236
Investments – unlisted equities	–	–	–	–	5 787	5 787
Investments in associates	–	–	–	–	25 545	25 545
Trade and other receivables	–	2 765	–	–	–	2 765
Total financial assets	**5 413**	**15 958**	**15 446**	**21 966**	**59 568**	**118 351**
Financial liabilities						
Bank overdraft	–	(169)	–	–	–	(169)
Derivative	–	(7)	–	–	–	(7)
Trade and other payables	–	(2 576)	–	–	–	(2 576)
Lease liabilities	–	(16)	(24)	(1)	–	(41)
Borrowings	(533)	(8 587)	(15 337)	(14 838)	–	(39 294)
Financial guarantees	–	(817)	(115)	(630)	–	(1 563)
Total financial liabilities	**(533)**	**(12 172)**	**(15 476)**	**(15 469)**	**–**	**(43 650)**
Net liquidity	**4 880**	**3 786**	**(30)**	**6 497**	**59 568**	**74 701**

Figures in Rand million	Group – 2024					
	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Financial assets						
Cash and cash equivalents	9 929	2 619	–	–	–	12 548
Short dated investments	–	1 100	–	–	–	1 100
Loans and advances[1]	10 431	13 126	15 937	35 762	1 988	77 244
Derivative assets	–	3	–	–	–	3
Investments – listed equities	–	–	–	–	44 292	44 292
Investments – unlisted equities	–	–	–	–	6 105	6 105
Investments – preference shares[1]	–	–	–	–	73	73
Investments in associates[1]	–	–	–	–	27 824	27 824
Trade and other receivables	–	2 989	–	–	–	2 989
Total financial assets	**20 360**	**19 837**	**15 937**	**35 762**	**80 282**	**172 178**
Financial liabilities						
Bank overdraft	–	(202)	–	–	–	(202)
Derivative	–	(6)	–	–	–	(6)
Trade and other payables	–	(8 005)	–	–	–	(8 005)
Lease liabilities	–	(40)	(43)	(3)	–	(86)
Borrowings	(33)	(8 882)	(18 091)	(8 466)	–	(35 472)
Financial guarantees	–	(916)	(119)	(599)	–	(1 634)
Total financial liabilities	**(33)**	**(18 051)**	**(18 253)**	**(9 068)**	**–**	**(45 405)**
Net liquidity	**20 327**	**1 786**	**(2 316)**	**26 694**	**80 282**	**126 773**

[1] *Restated, refer to note 36*

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

Figures in Rand million	Company – 2025					
	On demand	Due within one year	Due after one year but within three years	Due after three years	Non-determinable	Total
Financial assets						
Cash and cash equivalents	5 232	2 238	–	–	–	7 470
Short dated investments	–	559	–	–	–	559
Loans and advances	–	11 020	16 810	27 777	–	55 607
Investments – listed equities	–	–	–	–	27 577	27 577
Investments – unlisted equities	–	–	–	–	4 530	4 530
Investments in subsidiaries	–	–	–	–	22 447	22 447
Investments in associates	–	–	–	–	25 956	25 956
Trade and other receivables	–	494	–	–	–	494
Total financial assets	**5 232**	**14 311**	**16 810**	**27 777**	**80 510**	**144 640**
Financial liabilities						
Trade and other payables	–	(595)	–	–	–	(595)
Lease liabilities	–	(123)	(237)	(29)	–	(388)
Borrowings	(16 427)	(8 385)	(15 347)	(14 803)	–	(54 962)
Financial guarantees	–	(927)	(180)	(54)	–	(1 162)
Total financial liabilities	**(16 427)**	**(10 030)**	**(15 764)**	**(14 886)**	**–**	**(57 107)**
Net liquidity	**(11 195)**	**4 281**	**1 046**	**12 891**	**80 510**	**87 533**

2. Financial risk management *continued*

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

	Company – 2024					
Figures in Rand million	**On demand**	**Due within one year**	**Due after one year but within three years**	**Due after three years**	**Non-determinable**	**Total**
Financial assets						
Cash and cash equivalents	5 194	2 822	–	–	–	8 016
Short dated investments	–	1 100	–	–	–	1 100
Loans and advances[1]	10 448	12 388	18 045	40 665	1 988	83 533
Investments – listed equities	–	–	–	–	36 494	36 494
Investments – unlisted equities	–	–	–	–	5 487	5 487
Investments – preference shares[1]	–	–	–	–	11	11
Investments in subsidiaries	–	–	–	–	24 155	24 155
Investments in associates[1]	–	–	–	–	26 944	26 944
Trade and other receivables	–	841	–	–	–	841
Total financial assets	**15 642**	**17 151**	**18 045**	**40 665**	**95 079**	**186 582**
Financial liabilities						
Trade and other payables	–	(819)	–	–	–	(819)
Lease liabilities	–	(142)	(255)	(68)	–	(465)
Borrowings	(17 430)	(8 905)	(17 848)	(8 466)	–	(52 649)
Financial guarantees	–	(1 043)	(207)	(23)	–	(1 273)
Total financial liabilities	**(17 430)**	**(10 909)**	**(18 309)**	**(8 558)**	**–**	**(55 206)**
Net liquidity	**(1 788)**	**6 241**	**(264)**	**32 107**	**95 079**	**131 376**

[1] *Restated, refer to note 36*

Market risk

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

Interest rate risk management

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

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

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

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

Figures in Rand million	0–3 months	4–6 months	7–12 months
Interest rate sensitivity mismatch – March 2025			
Cumulative repricing gaps			
SA rand	13 705	13 947	14 621
US dollar	152	43	42
Euro	0.10	(0.10)	(0.20)
Interest rate sensitivity mismatch – March 2024			
Cumulative repricing gaps			
SA rand	14 044	14 347	13 552
US dollar	171	39	48
Euro	–	–	(1)

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

Figures in million	Rand	US dollar
2025		
+ 200 bps rate shock	292	1.46
– 200 bps rate shock	(292)	(1.46)
2024		
+ 200 bps rate shock	285	2
– 200 bps rate shock	(285)	(2)

Exchange rate risk

Exchange rate risk is the risk that adverse changes in exchange rates may cause a reduction in the Corporation's future earnings and/or its shareholders equity.

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

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

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

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

2. Financial risk management *continued*

Exchange rate risk *continued*

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

Figures in million	US dollar	Euro
Net open foreign currency positions – 2025		
Foreign currency lending and borrowing		
– Loans (assets)	268	–
– Borrowings (liabilities)	(240)	(14)
Other net (payables)/receivables	137	3
Net open foreign currency positions – 2025	165	(10)
Net open foreign currency positions – 2024		
Foreign currency lending and borrowing		
– Loans (assets)	486	24
– Borrowings (liabilities)	(193)	(15)
Other net (payables)/receivables	–	17
Net open foreign currency positions	293	26

Figures in million	US dollar	Euro
2025		
10% appreciation	182	(11)
– 10% depreciation	149	(9)
2024		
10% appreciation	322	29
– 10% depreciation	264	23

Equity price risk

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

Sources of equity price risk include:

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

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

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

Value at risk and expected shortfall

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

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

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

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

All equity price risk models are subjected to periodic independent review. The calculated amounts for the IDC listed equity portfolio is R6 736 million at 31 March 2025 (31 March 2024: R9 448 million) while ES is R10 646 million as at 31 March 2025 (31 March 2024: R18 955 million).

Enterprise risk management

IDC has adopted an enterprise-wide risk management framework to ensure a structured approach to managing a wide range of risks IDC faces. The framework encompasses a universe of risks, Key Risk types which are categorised into Strategic, Financial and Operational Risk.

This approach ensures that risk management is integrated into the overall management process enabling IDC to achieve its objectives, sustain long-term success and resilience. The risk management executed through a risk lifecycle includes risk identification, risk assessments and measurement, risk treatment and monitoring through key indicators and combined assurance.

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

2. Financial risk management *continued*

Enterprise risk management *continued*

Strategic risks management:

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

Risk type

- **Development impact risk:** Risks relating to strategy implementation failures resulting in IDC not meeting its strategic objectives and having the desired developmental impact.
- **Macroeconomic conditions and developments:** Adverse macroeconomic conditions (domestically and/or globally) and/or credit downgrades impacting the IDC's business and its ability to achieve strategic targets.
- **Credit risk and portfolio management risk:** The risk of financial loss resulting from the failure of a customer or counterparty to honour or fully perform the terms of a loan or contract.
- **Concentration risk:** concentration in the Investment portfolio to a single or group of clients/investments/industry or country with a potential to produce losses or loss of income significant enough to threaten the health of the Corporation's balance sheet and financial sustainability.
- **Liquidity and funding risk:** The risk where the IDC is unable to maintain or generate sufficient cash resources (funding liquidity risk) at a sustainable cost (market liquidity risk) in order to meet its financial obligations when they become due.
- **Significant investment risk:** Financial viability of significant investments and their ability to deliver effectively on their required strategy.
- **People risk and organisational culture:** Failure to recruit, develop and retain the best talent and create a conducive working environment that enables high performance and client service culture.
- **Governance, ethical conduct, and behavior:** non-adherence to good corporate governance standards and the risk of internal/external financial crime including unethical business practices and behaviour.
- **Legal and regulatory compliance risk:** Risk of IDC and business partners not meeting their legal/contractual and regulatory requirements.
- **Business continuity and information technology risk:** Risk of business disruption due to an internal or external incidents or technology failures.
- **Cyber and security risk:** The risk of loss, disruption or damage to the reputation of IDC due to ransomware, phishing, data leakage, hacking, etc.
- **Sustainability and responsible investment risk:** Risk that IDC is not able to identify, evaluate, manage and report on emerging ESRG and Sustainability Impact risks as well as failure to grow new industries and value chain opportunities at a pace that would drive low carbon growth and the Just Energy Transition (JET).
- **Reputation risk:** The risk of potential or actual damage to our image which may impair the profitability and sustainability of our business.

Operational risk management ensures that risks resulting from inadequate internal processes, systems, people and external events are consistently and comprehensively identified, assessed, mitigated, controlled. These are managed through implementation of the following tools:

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

Operational resilience and business continuity management

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

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

Financial crime prevention and protected disclosure plan

The financial crime prevention plan includes the detection, prevention, investigation and reporting programmes. The role players in the implementation of the plan are financial, risk, operations and human capital, information technology, procurement, corporate secretariat and facilities management departments. However, employees have a duty to report (to Internal Audit, through tip offs anonymous or using any prescribed channel) knowledge or suspicion that a financial crime has been or is about to be committed. All reports are made in terms of Protected Disclosure Act 26 of 2000 as amended by Act 5 of 2017.

Information technology governance risk

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

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

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

Approach to managing IT governance risk

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

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

2. Financial risk management *continued*

Capital management

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

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

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

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

Regulatory capital

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

The IDC has certain contractual debt covenants to which it monitors through its Corporate Funding department and complies by fully. During the period, no debt covenants were breached/triggered, and the Corporation operated with a generous buffer in terms of proximity to breaching any of the covenants.

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

Risk appetite

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

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

3. Fair value information

Group – 2025

Figures in Rand million	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	123	–	–	–	–	123
Land and buildings	–	–	–	–	–	–	1 980	1 980
Loans and advances[1]	–	–	2 684	–	–	–	–	2 684
Derivative assets	1	–	–	–	–	–	–	1
Listed shares	–	–	–	28 236	–	–	–	28 236
Unlisted shares	–	–	–	–	–	5 787	–	5 787
Total	**1**	**–**	**2 807**	**28 236**	**–**	**5 787**	**1 980**	**38 811**
Financial liabilities								
Derivative liabilities	–	7	–	–	–	–	–	7
Total	**–**	**7**	**–**	**–**	**–**	**–**	**–**	**7**

Group – 2024

Figures in Rand million	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	308	–	–	–	–	308
Land and buildings	–	–	–	–	–	–	1 651	1 651
Loans and advances	–	–	2 307	–	–	–	–	2 307
Derivative assets	3	–	–	–	–	–	–	3
Listed shares	–	–	–	44 292	–		–	44 292
Unlisted shares	–	–	–	–	–	6 105	–	6 105
Preference shares[1]	–	–	73	–	–		–	73
Total	**3**	**–**	**2 688**	**44 292**	**–**	**6 105**	**1 651**	**54 739**
Financial liabilities								
Derivative liabilities	–	6	–	–	–	–	–	6
Total	**–**	**6**	**–**	**–**	**–**	**–**	**–**	**6**

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

Company – 2025

Figures in Rand million	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
Fair value assets								
Investment property	–	–	25	–	–	–	–	25
Loans and advances	–	–	2 695	–	–	–	–	2 695
Listed shares	–	–	–	27 577	–	–	–	27 577
Unlisted shares	–	–	–	–	–	4 530	–	4 530
Investments in subsidiaries	–	–	–	–	–	22 447	–	22 447
Investments in associates	–	–	–	1 036	–	24 920	–	25 956
Total	**–**	**–**	**2 720**	**28 613**	**–**	**51 897**	**–**	**83 230**

3. Fair value information *continued*

Figures in Rand million	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 1	FVOCI Level 2	FVOCI Level 3	Revaluation surplus Level 3	Fair value
	Company – 2024							
Fair value assets								
Investment property	–	–	26	–	–	–	–	26
Loans and advances	–	–	2 319	–	–	–	–	2 319
Listed shares	–	–	–	36 494	–	–	–	36 494
Unlisted shares	–	–	–	–	–	5 487	–	5 487
Preference shares	–	–	11	–	–	–	–	11
Investments in subsidiaries	–	–	–	–	–	24 155	–	24 155
Investments in associates	–	–	–	1 296	–	25 648	–	26 944
Total	**–**	**–**	**2 356**	**37 790**	**–**	**55 290**	**–**	**95 436**

Reconciliation of assets measured at level 3

Figures in Rand million	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Gains/losses recognised in OCI	Purchases/additions	Sales	Closing balance
		Group – 2025					
Assets							
Investment property	5	308	(185)	–	–	–	123
Land and buildings	4	1 651	–	158	387	(215)	1 980
Loans and advances	10	2 307	322	–	220	(166)	2 684
Unlisted shares	11	6 105	–	(813)	1 427	(932)	5 787
Preference shares	11	73	(73)	–	–	–	–
		10 444	**64**	**(655)**	**2 034**	**(1 313)**	**10 574**

Figures in Rand million	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Gains/losses recognised in OCI	Purchases/additions	Sales	Closing balance
		Group – 2024					
Assets							
Investment property	5	280	28	–	–	–	308
Land and buildings	4	1 822	–	(42)	36	(165)	1 651
Loans and advances[1]	10	1 825	494	–	–	–	2 307
Unlisted shares	11	5 941	–	265	5	(106)	6 105
Preference shares[1]	11	73	–	–	–	–	73
		9 941	**522**	**223**	**41**	**(271)**	**10 444**

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

		Company – 2025					
Figures in Rand million	Note(s)	**Opening balance**	**Gains/ losses recognised in profit or loss**	**Gains/ losses recognised in OCI**	**Purchases/ additions**	**Sales**	**Closing balance**
Assets							
Investment property	5	26	(1)	–	–	–	25
Unlisted shares	11	5 487	–	(1 452)	1 427	(932)	4 530
Loans and advances	10	2 319	3 460		259	(3 343)	2 695
Preference shares	11	11	(11)	–	–	–	–
Investments in subsidiaries	8	24 155		(1 708)	–	–	22 447
Investments in associates	9	26 944	–	(514)	72	(546)	25 956
		58 942	**3 448**	**(3 674)**	**1 758**	**(4 821)**	**55 654**

		Company – 2024					
Figures in Rand million	**Note(s)**	**Opening balance**	**Gains/ losses recognised in profit or loss**	**Gains/ losses recognised in OCI**	**Purchases/ additions**	**Sales**	**Closing balance**
Assets							
Investment property	5	23	3	–	–	–	26
Loans and advances[1]	10	1 825	494	–	–	–	2 319
Unlisted shares	11	5 024	–	564	5	(106)	5 487
Preference shares[1]	11	11	–	–	–	–	11
Investments in subsidiaries[1]	8	28 503	–	(4 323)		(25)	24 155
Investments in associates[1]	9	30 628	–	(3 819)	150	(15)	26 944
		66 014	**497**	**(7 578)**	**155**	**(146)**	**58 942**

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

Valuation processes applied by Group

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

The Client Support and Growth Department (CSG) creates a focused approach to the monitoring of IDC investments. One of the key monitoring activities is the IMC Equity Meetings, wherein the calculations of fair values and impairments are assessed and approved by the Committee. The IMC Equity Meetings are normally held three times per financial year, in April, August and December for reporting periods of February, June and September respectively.

Valuation techniques using observable inputs

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

Level 1

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

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

3. Fair value information *continued*

Valuation techniques using observable inputs *continued*

Level 2

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

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

Valuation techniques using unobservable inputs

Level 3

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

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

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

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

Price earnings (PE) valuation

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

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

Free cash flow valuation (FCF)

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

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

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

Net asset value valuation (NAV)

NAV – Going concern

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

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

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

Equity instruments and preference shares held at fair value

Description	Valuation techniques	Unobservable input	Range
All sectors	Discounted cash flow	Risk-free rate	11.0%
		Expected long-term growth	4.5%
	Net asset value	Forced sale value	10%–80%
Agro-processing	Discounted cash flow	Cost of debt	2.4%–3.6%
		Discount rate	19.7%–25.9%
		Sector beta	0.77–1.25
Automotive and transport	Discounted cash flow	Cost of debt	2.8%–3.8%
		Discount rate	21.1%–24.3%
		Sector beta	0.94–1
Chemicals and medicals	Discounted cash flow	Cost of debt	1.8%–4.6%
		Discount rate	20.0%–25.6%
		Sector beta	0.76–0.98
Energy	Discounted cash flow	Discount rate	18.2%–22.7%
		Sector beta	0.77–0.77
Machinery and equipment	Discounted cash flow	Cost of debt	2.2%–3.3%
		Discount rate	23.0%–23.7%
		Sector beta	0.92 – 1.03
Mining and metals	Discounted cash flow	Cost of debt	1.8%–4.1%
		Discount rate	20.7%–25.7%
		Sector beta	0.82–0.93
Tourism	Discounted cash flow	Cost of debt	2.4%–5.0%
		Discount rate	20.2%–24.9%
		Sector beta	0.85–1.10

Discounted cash flow method valuation

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

Price-earning valuation

The fair value would increase (decrease) if:

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

3. Fair value information *continued*

Net asset value valuation (NAV) *continued*

Information about the sensitivity to changes in significant unobservable inputs

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

	Increase in the risk free rate by 10%	Decrease in the risk free rate by 10%	Increase in the sector beta by 10%	Decrease in the sector beta by 10%
Relative change in fair value	(4.2%)	4.1%	(2.7%)	2.6%
Absolute change in fair value (R'm)	(1036)	1004	(673)	647

	Increase in the free cash flows by 10%	Decrease in the free cash flows by 10%	Increase in the discount factor by 10%	Decrease in the discount factor by 10%
Relative change in fair value	9.0%	(9.9%)	(8.9%)	(9.5%)
Absolute change in fair value (R'm)	2219	(2445)	(2187)	2355

Commodity prices

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

Commodity	2025	2026	2027	2028	2029
Gold (USD/oz)	2 658	2 636	2 565	2 473	2 373
Platinum (USD/oz)	973	1 010	1 085	1 165	1 216
Brent crude oil (USD/barrel)	77	77	79	81	82
Coal (USD/metric tonne)	103	100	102	104	106
Iron ore (USD/metric tonne)	102	96	92	91	95
Copper USD/metric tonne)	9 364	9 475	9 645	9 845	10 045
Aluminium (USD/metric tonne)	2 630	2 653	2 682	2 722	2 766
Manganese (USD/metric tonne)	5.26	5.23	5.19	5.10	5.11
Palladium (USD/oz)	962	986	1 025	1 065	1 105

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

Description	Range
Capitalisation rate	11%–13%
Expenditure/income ratio R/m^2 per month	R8.14–R41.54
Operating expenses	30%–36.2%
Vacancy factor	1%–15.1%

	Increase/decrease in operating expenses by 5%	
Key assumptions	Increase	Decrease
Relative change in fair value	(32%)	32%
Absolute change in fair value (R'm)	(22)	22

4. Property, plant and equipment

Reconciliation of property, plant and equipment

Figures in Rand million	Group 2025 Cost/ revaluation	Group 2025 Accumulated depreciation	Group 2025 Closing balance	Group 2024 Cost/ revaluation	Group 2024 Accumulated depreciation	Group 2024 Closing balance
Land and buildings	2 647	(667)	1 980	2 741	(1 090)	1 651
Plant and machinery	10 549	(6 060)	4 488	8 912	(5 159)	3 753
Furniture and fixtures	119	(109)	11	143	(123)	20
Motor vehicles	14	(12)	2	15	(13)	2
Gym equipment	2	(2)	–	2	(2)	–
Computer equipment and software	147	(115)	32	175	(135)	40
Asset under construction	791	–	791	978	–	978
Spare parts[1]	100	(28)	73	–	–	–
Total	**14 369**	**(6 992)**	**7 377**	**12 966**	**(6 522)**	**6 444**

Figures in Rand million	Company 2025 Cost/ revaluation	Company 2025 Accumulated depreciation	Company 2025 Closing balance	Company 2024 Cost/ revaluation	Company 2024 Accumulated depreciation	Company 2024 Closing balance
Plant and machinery	134	(133)	1	134	(133)	1
Furniture and fixtures	13	(12)	1	12	(12)	–
Motor vehicles	12	(11)	1	12	(10)	2
Computer equipment and software	147	(117)	30	166	(131)	36
Asset under construction	9	–	9	–	–	–
Total	**315**	**(273)**	**42**	**324**	**(286)**	**39**

Group – 2025

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

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

4. Property, plant and equipment *continued*

Reconciliation of property, plant and equipment

Figures in Rand million	Group – 2024								
	Opening balance	Disposals	Additions	Transfers	Revaluations	Other	Depreciation	Impairment losses	Closing balance
Land and buildings	1 822	(165)	36	–	–	–	(42)	–	1 651
Plant and machinery	3 736	(38)	512	(13)	–	36	(480)	–	3 753
Furniture and fixtures	24	(10)	9	–	–	–	(3)	–	20
Motor vehicles	2	–	1	–	–	–	(1)	–	2
Computer equipment and software	24	–	35	–	–	–	(19)	–	40
Asset under construction	834	(1)	149	(4)	–	–	–	–	978
	6 442	**(214)**	**742**	**(17)**	**–**	**36**	**(544)**	**–**	**6 444**

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

Figures in Rand million	Company – 2024						
	Opening balance	Disposals	Additions	Transfers	Depreciation	Impairment losses	Closing balance
Plant and machinery	2	–	–	–	(1)	–	1
Furniture and fixtures	1	(1)	1	–	(1)	–	–
Motor vehicles	1	–	1	–	–	–	2
Computer equipment and software	24	–	26	–	(14)	–	36
Asset under construction	5	(1)	–	(4)	–	–	–
	33	**(2)**	**28**	**(4)**	**(16)**	**–**	**39**

IDC has a policy of donating computer equipment with its software after three years through CSI initiatives which is a disposal of an asset. This treatment applies to furniture and fixtures as well. The historical carrying amount of land that was revalued would have been R68 million had the cost model been adopted. In determining the value-in-use of the mining asset, Foskor makes use of significant judgements. Management projects cashflows over a period of 92 years (current year plus 91 years). Whilst the majority of mining licences are currently valid until 2043, the Director's expect the licences will be renewed beyond 2070. The forecasted gross margins are estimated at 33%, which is driven by the increase in production output. The current year's gross margin was 29.55%.

In arriving at the value-in-use, cash flows expressed in real terms have been estimated and discounted using a discount rate of 14.58% (2024: 15.98%), considering the specific amount and timing of future cash flows as well as the risks specific to the operations. The risk-free rate decreased from 12.99% in 2024 to 12.2% in 2025 and the average cost of debt decreased from 9.62% in 2024 to 9.13% in 2025.

In preparing the financial statements, management has made comparisons on the WACC of 14.58% in 2025 as compared to the 15.98% in 2024. The WACC was lower due to the decrease in cost of equity as well as a decrease in cost of debt.

5. Investment property

Figures in Rand million	Group					
	2025			2024		
	Cost/ valuation	Movements	Closing balance	Cost/ valuation	Movements	Closing balance
Land and buildings leased to industrialists	109	(3)	106	46	63	109
Land held for development	199	(182)	17	194	5	199
Farming land and buildings	–	–	–	40	(40)	–
Total	**308**	**(185)**	**123**	**280**	**28**	**308**

Figures in Rand million	Company					
	2025			2024		
	Cost/ valuation	Movements	Closing balance	Cost/ valuation	Movements	Closing balance
Land and buildings leased to industrialists	26	(1)	25	22	4	26
Total	**26**	**(1)**	**25**	**22**	**4**	**26**

Reconciliation of investment property – Group

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

Figures in Rand million	Group – 2024				
	Opening balance	Disposals	Additions	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	46	(341)	401	3	109
Land held for development	194	–	–	5	199
Farming land and buildings	40	(40)	–	–	–
	280	**(381)**	**401**	**8**	**308**

Reconciliation of investment property – Company

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

Figures in Rand million	Company – 2024		
	Opening balance	Fair value adjustment	Closing balance
Land and buildings leased to industrialists	22	4	26
	22	**4**	**26**

5. Investment property *continued*

Details of valuation

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

The fair value of undeveloped land held as investment property is based on comparative market prices after intensive market surveys. Gains and losses arising from a change in fair value are recognised in profit or loss.

The external independent valuers have appropriate qualifications, skills and experience in the location and category of the property being valued are used to value the portfolio.

6. Intangible assets

Reconciliation of intangible assets

	Group					
	2025			2024		
Figures in Rand million	**Cost**	**Accumulated amortisation**	**Closing balance**	**Cost**	**Accumulated amortisation**	**Closing balance**
Intellectual property	12	(10)	2	9	(5)	4
Computer software	157	(126)	31	153	(124)	29
Total	**169**	**(136)**	**33**	**162**	**(129)**	**33**

	Company					
	2025			2024		
Figures in Rand million	**Cost**	**Accumulated amortisation**	**Closing balance**	**Cost**	**Accumulated amortisation**	**Closing balance**
Computer software	55	(39)	15	50	(27)	23
Total	**55**	**(39)**	**15**	**50**	**(27)**	**23**

	Group – 2025					
Figures in Rand million	**Opening balance**	**Additions**	**Disposal**	**Amortisation**	**Transfers**	**Closing balance**
Intellectual property	4	3	–	(4)	–	2
Computer software	29	16	(1)	(14)	–	31
Total	**33**	**19**	**(1)**	**(18)**	**–**	**33**

	Group – 2024					
Figures in Rand million	**Opening balance**	**Additions**	**Disposal**	**Amortisation**	**Transfers**	**Closing balance**
Intellectual property	4	–	–	–	–	4
Computer software	31	8	(2)	(15)	7	29
Total	**35**	**8**	**(2)**	**(15)**	**7**	**33**

Reconciliation of intangible assets

Figures in Rand million	Company – 2025					
	Opening balance	Additions	Amortisation	Disposal	Transfers	Closing balance
Computer software	23	5	(12)	(1)	–	15
Total	**23**	**5**	**(12)**	**(1)**	**–**	**15**

Figures in Rand million	Company – 2024					
	Opening balance	Additions	Amortisation	Disposal	Transfers	Closing balance
Computer software	30	5	(12)	–	–	23
Total	**30**	**5**	**(12)**	**–**	**–**	**23**

7. Investments in subsidiaries

Figures in Rand million	Company 2025	Company 2024
Opening balance	24 155	28 503
Fair value movement	(1 708)	(4 348)
Closing balance	**22 447**	**24 155**

IDC subsidiaries	Share class		Shares at fair value (R'm) 2025	Shares at fair value (R'm) 2024	IDC net indebtedness from subsidiaries (R'm) 2025	IDC net indebtedness from subsidiaries (R'm) 2024	IDC net indebtedness to subsidiaries (R'm) 2025	IDC net indebtedness to subsidiaries (R'm) 2024
Findevco	Ordinary	100%	–	–	–	–	(374)	(374)
Foskor[1, 2, 3]	Ordinary	59%	2 955	955	3 528	5 235	–	–
Konoil	Ordinary	100%	–	–	–	–	(15 251)	(15 251)
Prilla	Ordinary	100%	438	438	275	90	–	–
sefa[4]	Ordinary	100%	–	–	–	135	–	–
Sheraton Textiles	Ordinary	100%	–	–	162	228	–	–
Thelo Rolling Stock	Ordinary	10%	–	–	541	625	–	–
Other subsidiaries	Various	93.4%	2	2	699	1 745	(149)	(141)
Total		**100%**	**3 396**	**1 396**	**5 205**	**8 058**	**(15 773)**	**(15 766)**
Accumulated fair value adjustment			19 051	22 759	–	–	–	–
Total			**22 447**	**24 155**	**5 205**	**8 058**	**(15 773)**	**(15 766)**

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

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

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

[4] *sefa transferred its assets and liabilities to Sedfa during the merger. Refer to the discontinued operation section of note 7.*

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

Subsidiaries with less than 50% stake

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

7. Investments in subsidiaries *continued*

Profits and losses

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

	IDC subsidiaries	
Figures in Rand million	**2025**	**2024**
Profits	3 051	1 026
Losses	(1 857)	(384)
	1 194	**642**

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

	Foskor	
Figures in Rand million	**2025**	**2024**
Foskor Limited – at fair value	2 955	955
	2 955	**955**

Subsidiaries with material non-controlling interests

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

		% Ownership interest held by non-controlling interest	
Subsidiary	Country of incorporation	**2025**	**2024**
Foskor	**RSA**	**15%**	**15%**

The percentage ownership interest and the percentage voting rights of the non-controlling interests were the same in all cases except for Foskor Limited where the voting rights were 41% (2024: 41%).

Foskor summarised statement of financial position

	Foskor	
Figures in Rand million	**2025**	**2024**
Assets		
Non-current assets	7 322	6 591
Current assets	4 113	3 869
Total assets	**11 435**	**10 460**
Liabilities		
Non-current liabilities	3 445	4 914
Current liabilities	2 481	1 759
Total liabilities	**5 926**	**6 673**
Total net assets (liabilities)	**5 509**	**3 787**
Carrying amount of non-controlling interest	**826**	**568**

Foskor summarised statement of profit or loss and other comprehensive income

	Foskor	
Figures in Rand million	**2025**	**2024**
Revenue	9 560	9 980
Other income and expenses	(9 959)	(9 881)
Profit/(loss)before tax	(399)	99
Tax expense	125	267
Profit/(loss)	**(274)**	**366**
Other comprehensive income/(loss)	(3)	(1)
Total comprehensive income	**(277)**	**365**
Profit/(loss) allocated to non-controlling interest	**–**	**–**

Summarised statement of cash flows

Figures in Rand million	Foskor 2025	2024
Cash flows from operating activities	841	858
Cash flows from investing activities	(952)	(677)
Cash flows from financing activities	297	(452)
Total cash movements for the year	**186**	**(271)**

Discontinued operations – sefa merger

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

Figures in Rand million	2025	2024
Interest income from loans and advances	74	165
Grant income	269	673
Other income	200	395
Net expenses	(43)	(861)
Operating expenses	(339)	(413)
Profit/(loss) before tax	**160**	**(41)**
Income tax expense	(6)	–
Profit from discontinued operations	**154**	**(41)**

Figure in Rand million	2025
Assets	
Cash and cash equivalents	4 911
Loans and advances	1 177
Equity investments	1 063
Other	545
Total assets	**7 697**
Liabilities	
Grants received in advance	4 777
Other	316
Total liabilities	5 093
Deemed Distribution of sefa to the ditc	**2 604**

Figures in Rand million	2025	2024
Operating activities	356	173
Investing activities	87	330
Financing activities	121	191
Total cash movements for the year	**565**	**695**

8. Investments in associates

8.1 Investment in associates

Figures in Rand million	Group 2025	Group 2024[1]	Company 2025	Company 2024[1]
Fair value of investments – listed shares in associates	–	–	1 036	1 296
Fair value of investments – unlisted shares in associates[1]	–	–	24 920	25 648
Net asset value at acquisition	11 421	11 438	–	–
Accumulated income in associates	36 839	38 165	–	–
Accumulated losses and impairments in associates	(22 715)	(21 779)	–	–
	25 545	**27 824**	**25 956**	**26 944**

[1] *Restated, refer to note 36*

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

Figures in Rand million	Industry	Financial year-ends[1]	Country of incorporation	% shareholding	Total exposure (Rand million)
Adelaide Ruiters Mining and Exploration (Pty) Ltd	Exploration of sedimentary phosphates and limestone	28/2/2025	RSA	25.00	2 735
BAIC Automobile SA (Pty) Ltd	Automotive	31/12/2024	RSA	35.00	266
BEECO (Eyesizwe RF (Pty) Ltd)	Mining	31/12/2024	RSA	22.95	3 620
Cast Products South Africa (Pty) Ltd	Supplier of wheels and locomotive frames	31/12/2024	RSA	93.50	154
Columbus Stainless (Pty) Ltd	Steel manufacturer	31/12/2024	RSA	24.00	1 357
Consolidated Wire Industries (Pty) Ltd	Producer of mild steel wire and wire products	29/2/2025	RSA	50.00	104
Dimako Holdings (Pty) Ltd	Holds investment in machinery equipment and electronics	28/2/2025	RSA	25.00	100
Duferco Steel Processing (Pty) Ltd	Processes steel coil	31/12/2024	RSA	50.00	849
Grinding Media (Pty) Ltd	Supplier of high chrome and forged grinding media	31/12/2024	RSA	23.00	1 128
Hans Merensky Holdings (Pty) Ltd	Holds investments in timber and agricultural industries	31/12/2024	RSA	29.70	2 367
Hulamin Limited	Asset leasing	30/9/2024	RSA	29.17	1 087
Karoshoek Solar One (RF)	Parabolic through solar energy farm	31/12/2024	RSA	20.00	72
Karsten Group Holdings (Pty) Ltd	Farms table grapes and dates	30/9/2024	RSA	42.30	1 017
Merafe Resources Limited	Operates chrome and alloys plant	30/9/2024	RSA	21.88	1 060
MOZAL S.A.R.L.	Produces primary aluminium metal	31/12/2024	Mozambique	32.49	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	Petrol, lubricating oils and greases from crude oil	31/12/2024	RSA	26.00	94
Scaw South Africa (Pty) Ltd	Steel manufacturer	31/10/2024	RSA	26.00	586
Smart Union Resources South Africa (Pty) Ltd	Mining of various minerals	31/3/2025	RSA	20.00	3 444
Xina Solar one (RF) Pty Ltd	Parabolic through solar energy farm	31/12/2024	RSA	20.00	946
York Timber Holdings Limited	Sawmilling	30/6/2024	RSA	20.07	418
Other associates	Various	Various	Various	Various	696
					25 545

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

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

Figures in Rand million	Industry	Financial year-ends[1]	Country of incorporation	% shareholding	Total exposure (Rand million)
Adelaide Ruiters and Explorations	Exploration of sedimentary phosphates and limestone	28/2/2024	RSA	25.00	2 738
BAIC Automobile SA (Pty) Ltd	Automotive	31/12/2023	RSA	35.00	396
BEECO (Eyesizwe (Pty) Ltd)	Mining	31/12/2023	RSA	23.00	4 514
Cast Products South Africa (Pty) Ltd	Supplier of wheels and locomotive frames	31/3/2024	RSA	85.00	408
Columbus Stainless (Pty) Ltd	Steel manufacturer	31/12/2023	RSA	24.00	1 099
Consolidated Wire Industries (Pty) Ltd	Producer of mild steel wire and wire products	31/3/2024	RSA	50.00	105
Duferco Steel Processing (Pty) Ltd	Processes steel coil	30/9/2023	RSA	50.00	248
Grinding Media (Pty) Ltd[2]	Supplier of high chrome and forged grinding media	31/12/2023	RSA	23.00	1 142
Hans Merensky (Pty) Ltd	Holds investments in timber and agricultural industries	31/12/2023	RSA	30.00	2 394
Hulamin Limited	Asset leasing	31/12/2023	RSA	29.17	1 018
Incwala Resources (Pty) Ltd	Platinum mining	31/12/2023	RSA	23.56	1 888
Kaxu Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31/12/2023	RSA	29.00	107
Karsten Group Holdings (Pty) Ltd	Farms table grapes and dates	30/9/2023	RSA	42.31	959
Merafe Resources Limited	Operates chrome and alloys plant	31/12/2023	RSA	21.88	1 144
MOZAL S.A.R.L	Produces primary aluminium metal	30/6/2023	Mozambique	32.49	3 652
Scaw South Africa (Pty) Ltd	Steel manufacturer	31/10/2023	RSA	26.00	466
Smart Union Resources South Africa (Pty) Ltd	Mining of various minerals	31/3/2023	RSA	20.00	3 635
Umicore Catalyst South Africa (Pty) Ltd	Materials technology and recycling	31/12/2023	RSA	35.00	320
Xina Solar One (RF) (Pty) Ltd	Parabolic through solar energy farm	31/12/2023	RSA	20.00	170
York Timber Holdings Limited	Sawmilling	30/6/2023	RSA	20.07	381
Other associates	Various	Various	Various	Various	1 040
					27 824

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

[2] *Restated, refer to note 36*

8. Investments in associates *continued*

Carrying amount of material associates – 2025

Figures in Rand million	Opening balance	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year	Share of associate companies' OCI for the year	Impairment loss	Reclassified as non-current assets held for sale[2]	FCTR and other movements[1]	Closing balance
Adelaide Ruiters Mining and Exploration (Pty) Ltd	2 738	–	(4)	–	–	–	–	2 735
BAIC Automobile SA (Pty) Ltd	396	–	(130)	–	–	–	–	266
BEECO (Eyesizwe RF (Pty) Ltd)	4 514	(578)	(316)	–	–	–	–	3 620
Cast Products South Africa (Pty) Ltd	408	–	(254)	–	–	–	–	154
Columbus Stainless (Pty) Ltd	1 098	–	258	–	–	–	–	1 357
Consolidated Wire Industries (Pty) Ltd	105	–	–	–	–	–	–	105
Dimako Holdings (Pty) Ltd	83	(3)	20	–	–	–	–	100
Duferco Steel Processing (Pty) Ltd	248	–	(330)	–	–	–	931	849
Grinding Media (Pty) Ltd	1 142	(11)	(3)	–	–		–	1 128
Hans Merensky Holdings (Pty) Ltd	2 367	(54)	(41)	–	–	–	95	2 367
Hulamin Limited	1 017	–	74	(5)	–		–	1 087
Incwala Resources (Pty) Ltd	1 888	–	(4)	–	–	(1 884)	–	–
Karoshoek Solar One (RF) (Pty) Ltd	69	–	2	–	–	–	–	72
Karsten Group Holdings (Pty) Ltd	959	–	57	–	–	–	–	1 017
Merafe Resources Limited	1 144	(230)	146	–	–	–	–	1 060
MOZAL S.A.R.L.	3 652	–	12	–	–	–	(218)	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	100		(6)	–	–	–	–	94
Scaw South Africa (Pty) Ltd	466	–	120	–	–	–	–	586
Smart Union Resources South Africa (Pty) Ltd	3 635	(5)	(199)	13	–	–	–	3 444
Umicore Catalyst South Africa (Pty) Ltd	320	(26)	(2)	–	–	(292)	–	–
Xina Solar one (RF) (Pty) Ltd	170	–	776	–	–	–	–	946
York Timber Holdings Limited	381	–	37	–	–	–	–	418
Total material associates[2]	**26 901**	**(907)**	**214**	**8**	**–**	**(2 176)**	**808**	**24 848**
Total – Other associates	**923**	**–**	**(209)**	**–**	**–**	**–**	**(17)**	**697**
Total	**27 824**	**(907)**	**6**	**8**	**–**	**(2 176)**	**791**	**25 545**

[1] *Refer to note 8.2*

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

Summarised financial information of material associates – 2024

Figures in Rand million	Opening balance	Dividends received from equity-accounted associate company	Share of associate companies' profit after taxation for the year	Share of associate companies' OCI for the year	Impairment loss	FCTR and other movements[1]	Closing balance
Adelaide Ruiters and Explorations (Pty) Ltd	3 801	–	(3)	(1 059)	–	(1)	2 738
BAIC Automobile SA (Pty) Ltd	102	–	(90)	–	–	384	396
BEECO (Eyesizwe RF (Pty) Ltd)	4 760	(559)	313	–	–	–	4 514
Cast Products South Africa (Pty) Ltd	(327)	–	(351)	–	–	1 086	408
Columbus Stainless (Pty) Ltd	1 276	–	(178)	(172)	–	172	1 098
Consolidated Wire Industries (Pty) Ltd	107	–	(5)	3	–	–	105
Duferco Steel Processing (Pty) Ltd	333	–	(17)	–	–	(68)	248
Grinding Media (Pty) Ltd[1]	–	(15)	30	–	–	1 127	1 143
Hans Merensky Holdings (Pty) Ltd	2 854	(69)	(385)	(38)	–	5	2 367
Hulamin Limited	928	–	79	6	–	4	1 017
Incwala Resources (Pty) Ltd	2 131	–	–	–	–	(243)	1 888
Ka Xu Solar (RF) (Pty) Ltd	147	(13)	(27)	–	–	–	107
Karsten Group Holdings (Pty) Ltd	914	–	39	–	–	6	959
Merafe Resources Ltd	940	(180)	384	–	–	–	1 143
MOZAL S.A.R.L.	5 102	(894)	(899)	–	–	343	3 652
Scaw Metals (Pty) Ltd	347	–	120	7	–	(8)	466
Smart Union Res	3 154	(104)	503	–	–	82	3 635
Umicore Catalyst South Africa (Pty) Ltd	317	(53)	53	–	–	3	321
Xina Solar one (RF) Pty Ltd	199	–	(31)	2	–	–	170
York Timber Holdings Limited	458	–	(49)	3	–	(31)	381
Total material associates[2]	**27 543**	**(1 887)**	**(513)**	**(1 248)**	**–**	**2 861**	**26 756**
Total – Other associates	**1 397**	**(22)**	**(377)**	**28**	**–**	**42**	**1 068**
Total	**28 940**	**(1 909)**	**(890)**	**(1 220)**	**–**	**2 903**	**27 824**

[1] *Restated, refer to note 36*

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

8. Investments in associates *continued*

Summarised financial information of immaterial investment in associate – 2025

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

Aggregate amount of individually immaterial share in the associates – 2024

Figures in Rand million	Profit or loss from continuing operations	Other comprehensive income	Total comprehensive income
Total immaterial investment in associate	**(379)**	**28**	**(351)**

Carrying amount of individually immaterial investment in associate

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

Summarised financial information of material associates – 2025

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

Reconciliation of summarised information to carrying amount – 2025

Figures in Rand million	Total net assets	IDC% shareholding	IDC share of net assets	Net carrying amount
Adelaide Ruiters Mining and Exploration (Pty) Ltd	10 941	25%	2 735	2 735
BAIC Automobile SA (Pty) Ltd	1 451	35%	508	266
BEECO (Eyesizwe RF (Pty) Ltd)	15 772	23%	3 620	3 620
Cast Products South Africa (Pty) Ltd	(293)	94%	(274)	154
Columbus Stainless (Pty) Ltd	3 896	24%	935	1 357
Consolidated Wire Industries (Pty) Ltd	311	50%	156	105
Dimako Holdings (Pty) Ltd	402	25%	100	100
Duferco Steel Processing (Pty) Ltd	595	50%	298	849
Grinding Media (Pty) Ltd	727	23%	167	1 128
Hans Merensky Holdings (Pty) Ltd	4 955	30%	1 472	2 367
Hulamin Limited	3 788	29%	1 105	1 087
Karoshoek Solar One (RF) (Pty) Ltd	326	20%	65	72
Karsten Group Holdings (Pty) Ltd	2 400	42%	1 015	1 017
Merafe Resources Limited	4 876	22%	1 067	1 060
MOZAL S.A.R.L.	11 675	32%	3 793	3 446
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	1 386	26%	360	94
Scaw South Africa (Pty) Ltd	3 971	26%	1 032	586
Smart Union Resources South Africa (Pty) Ltd	18 965	20%	3 793	3 444
Xina Solar one (RF) Pty Ltd	4 743	20%	949	946
York Timber Holdings Limited	2 893	20%	581	418
Other associates	671	various	245	697
	94 451		**23 722**	**25 545**

Summarised statement of financial position – 2025

Figures in Rand million	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Adelaide Ruiters Mining and Exploration (Pty) Ltd	11 037	2	76	22	10 941
BAIC Automobile SA (Pty) Ltd	2 741	745	243	1 792	1 451
BEECO (Eyesizwe RF (Pty) Ltd)	16 997	47	1 269	3	15 772
Cast Products South Africa (Pty) Ltd	643	286	769	453	(293)
Columbus Stainless (Pty) Ltd	2 968	5 422	190	4 305	3 896
Consolidated Wire Industries (Pty) Ltd	202	297	35	153	311
Dimako Holdings (Pty) Ltd	256	255	57	53	402
Duferco Steel Processing (Pty)Ltd	1 151	1 686	1 454	788	595
Grinding Media (Pty) Ltd	314	983	113	458	727
Hans Merensky Holdings (Pty) Ltd	7 701	9 872	4 376	8 242	4 955
Hulamin Limited	2 035	5 257	229	3 274	3 788
Karoshoek Solar One (RF) (Pty) Ltd	7 709	1 094	8 146	331	326
Karsten Group Holdings (Pty) Ltd	3 296	1 383	1 218	1 061	2 400
Merafe Resources Limited	1 261	4 882	340	926	4 876
MOZAL S.A.R.L.	5 757	10 055	1 778	2 359	11 675
Oiltanking MOGS Saldahna (RF) (Pty) Ltd	3 138	357	2 082	26	1 386
Scaw South Africa (Pty) Ltd	8 421	3 338	3 095	4 693	3 971
Smart Union Resources South Africa (Pty) Ltd	22 535	7 214	7 106	3 678	18 965
Xina Solar one (RF) Pty Ltd	10 773	1 703	1 540	6 193	4 743
York Timber Holdings Limited	3 629	1 022	1 265	493	2 893
Other associates	13 213	3 032	9 906	5 669	671
	125 776	**58 933**	**45 288**	**44 971**	**94 451**

8. Investments in associates *continued*

Summarised financial information of material associates – 2024

Figures in Rand million	Revenue	Profit (loss) from continuing operations	Other comprehensive income	Total comprehensive income	Dividend declared
Adelaide Ruiters And Explorations (Pty) Ltd	–	(10)	(4 234)	(4 245)	–
BAIC Automobile SA (Pty) Ltd	982	(256)	–	(256)	–
BEECO (Eyesizwe (Pty) Ltd)	2 454	1 366	–	1 366	2 437
Cast Products South Africa (Pty) Ltd	482	(413)	–	(413)	–
Columbus Stainless (Pty) Ltd	12 093	(741)	(715)	(1 456)	–
Consolidated Wire Industries (Pty) Ltd	839	(10)	5	(5)	–
Duferco Steel Processing (Pty) Ltd	3 430	(34)	–	(34)	–
Grinding Media (Pty) Ltd	2 516	132	–	132	63
Hans Merensky Holdings (Pty) Ltd	19 612	(1 297)	(129)	(1 426)	231
Hulamin Limited	13 796	272	20	292	–
Incwala Resources (Pty) Ltd	–	–	–	–	–
KaXu Solar (RF) (Pty) Ltd	759	(92)	–	(92)	45
Karsten Group Holdings (Pty) Ltd	3 219	91	–	91	–
Merafe Resources Limited	9 244	1 753	–	1 753	825
MOZAL S.A.R.L.	21 539	(2 767)	–	(2 767)	2 753
Scaw South Africa (Pty) Ltd	7 999	463	26	490	–
Smart Union Resources South Africa (Pty) Ltd	68	2	42	44	522
Umicore Catalyst South Africa (Pty) Ltd	3 473	152	(1)	151	150
Xina Solar one (RF) Pty Ltd	1 440	(154)	9	(145)	–
York Timber Holdings Limited	1 647	(246)	16	(230)	–
Other associates	23 505	301	7	308	110
	129 067	**(1 488)**	**(4 954)**	**(6 443)**	**7 136**

Reconciliation of summarised information to carrying amount – 2024

Figures in Rand million	Total net assets	IDC% shareholding	IDC share of net assets	Net carrying amount
Adelaide Ruiters And Explorations (Pty) Ltd	10 956	25	2 739	2 739
BAIC Automobile SA (Pty) Ltd	1 734	35	607	607
BEECO (Eyesizwe (Pty) Ltd)	19 670	23	4 524	4 524
Cast Products South Africa (Pty) Ltd	(1)	85	–	–
Columbus Stainless (Pty) Ltd	4 577	24	1 099	1 099
Consolidated Wire Industries (Pty) Ltd	312	50	156	156
Duferco Steel Processing (Pty) Ltd	680	50	340	340
Grinding Media (Pty) Ltd[1]	788	23	181	1 142
Hans Merensky Holdings (Pty) Ltd	8 061	30	2 394	2 394
Hulamin Limited	3 539	29	1 032	1 032
Incwala Resources (Pty) Ltd	8 016	24	1 888	1 888
KaXu Solar (RF) (Pty) Ltd	369	29	107	107
Karsten Group Holdings (Pty) Ltd	2 267	42	959	959
Merafe Resources Limited	5 259	22	1 151	1 151
MOZAL S.A.R.L.	14 457	32	4 697	4 697
Scaw South Africa (Pty) Ltd	3 520	26	915	915
Smart Union Resources South Africa (Pty) Ltd	30	20	6	6
Umicore Catalyst South Africa (Pty) Ltd	916	35	321	321
Xina Solar one (RF) Pty Ltd	851	20	170	170
York Timber Holdings Limited	2 710	20	544	544
Other associates	25 081	Various	2 993	3 033
	113 792		**26 823**	**27 824**

[1] *Restated, refer to note 36*

Summarised statement of financial position – 2024

Figures in Rand million	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Adelaide Ruiters And Explorations (Pty) Ltd	11 030	–	71	3	10 956
BAIC Automobile SA (Pty) Ltd	2 867	833	161	1 805	1 734
BEECO (Eyesizwe (Pty) Ltd)	22 005	19	2 351	3	19 670
Cast Products South Africa (Pty) Ltd	707	249	767	190	(1)
Columbus Stainless (Pty) Ltd	2 514	6 574	182	4 329	4 577
Consolidated Wire Industries (Pty) Ltd	203	312	39	163	312
Duferco Steel Processing (Pty) Ltd	1 230	1 760	1 542	769	680
Grinding Media (Pty) Ltd	320	954	185	300	788
Hans Merensky Holdings (Pty) Ltd	7 286	7 968	2 648	4 545	8 061
Hulamin Limited	1 595	4 652	256	2 453	3 539
Incwala Resources (Pty) Ltd	8 012	3	–	–	8 016
KaXu Solar (RF) (Pty) Ltd	4 244	917	4 072	720	369
Karsten Group Holdings (Pty) Ltd	3 238	1 443	1 174	1 239	2 267
Merafe Resources Limited	1 479	5 183	419	984	5 259
MOZAL S.A.R.L.	13 064	7 413	3 504	2 517	14 457
Scaw South Africa (Pty) Ltd	6 447	2 912	3 118	2 721	3 520
Smart Union Resources South Africa (Pty) Ltd	99	35	88	16	30
Umicore Catalyst South Africa (Pty) Ltd	92	1 367	35	508	916
Xina Solar one (RF) Pty Ltd	6 458	1 195	6 317	485	851
York Timber Holdings Limited	3 223	1 050	957	607	2 710
Other associates	62 325	13 060	31 715	18 588	25 082
	158 439	**57 898**	**59 599**	**42 945**	**113 793**

8.2 Non-current assets held for sale

Incwala Resources (Pty) Ltd

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

Umicore Catalyst South Africa (Pty) Ltd

The IDC (with a 35% shareholding) co-owns Umicore Catalyst South Africa with Umicore Group (through its subsidiary Umicore Finance Luxembourg). Umicore Groups' business is centred around clean technologies, such as emission control catalysts (for passenger and commercial vehicles), materials for rechargeable batteries amongst other things. The South African operation is involved in manufacturing of automotive emission control catalytic convertor used to reduce harmful gases on Internal Combustion Engines for both petrol-powered and diesel-powered vehicles. During the 2025 financial year, the IDC executive committee resolved to dispose its entire shareholding in Umicore. As at year end Umicore Catalyst South Africa is classified as a non-current asset held for sale.

	2025	
Figures in Rand million	**Group**	**Company**
Incwala Resources (Pty) Ltd	1 884	569
Umicore Catalyst South Africa (Pty) Ltd	292	155
	2 176	**724**

8. Investments in associates *continued*

8.2 Non-current assets held for sale *continued*

Summarised financial information – 2025

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

Figures in Rand million	Revenue	Profit (loss) from continuing operations	Total comprehensive income	Dividend declared
Incwala Resources (Pty) Ltd[1]	–	–	–	–
Umicore Catalyst South Africa (Pty) Ltd	1 509	(5)	(5)	75
	1 509	**(5)**	**(5)**	**75**

Figures in Rand million	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Incwala Resources (Pty) Ltd	7 993	7	–	4	7 996
Umicore Catalyst South Africa (Pty) Ltd	153	905	40	184	834
	8 146	**912**	**40**	**188**	**8 830**

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

9. Derivative financial instruments

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Derivative assets				
Foreign exchange contract assets	1	3	–	–
Derivative liabilities				
Share buy-back option	(6)	(6)	–	–
Foreign exchange contract liabilities	(1)	–	–	–

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

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

	Group 2025	Group 2024
Strike price	227 183	205 291
Spot price	155 351	155 351
Discount rate	12.21%	13.10%
Annualised expected volatility	8.19%	8.89%

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

10. Loans and advances

Reconciliation of the gross carrying amount to the amortised cost

Group – 2025

Figures in Rand million	Subject to 12 month ECL IRG1–IRG24			Subject to lifetime month ECL (not credit impaired) IRG1–IRG24			Subject to lifetime month ECL (credit impaired) IRG1–IRG24			
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
Opening balance	**24 629**	**(830)**	**23 799**	**5 729**	**(2 214)**	**3 515**	**30 749**	**(19 041)**	**11 708**	**39 022**
Stage 1	24 629	(830)	23 799	–	–	–	–	–	–	23 799
Stage 2	–	–	–	5 729	(2 214)	3 515	–	–	–	3 515
Stage 3	–	–	–	–	–	–	30 749	(19 041)	11 708	11 708
Purchased during the year[1]	5 412	(255)	5 157	5 884	(2 641)	3 243	3 017	(1 591)	1 426	9 826
Transfers[2]	(371)	(1 035)	(1 406)	885	201	1 086	(514)	834	320	–
Transfers to 12 months ECL	2 385	(1 165)	1 220	(1 189)	534	(655)	(1 196)	631	(565)	–
Transfers to lifetime ECL (not credit impaired)	(1 826)	86	(1 740)	3 550	(995)	2 555	(1 724)	909	(815)	–
Transfers to lifetime ECL (credit impaired)	(930)	44	(886)	(1 476)	662	(814)	2 406	(706)	1 700	–
Other movements	(3 322)	863	(2 459)	(5 472)	1 588	(3 884)	(6 268)	4 625	(1 643)	(7 986)
Write offs	–	–	–	–	–	–	(3 945)	3 217	(728)	(728)
Settlements for the year	(5 409)	255	(5 154)	(6 359)	2 855	(3 504)	(1 760)	928	(832)	(9 490)
Modifications that did not give rise to derecognition	15	–	15	33	–	33	157	–	157	205
Interest in suspense	–	–	–	–	–	–	(1 289)	1 088	(201)	(201)
Exchange rate differences	75	–	75	51	–	51	70	–	70	196
Other movements	1 997	608	2 605	803	(1 267)	(464)	499	(608)	(109)	2 032
Closing balance	**26 348**	**(1 257)**	**25 091**	**7 026**	**(3 066)**	**3 960**	**26 984**	**(15 173)**	**11 811**	**40 862**
Stage 1	26 348	(1 257)	25 091	–	–	–	–	–	–	25 091
Stage 2	–	–	–	7 026	(3 066)	3 960	–	–	–	3 960
Stage 3	–	–	–	–	–	–	26 984	(15 173)	11 811	11 811
Loans and advances – amortised cost	26 348	(1 257)	25 901	7 026	(3 066)	3 960	26 984	(15 173)	11 811	40 862
Loans and advances – FVTPL	–	–	–	–	–	–	–	–	–	2 684
Total loans and advances	**26 348**	**(1 257)**	**25 091**	**7 026**	**(3 066)**	**3 960**	**26 984**	**(15 173)**	**11 811**	**43 546**

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

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

	Group – 2024									
	Subject to 12 month ECL IRG1–IRG24			Subject to lifetime month ECL (not credit impaired) IRG1–IRG24			Subject to lifetime month ECL (credit impaired) IRG1–IRG24			
Figures in Rand million	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Total**
Opening balance	**23 615**	**(1 223)**	**22 392**	**12 739**	**(5 476)**	**7 263**	**26 251**	**(17 170)**	**9 081**	**38 736**
Stage 1	23 615	(1 223)	22 392	–	–	–	–	–	–	22 392
Stage 2	–	–	–	12 739	(5 476)	7 263	–	–	–	7 263
Stage 3	–	–	–	–	–	–	26 251	(17 170)	9 081	9 081
Purchased during the year	13 870	(3 070)	10 800	–	–	–	–	–	–	10 800
Transfers[2]	(9 306)	2 095	(7 211)	1 377	119	1 496	7 928	(2 214)	5 714	–
Transfers to 12 months ECL	2 963	(1 046)	1 917	(2 694)	879	(1 815)	(269)	167	(102)	–
Transfers to lifetime ECL (not credit impaired)	(8 923)	2 365	(6 558)	9 102	(2 472)	6 630	(179)	107	(72)	–
Transfers to lifetime ECL (credit impaired)	(3 345)	776	(2 569)	(5 030)	1 712	(3 318)	8 376	(2 488)	5 888	–
Other movements	**(3 551)**	**1 368**	**(2 183)**	**(8 387)**	**3 143**	**(5 244)**	**(3 430)**	**343**	**(3 087)**	**(10 514)**
Write offs	–	–	–	–	–	–	(4 478)	2 715	(1 763)	(1 763)
Settlements for the year	(5 721)	203	(5 518)	(6 091)	2 006	(4 085)	(1 665)	995	(670)	(10 273)
Modifications that did not give rise to derecognition	(3)	18	15	(6)	139	133	(172)	72	(100)	48
Interest in suspense[1]	–	–	–	–	–	–	(1 550)	1 205	(345)	(345)
Exchange rate differences	157	–	157	68	–	68	263	–	263	488
Other movements[1]	2 017	1 148	3 165	(2 359)	998	(1 361)	4 172	(4 644)	(472)	1 331
Closing balance	**24 629**	**(830)**	**23 799**	**5 729**	**(2 214)**	**3 515**	**30 749**	**(19 041)**	**11 708**	**39 022**
Stage 1	24 629	(830)	23 799	–	–	–	–	–	–	23 799
Stage 2	–	–	–	5 729	(2 214)	3 515	–	–	–	3 515
Stage 3[1]	–	–	–	–	–	–	30 749	(19 041)	11 708	11 708
Loans and advances – amortised cost[1]	24 629	(830)	23 799	5 729	(2 214)	3 515	30 749	(19 041)	11 708	39 022
Loans and advances – FVTPL[1]										2 307
Total loans and advances	**24 629**	**(830)**	**23 799**	**5 729**	**(2 214)**	**3 515**	**30 749**	**(19 041)**	**11 708**	**41 329**

[1] *Restated, refer to note 36*

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

10. Loans and advances *continued*

Reconciliation of Company loss allowance

	Company – 2025									
	Subject to 12 month ECL IRG1–IRG24			Subject to lifetime month ECL (not credit impaired) IRG1–IRG24			Subject to lifetime month ECL (credit impaired) IRG1–IRG24			
Figures in Rand million	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Total**
Opening balance	**29 137**	**(973)**	**28 164**	**6 701**	**(2 186)**	**4 515**	**28 635**	**(17 037)**	**11 598**	**44 277**
Stage 1	29 137	(973)	28 164	–	–	–	–	–	–	28 164
Stage 2	–	–	–	6 701	(2 186)	4 515	–	–	–	4 515
Stage 3	–	–	–	–	–	–	28 635	(17 037)	11 598	11 598
Purchased during the year[1]	6 217	(292)	5 925	6 066	(2 723)	3 343	3 109	(1 639)	1 470	10 738
Transfers[2]	(175)	(1 123)	(1 298)	803	217	1 020	(629)	907	278	–
Transfers to 12 months ECL	2 581	(1 253)	1 328	(1 385)	622	(763)	(1 196)	631	(565)	–
Transfers to lifetime ECL (not credit impaired)	(1 826)	86	(1 740)	3 825	(1 140)	2 685	(2 000)	1 055	(945)	–
Transfers to lifetime ECL (credit impaired)	(930)	44	(886)	(1 637)	735	(902)	2 567	(779)	1 788	–
Other movements	**(4 436)**	**862**	**(3 574)**	**(5 884)**	**1 445**	**(4 439)**	**(3 417)**	**2 258**	**(1 159)**	**(9 172)**
Write offs	–	–	–	–	–	–	(3 725)	3 217	(508)	(508)
Settlements for the year	(6 059)	285	(5 774)	(6 366)	2 858	(3 508)	(1 768)	932	(836)	(10 118)
Modifications that did not give rise to derecognition	15	–	15	33	–	33	157	–	157	205
Interest in suspense			–			–	(1 289)	1 088	(201)	(201)
Foreign exchange difference	92	–	92	51	–	51	70	–	70	213
Other movements	1 516	577	2 093	398	(1 413)	(1 015)	3 138	(2 979)	159	1 237
Closing balance	**30 743**	**(1 526)**	**29 217**	**7 686**	**(3 247)**	**4 439**	**27 698**	**(15 511)**	**12 187**	**45 843**
Stage 1	30 743	(1 526)	29 217	–	–	–	–	–	–	29 217
Stage 2	–	–	–	7 686	(3 247)	4 439	–	–	–	4 439
Stage 3	–	–	–	–	–	–	27 698	(15 511)	12 187	12 187
Loans and advances – amortised cost	30 743	(1 526)	29 217	7 686	(3 247)	4 439	27 698	(15 511)	12 187	45 843
Loans and advances – FVTPL	–	–	–	–	–	–	–	–	–	2 695
Total loans and advances	**30 743**	**(1 526)**	**29 217**	**7 686**	**(3 247)**	**4 439**	**27 698**	**(15 511)**	**12 187**	**48 538**

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

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

Figures in Rand million	Company – 2024									
	Subject to 12 month ECL IRG1–IRG24			Subject to lifetime month ECL (not credit impaired) IRG1–IRG24			Subject to lifetime month ECL (credit impaired) IRG1–IRG24			
	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Gross carrying amount	ECL allowance	Amortised cost	Total
Opening balance	**23 600**	**(1 187)**	**22 413**	**17 800**	**(6 029)**	**11 771**	**25 698**	**(16 603)**	**9 095**	**43 279**
Stage 1	23 600	(1 187)	22 413	–	–	–	–	–	–	22 413
Stage 2	–	–	–	17 800	(6 029)	11 771	–	–	–	11 771
Stage 3	–	–	–	–	–	–	25 698	(16 603)	9 095	9 095
Purchased during the year	15 472	(3 095)	12 377	–	–	–	–	–	–	12 377
Transfers[2]	(4 059)	477	(3 582)	(3 066)	1 480	(1 587)	7 125	(1 957)	5 169	–
Transfers to 12 months ECL	7 418	(2 485)	4 933	(7 186)	2 346	(4 840)	(232)	138	(94)	–
Transfers to lifetime ECL (not credit impaired)	(8 541)	2 265	(6 276)	8 709	(2 365)	6 344	(167)	100	(67)	–
Transfers to lifetime ECL (credit impaired)	(2 936)	697	(2 239)	(4 589)	1 498	(3 091)	7 525	(2 195)	5 330	–
Other movements	**(5 876)**	**2 832**	**(3 043)**	**(8 032)**	**2 362**	**(5 671)**	**(4 188)**	**1 523**	**(2 665)**	**(11 379)**
Write offs	–	–	–	–	–	–	(4 477)	2 715	(1 762)	(1 762)
Settlements for the year	(8 075)	270	(7 805)	(6 083)	1 986	(4 097)	(1 653)	985	(668)	(12 570)
Modifications that did not give rise to derecognition	(3)	18	15	(6)	139	133	(172)	72	(100)	48
Interest in suspense[1]	–	–	–	–	–	–	(1 550)	1 205	(345)	(345)
Foreign exchange difference	157	–	157	68	–	68	263	–	263	488
Other movements[1]	2 046	2 545	4 591	(2 012)	237	(1 775)	3 401	(3 454)	(53)	2 762
Closing balance	**29 137**	**(973)**	**28 164**	**6 701**	**(2 186)**	**4 515**	**28 635**	**(17 037)**	**11 598**	**44 277**
Stage 1	29 137	(973)	28 164	–	–	–	–	–	–	28 164
Stage 2	–	–	–	6 701	(2 186)	4 515	–	–	–	4 515
Stage 3[1]	–	–	–	–	–	–	28 635	(17 037)	11 598	11 598
Loans and advances – amortised cost[1]	29 137	(973)	28 164	6 701	(2 188)	4 515	28 635	(17 037)	11 598	44 277
Loans and advances – FVTPL[1]	–	–	–	–	–	–	–	–	–	2 319
Total loans and advances	**29 137**	**(973)**	**28 164**	**6 701**	**(2 186)**	**4 515**	**28 635**	**(17 037)**	**11 598**	**46 596**

[1] *Restated, refer to note 36*

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

10. Loans and advances *continued*

	Group			
	Loans and advances		Trade and other receivables	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year[1]	**22 085**	**23 870**	**369**	**289**
Stage 1 ECL allowance	830	1 223	–	–
Stage 2 ECL allowance	2 214	5 476	369	289
Stage 3 ECL allowance[1]	19 041	17 170	–	–
Profit or loss charge	**(2 589)**	**(1 785)**	**134**	**80**
Stage 1 ECL allowance	427	(394)	–	–
Stage 2 ECL allowance	852	(3 262)	134	80
Stage 3 ECL allowance[1]	(3 868)	1 871	–	–
Balance at the end of the year	**19 496**	**22 085**	**503**	**369**
Stage 1 ECL allowance	1 257	830	–	–
Stage 2 ECL allowance	3 066	2 214	503	369
Stage 3 ECL allowance[1]	15 172	19 041	–	–

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

	Company			
	Loans and advances		Trade and other receivables	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year[1]	**20 198**	**23 820**	**41**	**39**
Stage 1 ECL allowance	973	1 187	–	–
Stage 2 ECL allowance	2 188	6 030	41	39
Stage 3 ECL allowance[1]	17 037	16 603	–	–
Profit or loss charge	**87**	**(3 622)**	**19**	**2**
Stage 1 ECL allowance	553	(214)	–	–
Stage 2 ECL allowance	1 059	(3 842)	19	2
Stage 3 ECL allowance[1]	(1 526)	434	–	–
Balance at the end of the year	**20 285**	**20 198**	**60**	**41**
Stage 1 ECL allowance	1 526	973	–	–
Stage 2 ECL allowance	3 247	2 188	60	41
Stage 3 ECL allowance[1]	15 511	17 037	–	–

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

Modified financial assets

The IDC sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Restructuring is based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. The IDC monitors the subsequent performance of modified assets and may determine that the credit risk has significantly improved where assets have performed for three consecutive months or more. During the year, the Company accounted for loans and advances that were modified without resulting in derecognition. A net modification gain of R205 million was processed (2024: R80 million). The nature and effect of modifications is detailed below:

Figures in Rand million	Group 2025 Gross carrying amount	Group 2025 Net modification gain or loss	Group 2024 Gross carrying amount	Group 2024 Net modification gain or loss
Modification since initial recognition of the financial asset for which the loss allowance has changed during the year to reflect 12-month ECL	2 113	15	–	–

Figures in Rand million	Company 2025 Gross carrying amount	Company 2025 Net modification gain or loss	Company 2024 Gross carrying amount	Company 2024 Net modification gain or loss
Modification since initial recognition of the financial asset for which the loss allowance has changed during the year to reflect 12-month ECL	2 113	15	–	–

Figures in Rand million	Group 2025 Amortised cost before modification	Group 2025 Net modification gain or loss	Group 2024 Amortised cost before modification	Group 2024 Net modification gain or loss
Modification during the year for which the loss allowance reflects lifetime ECL	560	109	969	68

Figures in Rand million	Company 2025 Amortised cost before modification	Company 2025 Net modification gain or loss	Company 2024 Amortised cost before modification	Company 2024 Net modification gain or loss
Modification during the year for which the loss allowance reflects lifetime ECL	560	109	969	68

Write offs

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

The table below illustrates gross write offs and recoveries:

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Write offs	(4 116)	(4 477)	(7 344)	(4 477)
Recoveries	78	161	78	161
Total (Subject to enforcement activity)	**(4 038)**	**(4 316)**	**(7 266)**	**(4 316)**

11. Investment securities

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Listed equities	28 236	44 292	27 577	36 494
Unlisted equities	5 787	6 105	4 530	5 487
Preference shares[1]	–	73	–	11
Investment securities at fair value	**34 023**	**50 470**	**32 107**	**41 992**

[1] *Restated, refer to note 36*

12. Inventories

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Raw materials, components	335	357	–	–
Work in progress	–	23	–	–
Finished goods	1 038	900	–	–
Write-downs to net realisable value	9	(101)	–	–
Consumable stores	715	895	2	2
Phosphate rock	332	175	–	–
	2 429	**2 249**	**2**	**2**

13. Trade and other receivables

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Financial instruments				
Trade receivables	1 797	2 203	194	703
Other receivables[1]	1 381	1 071	334	152
Expected credit losses	(503)	(369)	(60)	(41)
Trade receivables at amortised cost	**2 675**	**2 905**	**468**	**814**
Non-financial instruments				
Prepayments	90	84	26	27
Total trade and other receivables	**2 765**	**2 989**	**494**	**841**

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

Trade and other receivables pledged as security

Prilla, a subsidiary, entered into an invoice discounting agreement with Nedbank Limited whereby it has discounted all of its receivables and has given first cession of all receivables as security for a R130 million (2024: R130 million) finance facility advanced to it. Another subsidiary, Foskor, also has a trade receivable factoring arrangement in place whereby Foskor has transferred the relevant receivables to Absa Bank in exchange for cash 80% received upfront and a deferral of the remaining 20%. Foskor is prevented from ceding or pledging these receivables. Foskor, however, retains late payment and credit risk.

Fair value of trade and other receivables

Fair value of trade and other receivables approximates their carrying amount.

Credit risk analysis of trade and other receivables

Trade receivables inherently expose the Group to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due. Credit terms vary across the entities' range of customers. The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables at each reporting date. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments and failure to engage with any of the Group companies on alternative payment arrangement amongst other, is considered indicators of no reasonable expectation of recovery. On the above basis the expected credit loss for Group trade receivables as at 31 March 2025 and 31 March 2024 were R503 million and R369 million respectively. The table below provides information about the credit quality of trade and other receivables at Company level, where the expected credit loss is measured at an amount equal to the lifetime expected credit losses.

	Group					
	2025			2024		
Figures in Rand million	**Gross carrying amount**	**Expected credit loss**	**Amortised cost**	**Gross carrying amount**	**Expected credit loss**	**Amortised cost**
Total	**3 178**	**(503)**	**2 675**	**3 274**	**(369)**	**2 905**

	Company					
	2025			2024		
Figures in Rand million	**Gross carrying amount**	**ECL allowance**	**Amortised cost**	**Gross carrying amount**	**ECL allowance**	**Amortised cost**
0–60 days past/due	455	–	455	776	–	776
60–180 days past/due	3	–	3	28	(6)	22
180+ days past/due	70	(60)	10	51	(35)	16
Total	**528**	**(60)**	**468**	**855**	**(41)**	**814**

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

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Cash and balances with bank	5 413	9 737	5 234	5 205
Negotiable securities	2 238	2 822	2 238	2 822
Expected credit losses[2]	(2)	(11)	(2)	(11)
Gross cash	**7 649**	**12 548**	**7 470**	**8 016**
Bank overdraft[1]	(169)	(202)	–	–
	7 480	**12 345**	**7 470**	**8 016**
Less: restricted cash	–	–	–	(1 653)
Own cash	7 480	12 345	7 470	6 363
	7 480	**12 345**	**7 470**	**8 016**

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

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

sefa

Cash and cash equivalents in **2023/24** includes allocations received from the Department of Small Business Development to the value of R2.55 billion which is ringfenced under various lending programmes and cannot be used for sefa group operational expenditure. The interest earned on these funds and collections from lending operations are however available for unrestricted use by sefa. Refer note 7.

14.1 Short-dated Investments

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Treasury bills	559	1 100	559	1 100
	559	**1 100**	**559**	**1 100**

Reconciliation of short-dated investments:

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Opening balance	1 100	250	1 100	250
Additions	2 163	2 323	2 163	2 323
Maturity	(2 705)	(1 473)	(2 705)	(1 473)
Closing balance	**559**	**1 100**	**559**	**1 100**

15. Nature and purpose of reserves

Foreign currency translation reserve

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

Equity revaluation reserve

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

Property revaluation reserve

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

Associated entities reserve

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

Share-based payment reserve

The share-based payment reserve relates to the equity-settled portion share-based portion of the Foskor BEE transaction, entered into on 7 July 2009. Please refer to note 26 for further detail.

Retirement obligations

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

16. Share capital

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Issued				
Ordinary type A	1	1	1	1
Ordinary type B	1 392	1 392	1 392	1 392
	1 393	**1 393**	**1 393**	**1 393**

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

17. Borrowings

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Foreign loans	4 728	3 957	4 728	3 821
Domestic loans	26 224	24 552	41 354	40 215
Third party cash balances	114	4	650	1 653
	31 066	**28 513**	**46 733**	**45 689**
Foreign loans				
US dollar	4 460	3 658	4 460	3 522
Euro	268	298	268	298
	4 728	**3 957**	**4 728**	**3 821**
Maturity of foreign loans				
Due within one year	1 141	1 397	1 141	1 397
Due after one year but less than two years	1 063	761	1 063	626
Due after two years but less than three years	994	613	994	613
Due after three years but less than four years	962	565	962	565
Due after four years but less than five years	870	556	870	556
Due after five years	655	1 013	655	1 013
	5 685	**4 905**	**5 685**	**4 769**

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Maturity of domestic loans and third-party cash balances				
Repayable on demand	533	33	16 427	17 430
Due within one year	7 446	7 485	7 244	7 508
Due after one year but less than two years	8 856	6 229	8 866	6 122
Due after two years but less than three years	4 423	10 487	4 423	10 487
Due after three years but less than four years	3 740	1 272	3 740	1 272
Due after four years but less than five years	2 271	3 062	2 271	3 062
Due after five years	6 340	1 999	6 305	1 999
Total	**33 610**	**30 657**	**49 277**	**47 880**

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Unsecured loans				
Rand-denominated loans	8 936	8 982	8 294	7 758
Public Investment Corporation Green Bond	5 174	5 005	5 174	5 175
Public Bond	7 934	6 024	7 934	6 256
Private Bond	151	200	151	200
Unemployment Insurance Fund Bond	4 028	4 341	4 028	5 053
Third party cash balances	114	4	650	1 653
Loans from subsidiaries with no fixed terms of repayment: interest free	–	–	15 773	15 773
Total	**26 338**	**24 556**	**42 005**	**41 868**

Summary of interest rates on interest-bearing borrowings issued

	Company	
	Average interest rate (%)	Range of interest rate (%)
Foreign loans	4.2	0.75–8.474
Rand-denominated loans	10.01	8.05–11.55
Public Investment Corporation Green Bond	8.8	8.8
Public Bond	10.71	0–11.57
Private Bond	9.25	9.25
Unemployment Insurance Fund Bond	5.21	2.7–8.8
Loans with no fixed terms of repayment	6.85	5–8.5

Carrying amount reconciliation

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Balance at the beginning of the year	**28 513**	**30 720**	**45 689**	**47 055**
Changes arising from cash movements:	2 758	(3 002)	2 177	(2 782)
Issuing of long-term debt instruments	14 130	10 542	8 252	3 793
Redemption of long-term debt instruments	(11 372)	(13 544)	(6 076)	(6 575)
Changes arising from non-cash movements:	1 129	1 274	485	1 055
Accrued interest	1 129	740	485	521
Unwinding of premium/discounts (fair value movements)	–	534	–	534
Other	(1 334)	(479)	(1 618)	362
Balance at the end of the year	**31 066**	**28 513**	**46 733**	**45 689**

At 31 March 2025, management believes the amortised cost of borrowings represents the fair value since borrowings are repayable on demand and therefore have no implications relating to the time-value of money. The remainder that is not repayable on demand is raised in open capital markets and the Group lends on arms-length terms with commercial lenders.

18. Revenue

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Revenue				
Sale of goods	943	1 171	–	–
Dividend income	3 095	4 266	4 002	5 838
Leasing income	315	(30)	–	–
Mining income: phosphate rock and magnetite	3 668	2 929	–	–
Fertiliser and acid sales	5 891	7 050	–	–
Fee income	302	458	301	390
Other	1	749	–	1
	14 215	**16 593**	**4 303**	**6 229**

Geographical segments

	Group	
Figures in Rand million	**2025**	**2024**
South Africa	8 517	14 558
Rest of Africa	5 445	983
Rest of the world	253	1 052
	14 215	**16 593**

	Group	
Figures in Rand million	**2025**	**2024**
Revenue disaggregation by major good/service		
Revenue from contracts with customers:		
Fee income	559	458
Mining Division – phosphate rock	3 503	2 768
Mining Division – magnetite	166	162
Acid Division – granular fertiliser	2 625	3 388
Acid Division – phosphate acid	3 213	3 607
Acid Division – sulphuric acid	45	48
Acid Division – sulphur, ammonia and gypsum	7	6
Other revenue	1 002	1 890
Revenue other than from contracts with customers:		
Dividends received	3 095	4 266
	14 215	**16 593**

	Group	
Figures in Rand million	**2025**	**2024**
Timing of recognition		
Revenue from contracts with customers:		
Satisfied at a point in time	9 944	7 526
Satisfied over time	1 176	4 802
Revenue other than from contracts with customers:		
Dividends	3 095	4 266
	14 215	**16 593**

19. Interest income

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Interest received on cash and cash equivalents	1 162	990	1 137	636
Interest received on loans and advances[1]	6 148	5 680	6 234	6 264
Interest received on other	141	185	59	107
	7 451	**6 855**	**7 430**	**7 007**

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

20. Finance costs

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Net foreign exchange (gains) losses on foreign[1]	–	121	–	54
Trade and other payables	–	(19)	–	–
Current borrowings	(3 688)	(2 650)	(2 930)	(2 566)
Leases finance charge	(3)	20	(25)	–
Other interest paid[2]	(404)	(613)	(405)	(542)
	(4 095)	**(3 141)**	**(3 359)**	**(3 054)**

[1] *In the period under review, management reclassified foreign exchange gains and losses from finance costs to operating expenses on the face of the statement of comprehensive income.*

[2] *Other interest paid includes financial instruments at fair value of R272 million.*

21. Cash used in operations

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Profit (loss) before taxation[1]	538	6 313	2 226	7 144
Adjustments for:				
Depreciation of property, plant and equipment	619	545	20	16
Depreciation right of use	43	33	50	50
Impairment of property, plant and equipment	–	–	–	–
Fair value adjustment on investment property	185	(8)	1	(4)
Income from associates	(6)	(2 553)	–	–
Dividend income	(3 095)	(4 266)	(4 002)	(5 838)
Interest income[1]	(7 451)	(6 855)	(7 430)	(7 007)
Finance costs	4 095	3 141	3 359	3 054
Expected credit gains/(losses) on financial assets[1]	3 171	1 008	3 303	(1 475)
Losses on FVTPL financial assets movements	(184)	102	(734)	236
Financial assets written off	728	1 433	508	1 433
Amortisation of intangible assets	18	15	12	12
Movements in retirement benefit assets and liabilities	51	22	30	22
Income statement effect of provisions	219	57	323	17
Other non-cash items	(113)	(548)	441	434
Deemed distribution due to sefa				
Grants funding	36	178	36	178
Receiver of revenue penalty	–	–	–	–
Grant income received	–	265	–	(1)
Loss/profit on sale of PPE	1	6	1	4
Changes in working capital:				
Inventories	(180)	908	–	–
Trade and other receivables	224	(108)	348	(327)
Trade and other payables	(791)	(293)	(224)	(263)
Operating financial assets[2]	(4 229)	(2)	(4 622)	584
Operating financial liabilities[3]	2 293	(3 002)	2 176	(2 782)
	(3 828)	**(3 609)**	**(4 178)**	**(4 513)**

[1] *Restated, refer to note 36*

[2] *Operating financial assets comprise of loans and advances*

[3] *Operating financial liabilities comprise of borrowings*

22. Financial guarantees

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Guarantees issued in favour of third parties in respect of finance provided to industrialists	987	1 058	1 162	1 273
Sundry guarantees issued by subsidiaries	576	576	–	–
Guarantees	**1 563**	**1 634**	**1 162**	**1 273**
Financial guarantees				
Expected credit losses	249	216	341	299
Maturity analysis of financial guarantees				
– due within one year	817	916	927	1 043
– due after one year but within three years	115	119	180	207
– due after three years	630	599	54	23
	1 563	**1 634**	**1 162**	**1 273**

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

Foskor (Pty) Limited

The Group had mine rehabilitation guarantees amounting to R499 million at year end. In line with the requirements set out by the Department of Mineral and Petroleum Resources (DMPR), this guaranteed amount was in place on 31 March 2025. These guarantees and the agreement reached with the DMPR were based on the environmental rehabilitation and closure costs assessment that was performed during the 2025 financial year. Estimated scheduled closure costs for the mine are R685 million. For unscheduled or premature closure, the DMPR, in accordance with the Minerals and Petroleum Resources Development Act, requires Foskor (Pty) Ltd to provide for the liability of R955 million in the form of guarantees and cash. The premature closure cost of R955 million is covered by guarantees totaling R499 million and investment assets totaling R500 million. The Group has, therefore, over provided for early closure costs by R44 million.

23. Directors' emoluments and executive remuneration

23.1 Non executive:

Fees for services as directors:

Figures in Rand thousand	2025	2024
Director		
BA Mabuza	1 577	2 081
NP Mnxasana	1 031	1 301
Dr SM Magwentshu-Rensburg	927	1 282
Adv NDB Orleyn	673	872
RM Godsell	660	858
MP Mthethwa	981	809
BA Dames	449	808
AT Kriel	556	688
LI Bethlehem[1]	–	89
	6 854	**8 788**

[1] *Ms L Bethlehem was on a sabbatical and she subsequently retired from the board of the IDC as announced at the AGM held on 20 July 2024.*

23.2 Executive

During 2025 and 2024, no long-term benefits, termination benefits, nor share-based payments were made to the executive management team.

2025

Figures in Rand thousand	Salary	Post – employment benefits	Retention payments	Other[1]	Retirement and medical aid	Total
EM Lekhethe – start date 1/2/2025	861	–	–	–	133	994
IN Malevu	4 358	–	600	153	659	5 770
JK Bate	3 355	–	–	96	616	4 067
MJ Tsele	3 797	–	1 050	71	591	5 509
DA Jarvis	3 372	–	960	665	647	5 644
I Sayed	1 872	–	–	589	319	2 780
TL Khumalo	3 511	–	670	97	520	4 798
TBW Miya	3 533	–	670	104	499	4 806
TP Mushungwa	3 051	–	594	99	513	4 257
T Legodi	2 924	–	400	187	457	3 968
M Kganedi	2 819	–	790	89	406	4 104
GS Gouws – post employment benefit	–	201	–	–	–	201
LP Mondli – post employment benefit	–	298	–	–	–	298
WH Smith – post employment benefit	–	201	–	–	–	201
SAU Meer – post employment benefit	–	201	–	–	–	201
PB Makwane – post employment benefit	–	156	–	–	–	156
G Van Wyk – terminated 31/3/2024	–	207	–	–	–	207
	33 453	**1 264**	**5 734**	**2 150**	**5 360**	**47 961**

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

23. Directors' emoluments and executive remuneration *continued*

23.2 Executive *continued*

2024

Figures in Rand thousand	Salary	Post – employment benefits	Bonus/ performance payments	Other[1]	Retirement and medical aid	Total
TP Nchocho – contract ended on 31/10/2023	4 218	–	1 525	1 184	219	7 146
IN Malevu	4 118	–	933	55	574	5 680
JK Bate	3 826	–	761	52	642	5 281
MJ Tsele	3 584	–	816	149	519	5 068
DA Jarvis	3 200	–	748	492	559	4 999
I Sayed	3 595	–	707	48	558	4 908
TL Khumalo	3 309	–	641	99	473	4 522
TBW Miya	3 338	–	372	44	432	4 186
TP Mushungwa	2 883	–	567	216	450	4 116
T Legodi	2 768	–	538	37	393	3 736
M Kganedi	2 748	–	489	36	351	3 624
F Moosa – resigned 16/11/2023	2 262	–	–	450	276	2 988
K Schumann – post-employment benefit	–	244	–	–	–	244
WH Smith – post-employment benefit	–	198	–	–	–	198
SAU Meer – post-employment benefit	–	194	–	–	–	194
PB Makwane – post-employment benefit	–	176	–	–	–	176
	39 849	**812**	**8 097**	**2 862**	**5 446**	**57 066**

24. Related parties

Director	Company	Financing approved	2025	2024	Interest/ funding rate	Type of financing/ repayment terms	Director's interest	Year of approval
Lael Bethlehem[1]	Sedibelo Platinum Mines Ltd	3 240	3 240	3 240	–	Equity shareholding	The IDC has a 15.75% investment in Sedibelo Platinum Mines Ltd (Sedibelo). Ms Bethlehem joined Sedibelo on 1 December 2021 as a senior executive.	2012
	Kelltechnology South Africa (RF) (Pty) Ltd	86	86	86	–	Equity shareholding	The IDC is a 33.3% shareholder in Kelltechnology South Africa (RF) (Pty) Ltd Sedibelo holds 50% in Kelltech Ltd Mauritius which holds 66.67% in Kelltech SA.	2014
	Kelltechnology South Africa (RF) (Pty) Ltd	407	58	58	Interest free	Shareholder`s loan	The IDC is a 33.3% shareholder in Kelltechnology South Africa (RF) (Pty) Ltd Sedibelo holds 50% in Kelltech Ltd Mauritius which holds 66.67% in Kelltech SA.	2021
	Kellplant (Pty) Ltd	500	–	–	Prime +2%	Normal loan	Kellplant (Pty) Ltd is a wholly-owned subsidiary of Kelltech SA.	2021
André Kriel	Trade Call Investments Apparel (Pty) Ltd	60	8	8	4.00%	Post unrest business recovery fund bridging loan	Mr Kriel is a director of Trade Call Investments Apparel (Pty) Ltd.	2021

[1] *Ms L Bethlehem was on a sabbatical, and she subsequently retired from the board of the IDC as announced at the AGM held on 20 July 2024.*

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

24. Related parties *continued*

Company

Figures in Rand million	National sphere of government	Financing approved	2025	2024	Discount rate	Terms of financing
The Land and Agricultural Development Bank of SA Ltd	National	250	–	28	–	Loan paid on 31 December 2024
The Land and Agricultural Development Bank of SA Ltd	National	400	–	96	Prime	Loans repayable on 31 December 2030
The Land and Agricultural Development Bank of SA Ltd	National	252	168	–	JIBAR 3 +3.1%	Loan repayable on 31 March 2028
The Land and Agricultural Development Bank of SA Ltd	National	264	–	129	Repo rate +3.5%	Loan repayable on 1 October 2026
Transnet Limited	National	1 500	556	–	JIBAR 3 +4.25%	Loan repayable on 31 March 2033
Trans Caledon Tunnel Authority	National	1 250	–	–	JIBAR 3 +4.05%	Loan repayable on 28 February 2042
Trans Caledon Tunnel Authority	National	1 500	–	–	12.04%	Loan repayable on 28 February 2045

Figures in Rand million	Sphere of government	Group 2025	Group 2024	Company 2025	Company 2024
Related party transactions Non-financing transactions – Rendering of services					
Eskom Limited	National	548	547	–	–
South African Airways (Pty) Limited	National	4	3	4	3
Telkom Limited	National	1	1	–	–
National Ports Authority	National	26	26	–	–
Transnet Limited	National	1 792	1 441	–	–
		2 371	**2 018**	**4**	**3**

25. Provisions

Figures in Rand million	Group 2025					
	Opening balance	Additions	Utilised during the year	Change in discount factor	Derecognition	Closing balance
Environmental rehabilitation	319	–	(98)	43	20	284
Other provisions[1]	80	333	(8)	–	(71)	333
	399	**333**	**(106)**	**43**	**(51)**	**617**

Figures in Rand million	Group 2024					
	Opening balance	Additions	Utilised during the year	Change in discount factor	Derecognition	Closing balance
Environmental rehabilitation	457	13	(203)	52	–	319
Other provisions[1]	40	44	(4)	–	–	80
	497	**57**	**(207)**	**52**	**–**	**399**

Figures in Rand million	Company 2025				
	Opening balance	Additions	Utilised during the year	Change in discount factor	Closing balance
Environmental rehabilitation	37	–	(18)	8	27
Other provisions[1]	–	333	–	–	333
	37	**333**	**(18)**	**8**	**360**

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

Figures in Rand million	Company 2024				
	Opening balance	Additions	Utilised during the year	Change in discount factor	Closing balance
Environmental rehabilitation	37	17	(17)	–	37

Foskor (Pty) Ltd

Foskor, the Department of Water and Environmental Affairs (DWEA) and the local authority are in discussions on the rehabilitation of the gypsum dam area. The liability of the rehabilitation and/or closure is the responsibility of Foskor once all the gypsum is removed. Management estimated, in consultation with external experts, who have done similar projects, that the closure costs for conventional capping will vary from R350/m^2 to R750/m^2 excluding all the approvals and design related costs. On 31 March 2025 a provision for rehabilitation of gypsum dam, decommissioning infrastructural asset and waste removal of R84 million for the closure costs has been made.

Estimated scheduled closure costs for the mine are R722 million. For unscheduled or premature closure, the DMPR, in accordance with the Minerals and Petroleum Resources Development Act, requires Foskor (Pty) Ltd to provide for the liability of R1.014 billion in the form of guarantees and cash. The premature closure cost of R1 billion is covered by guarantees totaling R499 million and investment assets in the form of an environmental rehabilitation trust totaling R538 million. The Group has, therefore, provided for early closure costs of R23 million.

26. Share-based payments

	Group	
Figures in Rand million	**2025**	**2024**
Equity-settled share-based payment reserve	304	304

In the 2011 financial year, Foskor and IDC entered into a Black Economic Empowerment Transaction (BEE Transaction). In terms of the transaction the IDC sold 15% interest in Foskor to Strategic Business Partners (SBPs) and Special Black Groups (SBGs) (collectively, the Manyoro Consortium), 5% to the communities where Foskor operates and a 6% interest in Foskor to the Foskor Employee Share Ownership Plan Trust (ESOP). The transaction with the Manyoro Consortium and communities constitutes an equity-settled share-based plan, the shares vest immediately at the grant date. In determining the fair value of services received as consideration for equity instruments granted, measurement is referenced to the fair value of the equity instruments granted.

Equity-settled reserve: Weighted average fair value assumptions

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

The following weighted average assumptions were used in the share pricing models at the valuation date:

Grant date	**31 December 2009**
Initial company value (exercise price) (R'm)	3 500
Average share price at grant date	382
Annualised expected volatility (%)	43
Risk-free interest rate (%)	2
Dividend yield (%)	9
Strike price (R)	656

The holders of the equity instruments were required to hold the instruments to maintain the BEE status until 31 March 2024, however, due to the underperformance of the scheme, the participants have not exercised their options. The schemes funder has not called an event of default but neither has it made a commitment to extend the scheme, in the absence of the aforementioned, Foskor continues to recognise the Share-Based Payment Reserve. The volatility indicator used in the calculation was based on the market prices of globally listed proxy companies that are in the same industry as Foskor.

The fair values were determined by reference to the fair value of the equity instruments granted using the Black Scholes Option Pricing model. This model has been modified to take into account early exercise opportunities and expected employee exercise behaviour.

27. Operating profit

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Auditors' remuneration – external				
Audit fees				
– Deloitte	(21)	(37)	(10)	(17)
– Nexia	(5)	(6)	(5)	(6)
– BDO	(11)	–	(7)	–
Non-audit related fees				
– Deloitte	(1)	(1)	(1)	(1)
– BDO	(1)	–	(1)	–
Employee costs				
Salaries, wages, bonuses and other benefits	(3 351)	(3 538)	(1 461)	(1 584)
Depreciation and amortisation				
Depreciation of property, plant and equipment	(619)	(545)	(20)	(16)
Amortisation of intangible assets	(18)	(15)	(12)	(12)
Depreciation of right of use assets	(43)	(30)	(50)	(50)
Total depreciation and amortisation	**(679)**	**(590)**	**(82)**	**(78)**

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Other				
Changes in inventories of finished goods and work in progress	7 411	7 856	–	–
Expected credit losses on trade and other receivables	134	369	19	41
Fair value adjustment on investment property	2	(8)	1	(3)
Interest on lease liabilities	27	7	25	27
Profit/(loss) on financial assets classified as FVTPL	184	(102)	734	(236)
Expected credit losses	(3 171)	(1 008)	(3 303)	1 475
Financial assets written off	(728)	(1 594)	(508)	(1 594)

[1] *Changes in inventories of finished goods and work in progress relates to Foskor Proprietary Limited*

[2] *Nexia did not provide any non-assurance services in 2024/25*

Figures in Rand million	Foskor 2025	Foskor 2024
Changes in inventories of finished goods and work in progress comprises of the following key items:		
– Personnel costs	1 692	1 513
– Inventory costs	1 342	1 687
– Production costs	3 318	3 755
– Repairs and maintenance	1 059	901

28. Taxation

Major components of tax

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Current				
Local income tax – current period	923	293	1 004	524
Local income tax – prior period	344	–	344	–
Foreign tax credit	23	87	23	87
Deferred tax – current year	(926)	(479)	(938)	(503)
	363	**(100)**	**432**	**108**

%	Group 2025	Group 2024	Company 2025	Company 2024
Applicable tax rate	27	27	27	27
Income from equity accounted investments	0.3	(9.83)	0	0
Dividend income	(148.99)	(16.99)	(47.02)	(20.76)
Capital loss, impairment and write off	24.69	(4.94)	5.84	(6.99)
Donations and grants	32.43	0.48	7.82	2.33
Non deductible expenses[1]	26.34	0.12	6.55	0.22
Non-taxable insurance claim	16.52	0.3	2.69	0.17
Increase in assessed loss	20.95	(3.32)	0	0
Other[2]	68.24	5.68	16.56	(0.54)
Total	**67.49**	**(1.51)**	**19.43**	**1.44**

[1] *The following forms part of the non-deductible expenses: Directors' fees paid, computer equipment – rental, bank charges, general expense, maintenance on buildings, cost of repossessed assets, legal fees, consulting fees, non-deductible administration expenses*

[2] *The following forms part of other: Lease expenses (right of use assets), Third party expenditure, pro forma accruals, VAT apportionment ratio, accrual, interest expense on right of use assets*

29. Deferred tax

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Deferred tax assets	7 902	8 036	5 683	5 665
Deferred tax liabilities	(3 733)	(8 586)	(5 428)	(9 078)
Net deferred tax asset/(liability)	**4 169**	**(550)**	**255**	**(3 413)**

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Deferred tax assets:				
Provisions	451	390	202	188
Loans	2 856	2 945	2 856	2 945
Preference shares	1 135	1 098	1 135	1 098
PPE	78	102	77	88
Losses	3 428	2 980	1 460	846
Other deferred tax assets[1]	(45)	521	(45)	(501)
	7 902	**8 036**	**5 683**	**5 665**

[1] *Other deferred tax assets include income received in advance and lease liabilities*

The group has recognised deferred tax assets of R3 428 million (2024: R2 980 million) relating to tax losses carried forward.

The subsidiaries in the group that are in a net deferred tax asset position have conducted formal assessments of their future profitability based on detailed budgets and cash flow forecasts. As a result of those assessments performed, management believes that there will be sufficient taxable profits in future to be used against the assessed tax losses.

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Deferred tax liabilities				
Provisions	(39)	(34)	(37)	(34)
Ordinary shares	(5 499)	(5 691)	(5 499)	(8 288)
Bonds	–	(238)	–	(238)
Other financial instruments	–	(547)	–	–
Property, plant and equipment	(1 262)	(1 100)	(42)	(54)
Other deferred tax liabilities	3 066	(976)	150	(523)
	(3 733)	**(8 586)**	**(5 428)**	**(9 078)**

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
Movements of deferred tax				
Opening balance	(550)	(1 756)	(3 413)	(5 714)
Charge for the current year (I/S)	1 186	(1 416)	938	503
Charge for the current year (OCI)	3 532	2 622	2 703	1 799
Closing balance	**4 169**	**(550)**	**255**	**(3 413)**
Reconciliation of deferred tax asset/(liability)				
At beginning of year	(550)	(1 756)	(3 413)	(5 714)
Temporary differences				
Provisions	(33)	582	(343)	252
Loans	265	(56)	265	(56)
Preference shares	37	(186)	37	(186)
Ordinary shares	3 533	2 621	2 728	1 982
Bonds	(104)	75	(104)	75
Property, plant and equipment	20	(18)	2	40
Other financial instruments	–	(2 044)	–	–
Tax loss utilised	614	232	614	217
Other	389	–	4 703	(22)
	4 169	**(550)**	**255**	**(3 413)**

30. Leases

Figures in Rand million	Group – 2025 Buildings	Plant and machinery[1]	Office equipment	Total
Right of use assets – Group				
Opening balance	51	6	4	60
Additions	7	–	–	8
Depreciation charge for the year	(40)	(2)	(1)	(43)
At 31 March 2025	**18**	**4**	**3**	**25**

Figures in Rand million	Company – 2025 Buildings	Plant and machinery[1]	Office equipment	Total
Right of use assets – Company				
Opening balance	268	–	4	272
Additions	–	–	–	–
Depreciation charge for the year	(48)	–	(2)	(50)
At 31 March 2025	**220**	**–**	**2**	**222**

Figures in Rand million	Group – 2025 Buildings	Plant and machinery[1]	Office equipment	Total
Lease liabilities – Group				
Opening balance	67	6	3	76
Increase in lease liabilities	7	–	–	7
Interest expense	27	–	–	27
Lease termination	(30)	–	–	(30)
Lease payments	(33)	(5)	(3)	(41)
At 31 March 2025	**38**	**1**	**–**	**39**

Figures in Rand million	Company – 2025 Buildings	Plant and machinery[1]	Office equipment	Total
Lease liabilities – Company				
Opening balance	370	–	–	370
Increase in lease liabilities	–	–	–	–
Interest expense	24	–	1	25
Lease payments	(69)	–	(2)	(71)
At 31 March 2025	**325**	**–**	**(1)**	**324**

Figures in Rand million	Group – 2024 Buildings	Plant and machinery[1]	Office equipment	Total
Right of use assets – Group				
Opening balance	54	6	–	60
Additions	8	4	4	16
Lease modifications	17	–	–	17
Depreciation charge for the year	(25)	(7)	(1)	(33)
At 31 March 2024	**54**	**3**	**3**	**60**

[1] *Plant and machinery include office equipment for Sheraton, IDC and Foskor*

Figures in Rand million	Company – 2024			
	Buildings	Plant and machinery[1]	Office equipment	Total
Right of use assets – Company				
Opening balance	314	–	–	314
Additions	4	–	4	8
Depreciation charge for the year	(50)	–	–	(50)
At 31 March 2024	**268**	**–**	**4**	**272**

Figures in Rand million	Group – 2024			
	Buildings	Plant and machinery[1]	Office equipment	Total
Lease liabilities – Group				
Opening balance	61	8	–	69
Lease modifications	(1)	–	–	(1)
Increase in lease liabilities	29	–	4	33
Interest expense	7	–	–	7
Lease payments	(29)	(2)	(1)	(32)
At 31 March 2024	**67**	**6**	**3**	**76**

Figures in Rand million	Company – 2024			
	Buildings	Plant and machinery[1]	Office equipment	Total
Lease liabilities – Company				
Opening balance	400	–	–	400
Increase in lease liabilities	4	–	4	8
Interest expense	27	–	–	27
Lease payments	(65)	–	–	(65)
At 31 March 2024	**366**	**–**	**4**	**370**

[1] *Plant and machinery include office equipment for, Sheraton, IDC and Foskor*

Foskor

The lease is between Foskor Limited and the malthouse Water Board for an effluent pipeline. The lease liability is effectively secured, as the rights to the leased asset revert to the lessor in the event of default. The lease is over a 20-year period with two years remaining as at 31 March 2025. Foskor has sole use of the effluent pipeline and pays for the maintenance.

Eerste Flambeau

The Group enters into lease agreements for its Wellington factory shop and other equipment items. The Group accounts for its leases of the store in terms of IFRS 16 and applies the "short-term leases" and "low-value items" exemptions to its equipment leases, assessed on a lease-by-lease basis. The Group assesses on a contract-by-contract basis whether it is probable that these options will be entered into and whether the options should be capitalised to the lease term 12 months prior to the option being exercisable. The Group discounts all future lease payments at the Group's incremental borrowing rate in the month the lease was entered into, renewed or modified, which averaged 7% for the year ended 31 March 2025 (7% on 31 March 2024). Further details of the Group as a lessee and right-of-use assets are included in the disclosure of lease liabilities.

30. Leases *continued*

IDC Company

Certain items of computer and office equipment are leased by the Group to which the low value asset recognition exemption is applied.

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Commitments for future minimum rentals payable under non-cancellable leases are as follows:				
– due within one year	14	30	53	47
– due after one year but within five years	24	43	237	255
– due after five years	1	3	29	68
Present value of minimum lease payments	**39**	**76**	**318**	**370**
Future finance charges	2	10	70	95
Undiscounted value of minimum lease payments	**41**	**86**	**388**	**465**

Undiscounted minimum lease payments exclude lease payments from discontinued operations.

Amounts recognised in profit or loss relating to lease assets and liabilities

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Expenses relating to short-term leases	1	1	–	–
Interest expense on lease liabilities	5	6	3	2

31. Tax paid

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Balance at beginning of the year	734	(204)	677	(214)
Current tax for the year recognised in profit or loss	(1 267)	(293)	(1 348)	(524)
Non-cash tax entry	(237)	(218)	(137)	(5)
Net current (assets)/liability	246	(734)	243	(677)
	(523)	**(1 449)**	**(565)**	**(1 421)**

32. Trade and other payables

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Trade payables	2 155	2 276	211	489
Deferred grants payable (sefa)	–	5 208	–	–
Accrued leave pay	70	176	113	88
Accrued bonus	351	345	271	242
	2 576	**8 005**	**595**	**819**

33. Retirement benefits

Pension and provident schemes

The Group has pension and provident schemes covering substantially all employees. All eligible employees are members of either defined contribution or defined benefit schemes. These schemes are governed by the Pension Funds Act, 1956, as amended. The assets of the schemes under the control of trustees are held separately from those of the Group.

The costs charged to profit or loss represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

Defined contribution schemes

Employees and Group companies contribute to the provident funds on a fixed-contribution basis. No actuarial valuation of these funds is required. Contributions, including past-service costs, are charged to profit or loss when incurred.

Defined benefit scheme

A Group company and its employees contribute to a defined benefit pension fund. The pension fund is the final salary fully funded. The assets of the fund are held in an independent trustee-administered fund, administered in terms of the Pension Funds Act.

The fund is valued every three years using the projected unit credit method. The actuarial valuation for purposes of IAS 19 was performed on 31 March 2025.

Employees and Group companies contribute to the provident funds on a fixed-contribution basis. No actuarial valuation of these funds is required. Contributions, including past-service costs, are charged to profit or loss when incurred.

The amounts recognised in the statement of financial position are as follows:

	Group	
Figures in Rand million	**2025**	**2024**
Present value of funded obligations	247	247
Fair value of plan assets	(317)	(323)
Impact of asset ceiling	71	76
Liability recognised	**–**	**–**
The movement in the defined benefit obligation		
Opening balance	246	271
Current-service cost	–	–
Interest-cost	26	30
Actuarial (gains)/losses	6	(14)
Benefit paid	(44)	(41)
Closing balance	**234**	**246**

Movement in plan asset

	Group	
Figures in Rand million	**2025**	**2024**
Fair value of plan assets at beginning of the year	317	323
Expected return on asset	34	36
Actuarial (loss)/gain recognised during the year	3	(1)
Benefits paid	(44)	(41)
Fair value of plan assets at the end of the year	**310**	**317**

The amounts recognised in profit or loss are as follows:

	Group	
Figures in Rand million	**2025**	**2024**
Interest cost	17	15
Expected return on assets	(14)	(13)
Net actuarial gain recognised during the year	4	1
Total included in operating expenses	**7**	**3**

33. Retirement benefits *continued*

The actual return on plan assets was:

	Group	
Figures in Rand million	**2025**	**2024**
Expected return on plan assets	14	13
Actuarial gains/(losses) on plan assets	(2)	1
Actual return on plan assets	**12**	**14**

Plan assets are comprised as follows:

	Group	
Figures in Rand million	**2025**	**2024**
Equity instruments	37	37
Cash	19	19
Debt instruments	41	41
Other	3	3
Actual return on plan assets	**100**	**100**

The principal actuarial assumptions for accounting purposes were:

Figures in Rand million	**2025**	**2024**
Discount rate %	10.60	10.10
Expected return on plan assets %	10.60	11.20
Future salary increases %	6.90	7.20
Future pension increases %	6.00	6.00
Normal retirement age	60.00	60.00

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Impact on overall liability	
Figures in Rand million	**2025 %**	**2024 %**
Inflation rate (increase of 1%)	7.50	6.30
Inflation rate (decrease of 1%)	(8.80)	(7.10)

Post-retirement medical benefits

Some Group companies have obligations to provide post-retirement medical benefits to their pensioners. The accumulated post-retirement medical aid obligation and the annual cost of those benefits were determined by independent actuaries. Any surplus or shortfall between the actuarially determined liability and the aggregate amounts provided is charged to profit or loss.

The amounts recognised in the statement of financial position are as follows:

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Present value of unfunded obligation:				
Medical aid members	349	330	199	186
Movement in the liability recognised in the statement of financial position:				
At the beginning of the year	330	319	186	179
Contributions paid	(31)	(28)	(17)	(15)
Current-service costs	1	1	1	1
Interest cost	39	37	22	21
(Deficit)/surplus	11	1	7	–
Balance at the end of the year	**349**	**330**	**199**	**186**

The principal actuarial assumptions used for accounting purposes were:

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
– Discount rate (%)	11.10	12.60	11.10	12.60
– General inflation rate (%)	5.30	6.60	5.30	6.60
– Medical inflation rate (%)	6.80	8.10	6.80	8.10
– Normal retirement age	63	63	63	63

	Group: Change in past-service liability		Company: Change in service cost plus asset	
Present value of unfunded obligation history				
Inflation rate (increase of 1%)	7.5% increase	7.5% increase	9.5% increase	10.1% increase
Inflation rate (decrease of 1%)	8.8% decrease	8.8% decrease	8.2% decrease	8.7% decrease

	Group: Change in discount rate
Present value of unfunded obligation history	
Discount rate (increase of 1%)	6.3% increase
Discount rate (decrease of 1%)	7.1% decrease

	Group: Change in pension increase
Present value of unfunded obligation history	
Pension rate (increase of 1%)	7.3% decrease
Pension rate (decrease of 1%)	6.5% increase

A 1% upward and 1% downward percentage change in salary increases has a negligible impact on the value of the Group unfunded obligation.

34. Commitments

Figures in Rand million	Group 2025	Group 2024	Company 2025	Company 2024
In respect of:				
Undrawn financing facilities approved	16 459	13 413	16 982	13 065
Undrawn guarantee facilities approved	379	1 248	379	119
Capital expenditure approved by subsidiaries	211	212	–	–
– Contracted	211	212	–	–
Commitments net of counter-guarantees	**17 049**	**14 873**	**17 361**	**13 184**

Commitments will be financed by a combination of internally generated funds as well as borrowings.

35. Other comprehensive income

Components of other comprehensive income – Group 2025

Figures in Rand million	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(13 583)	2 688	(10 895)
Remeasurements on net defined benefit liability/asset	7	–	7
Share of comprehensive income of equity accounted investments	7	–	7
Movements on property valuation	252	–	252
Total items that will not be reclassified to profit or loss	**(13 317)**	**2 688**	**(10 629)**
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	165	–	165
Total items that may be reclassified to profit or loss	**165**	**–**	**165**
Total	**(13 152)**	**2 688**	**(10 464)**

Components of other comprehensive income – Group 2024

Figures in Rand million	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(4 741)	645	(4 096)
Remeasurements on net defined benefit liability/asset	14	–	14
Share of comprehensive income of equity accounted investments	(1 220)	–	(1 220)
Total items that will not be reclassified to profit or loss	**(5 947)**	**645**	**(5 302)**
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	(1 201)	–	(1 201)
Total items that may be reclassified to profit or loss	**(1 201)**	**–**	**(1 201)**
Total	**(7 149)**	**645**	**(6 503)**

Components of other comprehensive income – Company 2025

Figures in Rand million	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(14 293)	2 730	(11 563)
Remeasurements on net defined benefit liability/asset	10	–	10
Total items that will not be reclassified to profit or loss	**(14 283)**	**2 730**	**(11 553)**

Components of other comprehensive income – Company 2024

Figures in Rand million	Gross	Tax	Net
Items that will not be reclassified to profit or loss:			
Movements on valuation of equity investments	(10 574)	1 821	(8 753)
Remeasurements on net defined benefit liability/asset	15	–	15
Total items that will not be reclassified to profit or loss	**(10 559)**	**1 821**	**(8 738)**

36. Restatements

Restatement of the statement of financial position and statement of changes in equity

36.1 Investment securities

In the current year under review, management performed a review of the accounting classification of its preference shares and identified that certain preference shares with debt characteristics (redemption dates) and measured at fair value, were incorrectly classified as Investment securities rather than as Loans and advances. The misclassification of R1 988 million has been corrected through the reclassification of the Investment Securities line item to the Loans and advances line item in the statement of financial position.

36.2 Investments in subsidiaries

It was further identified that a preference share held in an IDC subsidiary, (Foskor (Pty) Ltd), was incorrectly classified as an equity instrument under Investments in subsidiaries and measured at fair value through other comprehensive income rather than a debt instrument measured at fair value through profit or loss. This preference share, whose fair value is nil, has been reclassified from the Investment in subsidiaries' line item to the Loans and advances line item in the statement of financial position. The accumulated fair value of R950 million was also reclassified from the Revaluation reserve line item to the Retained earnings line item in the statement of changes in equity and the statement of financial position.

36.3 Investments in associates

In the year under review, it was noted that a shareholder loan to an Investment in associate was incorrectly classified as Loans and advances instead of an equity instrument under Investment in associates. The misclassification of R961 million was reclassified from the Loans and advances line item to the Investment in associates line item in the Statement of financial position.

	2024					
	Group			Company		
Figures in Rand million	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Assets						
Loans and advances	40 647	682	41 329	45 914	682	46 596
Investment securities[1]	52 458	(1 988)	50 470	43 980	(1 988)	41 992
Investment in associates[2]	26 863	961	27 824	25 983	961	26 944
Total assets	**119 968**	**(345)**	**119 623**	**115 877**	**(345)**	**115 532**
Equity and liabilities						
Equity						
Retained income	57 467	(345)	57 122	38 175	(1 295)	36 880
Reserves[3]				60 647	950	61 597
Total equity	**57 467**	**(345)**	**57 122**	**98 822**	**(345)**	**98 477**

[1] *Refer to 36.1*
[2] *Refer to 36.3*
[3] *Refer to 36.2*

Reconciliation of loans and advances and retained income adjustments:

Loans and advances	Group	Company
Investment securities	1 988	1 988
Investment in subsidiaries	–	–
Investment in associates	(961)	(961)
Interest income	(900)	(900)
Expected credit loss	555	555
Total adjustment	**682**	**682**

Retained income	Group	Company
Investment in subsidiary	–	(950)
Interest income	(900)	(900)
Expected credit loss	555	555
Total adjustment	**(345)**	**(1 295)**

36. Restatements *contined*

Restatement of the statement of comprehensive income

36.4 Interest revenue

In the current year under review, management identified that interest in suspense relating to the 2023 credit impaired assets was incorrectly reversed to the interest income revenue line item in the 2024 financial year. The error of R900 million was corrected through the restatement of the comparative numbers on the statement of comprehensive income.

36.5 Expected credit losses

It was further identified that expected credit loss adjustment post the application of the interest in suspense was incorrectly calculated. This resulted in an overstatement of the expected credit losses line item in the statement of comprehensive income and an understatement of the Loans and advances line item in the statement of financial position of R555 million. The error was corrected through the restatement of the comparative numbers.

	2024					
	Group			Company		
Figures in Rand million	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Continuing operations						
Interest income	7 755	(900)	6 855	7 907	(900)	7 007
Expected credit losses on financial assets	(1 563)	555	(1 008)	920	555	1 475
Operating profit/(loss) impact	**6 192**	**(345)**	**5 847**	**8 827**	**(345)**	**8 482**

Restatement of the statement of changes in equity

	Group– Retained earnings			Company – Retained earnings		
	2024			2024		
Figures in Rand million	As previously reported[3]	Adjustment	Restated	As previously reported[3]	Adjustment	Restated
Balance at 1 April 2023[1]	**51 738**	**–**	**51 738**	**30 794**	**(950)**	**29 844**
Profit for the year[2]	**7 748**	**(345)**	**7 403**	**7 381**	**(345)**	**7 036**
Balance at 1 April 2024	**57 467**	**(345)**	**57 122**	**38 175**	**(1 295)**	**36 880**

[1] *Refer to 36.2.*
[2] *Refer to 36.4 and 36.5.*
[3] *Only the specific lines that changed are presented*

	Group – Revaluation reserve			Company – Revaluation reserve		
	2024			2024		
Figures in Rand million	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Balance at 1 April 2023[1]	**42 268**	**–**	**42 268**	**67 868**	**950**	**68 818**

[1] *Refer to 36.2.*

37. Irregular, fruitless and wasteful expenditure

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Irregular expenditure	4 463	5 941	0.23	7
Fruitless and wasteful expenditure	0.13	–	0.13	–
Total	**4 463**	**5 941**	**0.36**	**7**

Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Figures in Rand million	**2025**	**2024**
Non-compliance with certain aspects of procurement policy[1]	0.23	3
	0.23	3

[1] *Warning issued to officials involved*

38. Funds administered on behalf of third parties

	Group	
Figures in Rand million	**2025**	**2024**
Third party cash balance	7 594	6 659

IDC has been appointed by various third-parties mainly Government Departments to manage funds on its behalf. These third-party funds are legally ring fenced and are restricted. These funds can only be utilised for the specific purpose as determined in the Memorandum of Agreements (MoA's) between IDC and third parties. IDC utilises the funds as instructed by the sponsor or donor. These funds are not disclosed in the IDC's statement of financial position as they do no meet the definition of an asset as per the accounting framework.

Third parties and balance held by IDC at the end of the financial year

	Group		Company	
Figures in Rand million	**2025**	**2024**	**2025**	**2024**
Name of third party				
Department of Agricultural, Land Reform and Rural Development	387	523	387	523
Department of Minerals and Petroleum Resources	288	168	288	168
Department of Trade, Industry and Competition	4 532	5 696	4 532	5 696
National Department of Tourism	256	240	256	240
Technology Innovation Agency	28	–	28	–
Small enterprise finance and development agency	1 655	–	1 655	–
Other	448	32	448	32
Total	**7 594**	**6 659**	**7 594**	**6 659**

39. Events after the reporting period

Deemed distribution

Following the disestablishment of the Small Enterprises Finance Agency (sefa) on 30 September 2024 and in line with the National Small Enterprise Amendment Act, sefa's assets and liabilities of a net asset value of R2.6 billion, have been transferred to the Small Enterprise Development and Finance Agency (Sedfa) at no value.

Appointment of new Board of Directors

On 26 June 2025, the Cabinet of South Africa announced the following appointments to the IDC board. Refer to page 16 (Director's Report). The effective date will be announced in due course.

40. Going concern

The IDC remains a going concern. The Corporation is financially stable and has sufficient liquidity to meet its current obligations, and remains confident that, for the foreseeable future, it will be able to meet its financial obligations and leverage its robust financial position to support the economy through new advances.

The Corporation's debt to equity ratio has remained resilient at 52% (FY2024: 46%). This is well below the Group's sustainability guideline of 60%.

Other information: Liquidity risk

Liquidity risk is governed by the Liquidity and Liquidity Risk Premia policy. The ALCo provides objective oversight and makes delegated decisions within the prudential guidelines and policies established by the Board related to liquidity risk exposures.

Liquidity risk may be heightened by:

- Unpredicted and accelerated drawdowns on approved financing or call-ups of guaranteed obligations;
- Inability to roll and/or access new funding;
- Unforeseen inability to collect what is contractually due to the Corporation;
- Liquidity stress at subsidiaries;
- A recall without due notice of on-balance sheet funds managed by the Corporation on behalf of third parties;
- An unintended breach of covenant(s), resulting in the forced maturity of borrowing(s); and
- Inability to liquidate assets in a timely manner with minimal risk of capital losses.

Corporate Treasury performs the first line of defence. Liquidity risk management responsibilities as per the Board approved treasury limits, to ensure that:

- There is always sufficient readily available liquidity to meet probable operational cash flow requirements for a rolling three-month period; and
- Excess liquidity is minimised to limit the consequential drag on profitability.

The Liquidity Coverage Ratio (LCR) aims to ensure that suitable levels of unencumbered high-quality liquid assets are held to protect against unexpected, yet plausible liquidity stress events. Two separate liquidity stresses are considered: firstly, an acute three-month liquidity stress and secondly, a protracted twelve-month liquidity stress. Available high-quality liquid assets include cash, near-cash, committed facilities, as well as a portion of the Corporation's listed equity investments, after applying forced-sale discounts.

Figures in Rand million	Three-months Scenario 1	12-months Scenario 2
2025		
Approved high-quality liquid assets	12 399	11 637
Net stressed outflows	(3 792)	(5 521)
Liquidity coverage ratios (%)	327	211

Figures in Rand million	Three-months Scenario 1	12-months Scenario 2
2024		
Approved high-quality liquid assets	13 019	12 635
Net stressed outflows	(4 713)	(4 799)
Liquidity coverage ratios (%)	276	263

Structural Liquidity Mismatch ratios (SLM) aim to ensure that the Corporation maintains a stable funding profile. This is done by restricting, within reasonable levels, potential future borrowing requirements as a percentage of total funding-related liabilities to reduce over reliance on debt to fund the Corporation's liquidity requirements. A robust funding structure reduces the likelihood that the Corporation's liquidity position would deteriorate in the event of a disruption to its sources of funding. Over reliance on debt may result in creditors gaining more control over the cashflows of the Corporation and increase the cost of debt funding, worsening its liquidity risk. The SLM is based on conservative cash flow profiling with the added assumption that liquidity in the form of high-quality liquid assets is treated as readily available (i.e., recognised in the first-time bucket).

Consolidated local and foreign currency structural liquidity mismatch (SLM)

Figures in Rand million	0–18 months	18–24 months	24–36 months
2025			
Cumulative liquidity positive variance	(14 015)	(23 216)	(24 740)
Funding related liabilities	18 235	26 032	27 682
SLM (%)	**(77)**	**(89)**	**(89)**

Figures in Rand million	0–18 months	18–24 months	24–36 months
2024			
Cumulative liquidity positive variance	(36 926)	(46 877)	(61 008)
Funding related liabilities	18 920	22 694	24 719
SLM (%)	**(195)**	**(207)**	**(247)**

Liquidity stress testing is a critical aspect to liquidity management as it allows the Corporation to model forward-looking severe, yet plausible scenarios and strategies to counter the effects of extreme risk events. Specific focus is placed on liquidity risk owing to its dynamic nature. Liquidity risk is a second order risk in that it is impacted by the strategies used to manage all the other corporate risks e.g., operational risk factors such as fraud, poor portfolio monitoring, etc. It can also be impacted by adverse movements in the macroenvironment e.g. an upward trend in interest rates leading to high NPLs, reduction in the liquidity profile of the IDC bonds. Remedial strategies are detailed within the Contingency Funding Plan (CFP) document with a specific sequence of actions that will be executed to manage a potential liquidity crisis.

Glossary

AI	Artificial Intelligence
ALCo	Asset and Liability Committee
BAC	Board Audit Committee
BA & T	Business Advisory and Turnaround
B-BBEE	Broad-based black economic empowerment
BEE	Black Economic Empowerment
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
cbda	Cooperative Bank Development Agency
CEO	Chief Executive Officer
CFP	Contingency Funding Plan
CGU	Cash-generating unit
CO_2e	Carbon dioxide equivalent
CSI	Corporate social investment
CTFL	Clothing, textile, footwear and leather
CSG	Client Support and Growth Department
DFI	Development finance institution
DMR	Department of Mineral Resources
ECIC	Executive Credit & Investment Committee
ECL	Expected Credit Loss
ERMF	Enterprise-wide Risk Management Framework
ERM	Enterprise-wide Risk Management
ES	Expected Shortfall
ESG	Environmental, social and governance
ESOP	Foskor Employee Share Ownership Plan Trust
FCTR	Foreign Currency Translation Reserve
FVTPL	Financial assets at fair value through profit or loss
FVTOCI	Fair Value Through Other Comprehensive Income
GDP	Gross domestic product
GHG	Greenhouse gas
IRG	Internal Risk Grade
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IDC	Industrial Development Corporation of South Africa Limited
IFRS	International Finance Reporting Standards
IMC	Investment Monitoring Committee
IRBA	The Independent Regulatory Board for Auditors
ISAs	International Standards on Auditing
IT	Information Technology
JSE	Johannesburg Stock Exchange
KPIs	Key Performance Indicators
LTSP	Long-Term Sustainability Plan
MTEF	Medium Term Expenditure Framework
MESC	Macro-Economic Sub-Committee
NEF	National Empowerment Fund
NPL	Non-performing loan
PAA	Public Audit Act
PPPFA	Presidential Procurement Policy Framework Act
PEP	Politically exposed person
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PIP	Prominent influential person
PPPFA	Preferential Procurement Policy Framework Act
PSA	Public Servants Association of South Africa
RBI	Recoveries, Business Rescue and Insolvencies
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
sefa	Small Enterprise Finance Agency
SEZs	Special Economic Zones
SME	Small and medium enterprise
SMMEs	Small medium and micro enterprises
SDG	Sustainable Development Goal
SOE	State-owned enterprise
SICR	Significant Increase In Credit Risk
SPPI	Solely Payments of Principal and Interest investments
SADC	Southern African Development Community
SBG	Special Black Groups
SBP	Strategic Business Partners
sefda	Small Enterprise Development Finance Agency
SLM	Structured Liquidity Mismatch
the dtic	Department of Trade, Industry and Competition
TVET	Technical vocational educational training
UIF	Unemployment Insurance Fund
WACC	Weighted Average Cost of Capital
VaR	Value at Risk

Notes

Notes

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