INTEGRATED ANNUAL REPORT 2025

FOR THE YEAR ENDED 31 MARCH

Innovative solutions
that empower industries
for a **sustainable future**

Invicta
HOLDINGS LIMITED

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01

ABOUT THIS REPORT

This Report aims to provide stakeholders with a view of the most important material matters relating to the performance and strategic context of the Group

ABOUT OUR **REPORT**

SCOPE AND MATERIALITY

This Integrated Annual Report ("**Report**") for the financial year 1 April 2024 to 31 March 2025 ("**FY2025**") aims to provide stakeholders with a clear, concise, and balanced view of the most material issues that influenced the Group's performance and operating context during the year. The Report also outlines the Group's governance structures and highlights key factors that could impact future performance over the short- to medium-term (one to three years), and medium- to long-term (three to five years).

Material matters were identified through a formal materiality assessment process, which considered the relative size and contribution of each business segment, stakeholder expectations, and the potential impact on value creation. We have sought to strike an appropriate balance between transparency and the need to protect commercially sensitive information that, if disclosed, could be to the Group's detriment.

To ensure relevance and accessibility, this Report is concise and focused, with additional detail available in the following supporting documents published on the Invicta Holdings website:

» the Group's King IV Application Statement; and
» the Audited Annual Consolidated Financial Statements **("AFS")**, incorporating the Directors' report.

FORWARD-LOOKING STATEMENTS

This Report may contain forward-looking statements which, by their nature, involve inherent risks and uncertainties, as they relate to future events and circumstances beyond the Group's control. Accordingly, the Directors advise readers to exercise caution when interpreting any such statements.

STANDARDS AND ASSURANCE

The Audit and Risk Committee has reviewed this Report and the Annual Financial Statements, and has recommended them to the Board for approval, which the Board has granted. The Social and Ethics Committee has similarly reviewed and recommended the Sustainability Report, which has also been approved by the Board.

In preparing this Report and its supplements, the Audit and Risk Committee has relied on assurance provided by Group management, the internal audit function, and the external auditors. The Group has applied the requirements of South African Law, the JSE Listings Requirements and International Financial Reporting Standards ("IFRS"), as applicable.

The Board has also been guided by the International Integrated Reporting Framework ("**IR Framework**") and the King IV Report on Corporate Governance for South Africa, 2016™ ("**King IV**").

THE SIX CAPITALS

This Report is prepared with reference to the six capitals outlined in the IR Framework to ensure appropriate and meaningful disclosure. The following icons are used throughout the Report to indicate the relevant capitals:

NAVIGATING OUR REPORT

The six capitals

- Financial capital
- Natural capital
- Intellectual capital
- Manufactured capital
- Social and relationship capital
- Human capital

Stakeholders

- Suppliers
- Funders
- Communities
- Shareholders
- Governments
- Employees
- Customers

The five reporting segments are:

- Replacement Parts, Services & Solutions: Earth-Moving Equipment ("RPE")
- Replacement Parts, Services and Solutions: Auto-Agri ("RPA")
- Kian Ann Group ("KAG")
- Capital Equipment and Related Parts and Services ("CE")
- Replacement Parts, Services and Solutions: Auto-Agri ("RPA")

ABOUT OUR **REPORT** continued

SCOPE, BOUNDARIES AND REPORTING PRINCIPLES

This Report covers the operations of Invicta Holdings Limited ("**Invicta**") and its subsidiaries for the period 1 April 2024 to 31 March 2025. Where applicable, references to associates and joint ventures are included to the extent of Invicta's influence or interest.

The content of this Report has been informed by a formal materiality determination process to ensure that the most relevant financial and non-financial issues are addressed. In line with the IR Framework, the Report applies key guiding principles, including stakeholder inclusiveness, connectivity of information, strategic focus, and future orientation.

BOARD APPROVAL AND RESPONSIBILITY

The Board of Invicta acknowledges its responsibility for the integrity of the information presented in this Report and its supplements and confirms that we have applied our collective mind to its preparation and presentation.

Dr Christo Wiese
Chairperson

Steven Joffe
Chief Executive Officer

PERFORMANCE **HIGHLIGHTS**

Invicta is pleased to present a strong set of results, reflecting the robust and consistent nature of our core operations.
Increasing headline earnings per share by 14% from 470 cents to 534 cents.

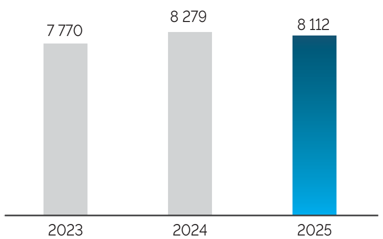
PROFIT FOR THE YEAR
UP **35%** TO
R786M

NET ASSET VALUE PER ORDINARY SHARE
UP **13%** TO
R59.31

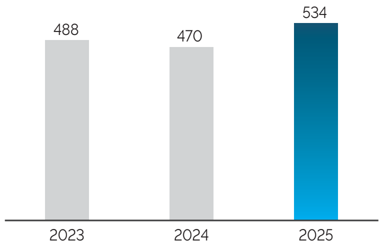
SHARE PRICE AT 31 MARCH 2025
R32.00

CASH GENERATED FROM OPERATIONS
R725M

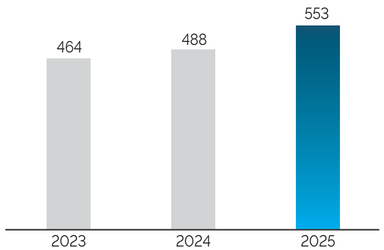
Revenue
(R'm)



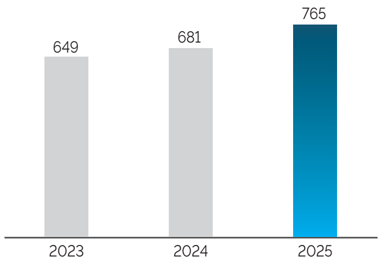
Headline earnings per share
(cents)



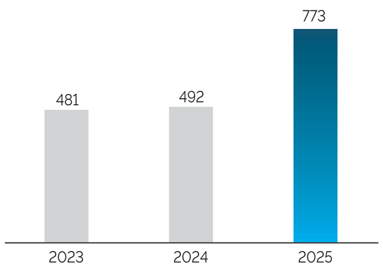
Sustainable headline earnings per share
(cents)



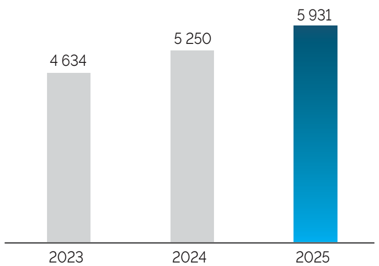
Operating profits before net finance income on financing transactions and foreign exchange movements
(R'm)



Basic earnings per share
(cents)



Net asset value per ordinary share
(cents)



	2025 R'million	2024 R'million	% change
Profit attributable to owners of the parent – ordinary shares	745 328	480 533	
Headline earnings adjustments			
Adjustments for:			
Profit on disposal of property, plant and equipment	(4 978)	(11 442)	
Less: Taxation thereon	1 334	2 666	
Less: Other shareholders interest thereon	11	2	
Loss on disposal of property, plant and equipment	467	3 259	
Less: Taxation thereon	(124)	(701)	
Less: Other shareholders interest thereon	(5)	(59)	
Profit on disposal of investment property classified as held for sale	(21 103)	–	
Less: Taxation thereon	7 125	–	
Loss on disposal of investment property	609	–	
Profit on disposal of subsidiary	(20 486)	(605)	
Less: Taxation thereon	–	19	
Loss on disposal of subsidiary	3 173	–	
Impairment of other intangible assets	–	20 476	
Less: Taxation thereon	–	(5 529)	
Impairment of investment property	–	1 300	
Less: Taxation thereon	–	(281)	
Impairment of property, plant and equipment	5 021	8	
Less: Taxation thereon	(130)	(2)	
Impairment of property classified to held for sale	–	200	
Less: Tax thereon	–	(43)	
Fair value loss – change in control of equity investment BMG China	–	678	
Profit on disposal of investment included in equity-accounted earnings, post taxation	–	(31 458)	
Gain from a bargain purchase for KMP Far East Pte. Ltd – included in equity-accounted earnings	(3 035)	–	
Profit on disposal of property, plant and equipment included in equity-accounted earnings, post taxation	(198 867)	–	
Headline earnings	514 340	459 021	12%
Headline earnings per share (cents)	534	470	14%

Above results include both continuing and discontinued operations.

LETTER FROM THE **CHAIRMAN**


Dr Christo Wiese

AT INVICTA, WE REMAIN FIRM IN OUR BELIEF THAT OUR PEOPLE ARE THE CORNERSTONE OF OUR SUCCESS. THEIR DEDICATION, INGENUITY AND TEAMWORK HAVE ONCE AGAIN ENABLED US TO WEATHER THE HEADWINDS AND DELIVER ANOTHER YEAR OF GROWTH AND STRATEGIC PROGRESS.

Reflecting on our past financial year to March, and what remains of the 2025 calendar year, comes with a mix of relief, concern and hope. The 2025 financial year unfolded against a backdrop of persistent global uncertainty and domestic headwinds. Geopolitical tensions, supply chain disruptions, tariff uncertainty and fluctuating currency markets continued to test business resilience across sectors. In South Africa, structural challenges such as unreliable energy supply, infrastructure deficits and regulatory inefficiencies remained pressing. Furthermore, the Government of National Unity was tested through the National Budget process, which created market and investor uncertainty and currency volatility. Despite these complexities, the Group demonstrated strong operational discipline and strategic agility, delivering solid performance and sustained progress across key markets. Our ability to adapt, innovate and execute with focus remains the foundation of our long-term value creation.

Geographic diversification and the pursuit of sustainable earnings remain core pillars of our long-term strategy. Our business is inherently defensive in nature as the distribution and supply of parts, components and consumables is necessary for economic activity. We continue to expand into international markets that align with our investment criteria, with the goal of generating more than 50% of Group income from operations outside South Africa. Over the past year, we reinforced our presence in the United States through the launch of a new start-up, KSP and broadened our footprint in the United Kingdom with the acquisition of Nationwide Bearing Company, both key steps in advancing our global growth ambitions. Additionally, the strategic disposal of KMP to Kian Ann has aligned our offshore operations, while allowing us to retain an interest in KMP's future performance.

In the 2025 financial year, the Group delivered a solid performance, with revenue from continued operations rising by 6% and the gross profit margin improving to 33%. Our continued commitment to cost discipline was evident in the contained 2% increase in selling, administrative and distribution expenses, reflecting our sustained focus on operational efficiency.

The Group's financial performance for the year highlights the resilience of our operations and the benefits of our diversified business model. Profit attributable to ordinary shareholders amounted to R745 million, while headline earnings reached R514 million. Headline earnings per share grew by 14% to 534 cents, a significant increase from the 470 cents in the prior year. The headline earnings performance excludes the once-off gain associated with Kian Ann's sale of property and pleasingly demonstrates profitability growth in the operations of our business.

REVENUE FROM CONTINUING OPERATIONS	EPS	DIVIDEND	SUSTAINABLE HEPS
↑ 6% TO	↑ 57%	↑ 10%	↑ 13%
R8.1 BILLION	**773 CENTS**	**115 CENTS**	**553 CENTS**

LETTER FROM THE **CHAIRMAN** continued

The sale of the Singapore building held by the Kian Ann joint venture, was a strategic initiative that unlocked significant value for shareholders and operationally enabled the relocation of our warehouse operations to China, positioning the Group for greater long-term efficiency.

Another notable milestone was the full redemption of all preference shares in issue for R703 million, along with the repurchase and cancellation of R157 million of ordinary shares. The redemption and repurchase simplify our capital structure and are expected to enhance long-term shareholder returns by increasing earnings per share and reducing our overall cost of funding.

We expect that the Group's return on net operating assets will continue to improve in the coming financial year as the full impact of these transactions comes into effect.

As we look ahead, we remain focused on delivering sustainable, profitable growth and unlocking value for all stakeholders. On behalf of the Board and management team, I extend our sincere gratitude to our customers and suppliers for their continued support. Most importantly, I would like to thank every member of the Invicta team for their hard work, commitment, and perseverance.

Dr Christo Wiese

02

OUR BUSINESS

INVICTA AT A GLANCE

Invicta aims to provide innovative solutions that empower industries for a sustainable future.

Invicta's primary business is managing and optimising the performance of our investments. Some of the key industries in which we invest include industrial consumable parts, auto-agricultural parts and earthmoving equipment parts. Our business segments are primarily involved in the supply and distribution of replacement parts, services and solutions for the industrial and auto-agri industries, as well as capital and earthmoving equipment and related spare parts and services.

OUR STRATEGY

To deliver sustainable, value-accretive growth by building a geographically diversified industrial parts and solutions platform. Our aim is for 50% of the Group's earnings to be generated outside of South Africa within the next two years.

OUR MISSION

To create superior value for all our stakeholders, which include our shareholders, suppliers, customers and employees.

How we are achieving our purpose

OUR VISION

To be a leading global distributor of industrial consumables and engineered aftermarket solutions.

Why we exist

OUR INVESTMENT PHILOSOPHY

We invest in businesses that generate consistent, predictable, and sustainable returns from a diversified portfolio of industrial holdings, with strong aftermarket positioning.

OUR CULTURE AND VALUES

We are driven by integrity, customer-centricity, continuous improvement, and accountability. Our ethos is "progressing with purpose."

The principles that underpin our culture and guide our actions

WHY INVEST IN US?

- Our operations are embedded in essential industries such as manufacturing, mining, agriculture, transportation, and construction.
- We have a geographic footprint in **17 countries across 5 continents**, with manufacturing facilities in China and distribution platforms in Europe, North America, Southeast Asia and Southern Africa.
- Kian Ann Group serves as a strategic international growth platform, recently expanding in the US and UK.
- Our aftermarket focus ensures resilience, recurring revenue, and lifecycle value for customers.
- We remain disciplined on working capital, gross margin optimisation, cost control, and capital allocation to deliver attractive shareholder returns.

GROUP OPERATIONAL **STRUCTURE**

1. REPLACEMENT PARTS FOR INDUSTRIAL EQUIPMENT ("**RPI**")

- Comprises BMG, Industri, OST, Belt Brokers.
- Distributor of engineering consumable products, technical services and 360-degree solutions across Africa.
- RPI's competitive edge stems from a multinational network that includes 105 BMG branches and an additional 107 vendor managed inventory consignment sites strategically located to service customer needs.
- Activities include international and local sourcing of leading global brands, distribution of premium engineering components and consumable products, technical support, value-added assembly, and bespoke manufacturing of components into customised systems and solutions.

2. REPLACEMENT PARTS, SERVICES & SOLUTIONS – AUTO-AGRI ("**KAG**")

- Comprises Autobax and Driveshaft Parts Group, and the UPG operations in the United Kingdom, Poland, Ukraine and Spain.
- Supplier of imported and locally sourced automotive and agricultural aftermarket replacement parts and kits.

3. CAPITAL EQUIPMENT AND RELATED SERVICES ("**CE**")

- Comprises Doosan, HPE, Criterion and Shamrock.
- Distributes earthmoving and materials handling equipment and related parts through operations in Southern Africa.
- Offers aftermarket support through dedicated spare parts and service offerings, ensuring equipment uptime and lifecycle value.

4. REPLACEMENT PARTS FOR AUTO AND AGRI ("**RPA**")

- Although part of the Replacement Parts for Earthmoving Equipment ("RPE") segment, KAG is presented as a strategic international growth platform.
- Distribution of parts for heavy machinery (excavators, bulldozers, wheel loaders, motor graders), trucks, trailers, power generation sets and marine engines.
- Recently expanded operations through acquisitions (e.g., NWB in the UK) and the establishment of KSP in the US to service heavier undercarriage machinery.

5. REPLACEMENT PARTS FOR EARTHMOVING EQUIPMENT ("**RPE**")

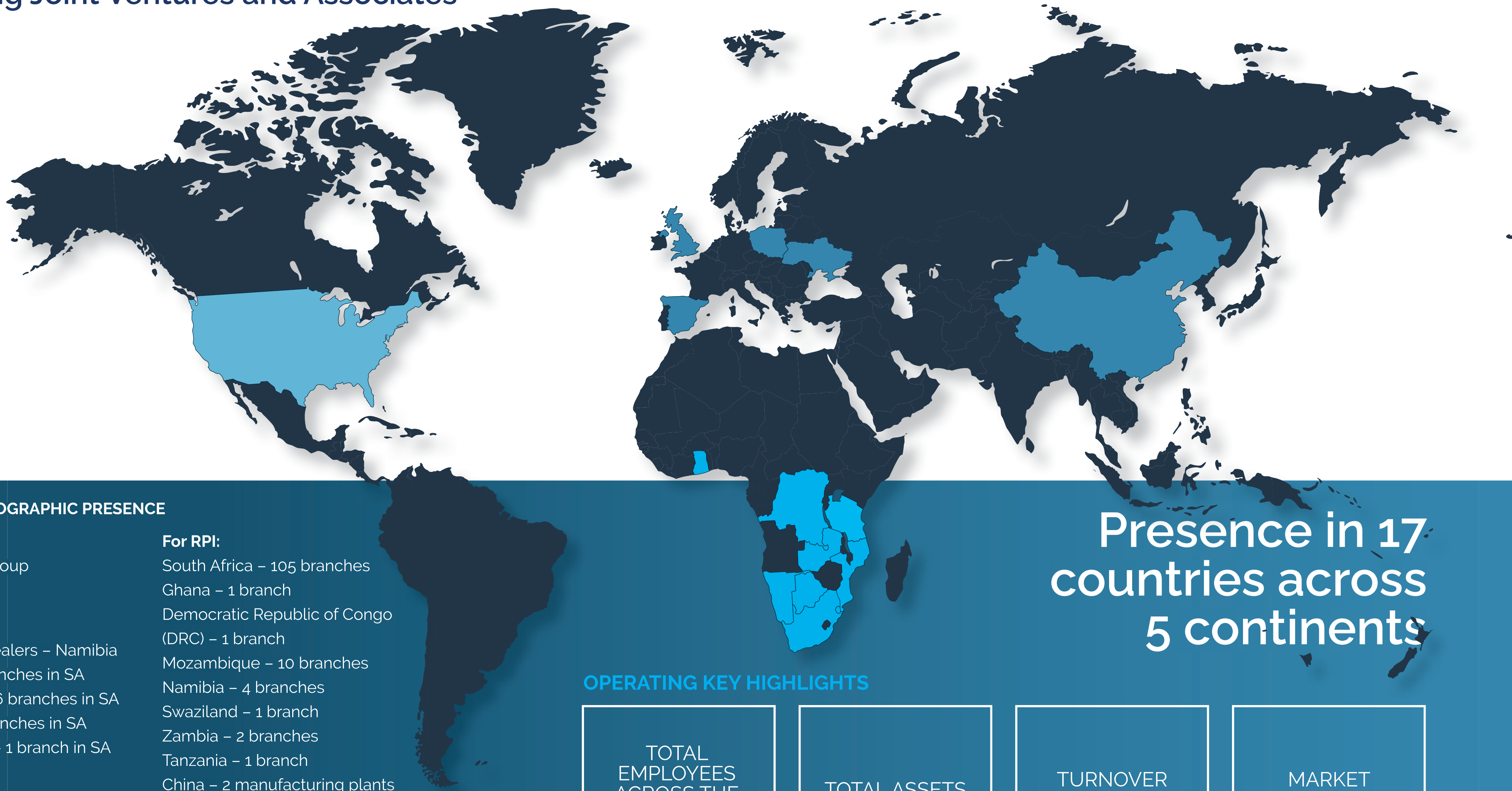
- Comprises ESP, NWB and KMP, forming part of the broader Kian Ann Group.
- Supplier of aftermarket replacement spare parts, ground engaging tools and undercarriage parts for earthmoving equipment in Southern Africa.
- Includes Kian Ann, one of Asia's largest independent distributors of heavy machinery and diesel engine parts, operating across Singapore, China, Malaysia, Thailand, India, UK, USA and Canada.
- European truck and bus parts are distributed through Kian Chue Hwa.
- Manufacturing capabilities for undercarriage components reside within KKB in China, which services both internal demand and external OEM clients globally.

THE GROUP COMPRISES **5** REPORTING OPERATIONAL DIVISIONS

This structure reinforces the Group's strategic focus on geographic and sector diversification, operational excellence, and aftermarket leadership across its global footprint.

GEOGRAPHIC **PRESENCE**

including Joint Ventures and Associates



GROUP GEOGRAPHIC PRESENCE

For RPE:
Kian Ann Group
NWB – UK

For CE:
Criterion Dealers – Namibia
ESP – 9 branches in SA
Criterion – 6 branches in SA
HPE – 4 branches in SA
Shamrock – 1 branch in SA

For RPA:
South Africa – 5 branches
Poland – 1 branch
Ukraine – 1 branch
UK – 1 branch
Spain – 1 branch

For RPI:
South Africa – 105 branches
Ghana – 1 branch
Democratic Republic of Congo (DRC) – 1 branch
Mozambique – 10 branches
Namibia – 4 branches
Swaziland – 1 branch
Zambia – 2 branches
Tanzania – 1 branch
China – 2 manufacturing plants

Presence in 17 countries across 5 continents

OPERATING KEY HIGHLIGHTS

TOTAL EMPLOYEES ACROSS THE GROUP	TOTAL ASSETS	TURNOVER PER ANNUM	MARKET CAPITALISATION
3 000+	**R9.2bn**	**R8.1bn**	**R2.9bn**

HISTORY OF THE GROUP **THROUGH THE AGES**

1960s to 1980s

« **Incorporated** as West Rand Organ Company (Pty) Ltd

« **Lists on the JSE** in 1987 as "Skirtskip Clothing Limited"

« **Disposes of its interest in clothing manufacturing** in 1989 and acquired companies involved in the engineering, textile and leisure industries

« **Changes its name** to "Nova Constantia Limited"

1990s

« **Divests** of its textile interest

« **Acquires** the retail bearing and transmission businesses of Invicta Bearing Company. At that time, the Company's divisions included industrial consumables, engineering, sports goods and telecommunications, but bearings soon became the core business

« **Changes name** to "Invicta Holdings Limited"

« **Acquires** Autobax, CSE Equipment Company and Engine parts

2000s

« **BMG** becomes part of Invicta and de-lists from the JSE

« **BMG acquires OST** and establishes its hydraulic business and fastener division

« **CEG** acquires New Holland SA, Doosan Construction Equipment and TCM Forklifts

« **Creates** a **25% BEE shareholding** for its South African operations

« **Acquires** a **60%** stake in Tiletoria

2010s

« **Acquires** MacNeil Distributors

« **Creates** Building Supply Group (which is subsequently sold in 2017)

« **Acquires Kian Ann** and delists it from the Singapore Stock Exchange

« **KAG establishes subsidiaries** in Thailand and acquires stakes in Steve Woods Ltd. in the UK as well as North American Tractor and Excavator Parts in Canada, Kunshan Kensetsu Buhin Co Ltd in China, and enters into a joint venture with SKL Equipment in India

« **CEG establishes Landbou Agriculture** After- Market Spare Parts

« **CEG division takes shape** with acquisitions of ESP, High Power Equipment Africa (HPE) – Hyundai Earthmoving Equipment & related services, and Shamrock Handling Concepts

« **ESG division takes shape** with acquisitions of Man-Dirk, Hansen and Hyflo, Rustenburg Engineering Forge Industrial Group, Driveshaft Parts and Europe Driveshaft

2020s

« **Disposes** of certain Capital Equipment businesses to CNH Industrial SA (Pty) Ltd

« **KAG introduces a strategic partner and acquires an interest in a leading roller manufacturer** in China while expanding in North America (KTSUA)

« **Acquires Driveshaft Parts** in South Africa and Poland, now integrated into UPG under RPA

« **Group** restructures into segments: RPE, RPI, RPA, and CE

« **RPA restructures** to align UPG offshore operations and acquires Imexparts in the United Kingdom

« **Establishes KSP** through KAG in the USA to grow undercarriage machinery distribution alongside KTSUA.

« **Strategic focus** on generating 50% of earnings from outside South Africa within two years

INVICTA'S **BUSINESS MODEL**

Our business model is built on specific capital allocation, strategic diversification, and long-term value creation, through operational excellence, geographic expansion, and investment optimisation. The Group leverages its multi-sector footprint, deep technical expertise, and supply chain strength to deliver sustainable performance across varying market cycles. This model integrates the six capitals as inputs, aligns strategy with external realities and internal capabilities, and delivers measurable outcomes that benefit all stakeholders.

1 INPUTS > THE SIX CAPITALS

FINANCIAL CAPITAL

- Cash generation by resilient, cash-positive businesses
- Strong investment and acquisition pipeline with disciplined processes
- Balanced capital structure and prudent gearing
- Established supplier facilities and international procurement capacity

MANUFACTURED CAPITAL

- Strategic property holdings across key operations
- Assembly and production at BMG operations in South Africa
- Manufacturing through joint ventures in China (e.g. KKB under Kian Ann Group)
- Global distribution network with a presence in Africa, Asia, Europe and North America.
- Field engineering, customer site services, and logistics solutions
- Inventory and business management systems and strategic inventory holdings

NATURAL CAPITAL

- Indirect use of base materials and energy via suppliers and OEMs
- Support for food security and sustainable agriculture through product solutions
- Supply of energy-efficient technologies and climate-conscious solutions

SOCIAL AND RELATIONSHIP CAPITAL

- Social licence to operate in diverse, regulated markets
- Longstanding partnerships with leading global OEMs and agencies
- Strong customer and supplier relationships built on trust and service excellence
- Active community upliftment and enterprise development through the Trusts

INTELLECTUAL CAPITAL

- Access to leading international brands and agencies (over 400)
- Technical and market knowledge embedded in workforce and processes
- Digitisation and system improvements (e.g. GTI FL!P platform, internal ERP improvements)
- Innovation in distribution, procurement, and product delivery models

HUMAN CAPITAL

- Skilled, experienced workforce across geographies and industries
- Embedded culture of integrity, entrepreneurship, and accountability
- Hands-on leadership with deep operational involvement
- National and regional support centres with technical experts and customer-facing teams

2 BUSINESS CYCLE > OPERATIONAL FUNCTIONS

SOURCE

FUND

OPERATE

GROW

EXPAND

EXTERNAL ENVIRONMENT

- Currency volatility, particularly ZAR-linked input costs
- Load shedding, logistics inefficiencies and regulatory delays
- Geopolitical volatility and uncertainty
- Bureaucracy and trade barriers across global markets
- Inflationary pressures and global demand fluctuations

INVICTA'S CORE BUSINESS FOCUS

Invicta's primary business is the management and optimisation of a diversified portfolio, with investment exposure across industrial consumable parts, auto-agricultural aftermarket components, and earthmoving equipment parts and services.

INVICTA'S **BUSINESS MODEL** continued

3 STRATEGY

INTERNAL STRATEGY

- Diversify and optimise returns across portfolio companies
- Evolve geographic and product-based diversification
- Enhance distribution and aftermarket excellence
- Drive localised B-BBEE local growth strategies through empowerment vehicles
- Formalise succession planning and talent pipeline development
- Modernise business processes to scale with Group complexity
- Maintain agile response to macroeconomic shifts
- Strengthen ESG compliance and reporting frameworks
- Improve working capital efficiency and leverage balance sheet capacity
- Advance employee development and leadership capability

4 **OUTCOMES** > THE SIX CAPITALS

FINANCIAL CAPITAL

- Sustained shareholder value creation
- Enhanced return on equity and strong cash flow management
- Diversified risk profile with improved financial governance

MANUFACTURED CAPITAL

- Expansion of footprint in America and Asia (via KAG)
- Infrastructure investment to support distribution and customer delivery
- Scalable manufacturing and assembly to support African and global demand

NATURAL CAPITAL

- Contribution to sustainable food production and clean technologies
- Indirect climate change mitigation through low-emission equipment and energy-efficient products

SOCIAL AND RELATIONSHIP CAPITAL

- Education and community investment through the trusts, HET and HEIT
- Supplier and customer loyalty enhanced by consistent value delivery
- Continued improvement in transformation credentials and stakeholder trust

INTELLECTUAL CAPITAL

- Institutional knowledge transfer across operating companies
- Adoption of smart systems and digitisation to support operational agility

HUMAN CAPITAL

- High retention of experienced staff
- Increased technical certification and skills training
- Leadership pipeline development and mentorship structures

5 **OUTPUTS** > CREATING LONG-TERM VALUE

AT GROUP LEVEL

- Improve total shareholder return
- Investment in education, enterprise development, and transformation
- Growth in diversified income streams and business geographies
- Sustainable performance despite external volatility

AT DIVISIONAL LEVEL

- Broad range of industrial and automotive products supplied
- Over 400 local and international brands represented
- Value-added customer solutions with technical and aftersales support
- Increased employment in rural communities through retail and distribution sites
- Strong environmental stewardship in product and facility design
- Expansion of local manufacturing and value addition capabilities

OUR LEADERS

DR CHRISTO WIESE (83)

R N

Chairman

Qualifications: BA, LLB, DCom (h.c.)
Years of service as an Invicta Director: 28

Dr Wiese was appointed as a Non-executive Director of Invicta in October 1997 and served as Chairman from October 1997 to April 2000. Dr Wiese was re-appointed as Non-executive Chairman in January 2006 and is currently also the Chairman of Tradehold Limited and a Non-executive Director of Shoprite Holdings Limited and Brait SE.

STEVEN JOFFE (54)

I S

Chief Executive Officer

Qualifications: BCom (Hons Taxation) and HDip (Company Law), CA(SA)
Years of service as an Invicta Director: 5

Mr Joffe joined Invicta as CEO on 1 January 2020. Mr Joffe previously served as CEO of enX Group Limited, Wild Rose Management (Pty) Ltd, and Gold Reef Casino Resorts Limited.

NAZLEE RAJMOHAMED (59)

Chief Financial Officer

Qualifications: BCom, PGDA, CA(SA)
Years of service as an Invicta Director: 7

Ms Rajmohamed joined Invicta on 1 July 2018 as Group CFO. Ms Rajmohamed has over 24 years of executive experience, having held senior positions within the TOTAL Société Anonyme Group in South Africa, Nigeria, and France, and at MTN Group Limited, where she served as Executive Group Finance.

CRAIG BARNARD (61)

Executive Director

Qualifications: CA(SA), MBA, ACIS
Years of service as an Invicta Director: 18

Mr Barnard joined Invicta Holdings in 1998 as Financial Manager after holding positions at Sappi and Group Five. He was appointed as a Director of CSE Equipment Company in 1999 and became Invicta's Company Secretary in 2002. In June 2007, he was appointed as an Executive Director of Invicta Holdings. Mr Barnard resigned as Company Secretary in January 2014, continuing as Financial Director and Commercial Director. In 2018, he stepped down as Financial Director, continuing in his role as Commercial Director.

JACOB WIESE (44)

I

Non-executive Director

Qualifications: BA (Value and Policy Studies), LLB, MIEM (Bocconi, Italy)
Years of service as an Invicta Director: 15

Mr Wiese obtained his BA degree and worked at Lourensford Wine Estate, managing leisure and tourism activities. He completed his Master's degree in International Economics and Management and his LLB degree. He completed his pupillage at the Cape Bar and was admitted as an advocate of the High Court. Mr Wiese was appointed as a Non-executive Director of Invicta Holdings in July 2010. He also serves as a Non-executive Director on the boards of Shoprite Holdings, Collins Property Group, and Fairvest Limited.

BOARD COMMITTEES

A Audit and Risk Committee | N Nominations Committee | I Investment Committee | R Remuneration Committee | S Social and Ethics Committee | Committee Chairman

OUR LEADERS continued

FRANK DAVIDSON (60)

A I

Independent Non-executive Director

Qualifications: BCom, BAcc, CA(SA)
Years of service as an Invicta Director: 5

Mr Davidson is a chartered accountant with over 30 years of experience as a business owner and executive. Mr Davidson has worked in wealth management for more than 20 years and is currently engaged in private equity.

RASHID WALLY (81)

A N R S

Independent Non-executive Director

Years of service as an Invicta Director: 12

Mr Wally has over 38 years of experience in the information technology sector, having held senior executive positions with IBM in Africa, Europe, the Middle East, and South East Asia, including Lenovo in Africa. Mr Wally was Chairman of the Board and member of the Audit and Risk Committee of Mango Airlines and is currently Chairman of Fastjet PLC and serves on its Audit and Risk Committee.

LANCE SHERRELL (59)

S

Non-executive Director

Qualifications: BCom
Years of service as an Invicta Director: 15

Mr Sherrell is a Director and shareholder of the SMG Group (BMW). Mr Sherrell studied commerce at the University of Cape Town and has been involved in the hospitality and motor trade industries for over 15 years. Mr Sherrell represented South Africa as a rugby player in the national team in 1994.

IAAN VAN HEERDEN (53)

A I N R

Non-executive Director

Qualifications: BLC, LLB, LLM *(cum laude)*, Higher Diploma in International Tax
Years of service as an Invicta Director: 5

Mr van Heerden served as an Investment Banking Director at Rand Merchant Bank and has over 21 years of experience in investment banking, mergers and acquisitions, tax, and corporate law. Mr van Heerden is a co-founder of Oryx Partners, which manages Dr Christo Wiese's family office and is a strategic business partner of the Wiese family.

MPHO MAKWANA (54)

A N R S

Independent Non-executive Director

Qualifications: BAdmin (University of Zululand), BAdmin. Hons (University of Pretoria), EDP Certificate (Kellogg School of Management), Postgraduate Diploma, Retail Management (Stirling University, UK))
Years of service as an Invicta Director: 5

Mr Makwana is an accomplished business leader with more than 34 years of executive experience, having held various senior leadership and governance roles across multiple sectors. He previously served as Chairman of Eskom Holdings SOC Ltd and Chairman of Nedbank Group Ltd, retiring from the latter in June 2023. He also served as the Independent Non-executive Chairman of ArcelorMittal South Africa Limited from 2013 to 2022.

Mr Makwana currently serves as the Lead Independent Director on the Board of Invicta Holdings Limited. In addition, he is Chairman of Epitome Investments and Epitome Private Equity Fund Managers (Pty) Ltd, and a Trustee of the Nelson Mandela Children's Fund.

BOARD COMMITTEES

A Audit and Risk Committee
N Nominations Committee
I Investment Committee
R Remuneration Committee
S Social and Ethics Committee
Committee Chairman

03

OUR OPERATING ENVIRONMENT

All operations undertaken within the Group align with Invicta's ethos as a socially responsible investor

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS

Invicta remains committed to building inclusive, transparent, and mutually beneficial relationships with all our stakeholders.

Our approach is grounded in our values and supported by ethical leadership, responsible business practices, and open dialogue. We recognise that our long-term success is built on meaningful engagements with those who impact or are impacted by our operations, including employees, customers, suppliers, funders, shareholders, regulators, and the broader communities in which we operate.

We continuously assess our stakeholder priorities to ensure our strategy and operations remain relevant, responsive, and resilient.

OUR STAKEHOLDERS

Our sustainable growth depends on developing and maintaining strong partnerships with all our stakeholders

Communities

Focus on building sustainable social value by reinvesting in the communities in which we operate

Funders

Focus on the balanced use of external funding to facilitate growth

Employees

Focus on attracting, developing and retaining quality employees

Suppliers

Focus on creating strong channels to market for their products and grow their share of the market

Governments

Focus on compliance with all applicable laws and regulations

Shareholders

Focus on delivering superior financial performance

Customers

Focus on their product and service needs and growing our share of their spend

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS continued

STAKEHOLDER MATERIAL ISSUES

Invicta is steadfast in its dedication to fostering inclusive, transparent and mutually enriching relationships, partnerships and engagements with all stakeholders. Guided by a commitment to social responsibility, every operation within the Group resonates with Invicta's ethos of being a socially responsible investor and progressing with purpose. We recognise the vital role played by our diverse stakeholders, encompassing employees, customers, suppliers, financial institutions, shareholders, governmental bodies and communities. As integral pillars of our business, maintaining ongoing dialogue and engagement with stakeholders is paramount to aligning expectations and delivering on our commitments.

EMPLOYEES

NEEDS AND EXPECTATIONS

- Fair treatment, respect and dignity
- Market-related compensation and performance incentives
- Career development and training opportunities
- Clear communication and feedback
- Safe and healthy work environment

HOW WE ARE RESPONDING

- Code of Ethics guides respectful, inclusive conduct
- Market-aligned remuneration structures
- Accredited training and bursary programmes
- Regular performance reviews and feedback
- Compliance with labour and health and safety regulations

METHOD OF ENGAGEMENT

- Internal newsletters and broadcast emails
- Video updates from leadership
- Daily engagement with line managers
- In-house accredited learning programmes
- HR management and monitoring of employee issues

CUSTOMERS

NEEDS AND EXPECTATIONS

- Product quality and reliability
- Competitive pricing
- Technical and field support
- Availability and timely delivery
- Strong product knowledge
- Ongoing service and after-sales support

HOW WE ARE RESPONDING

- Customer-centric system design and processes, with continuous product improvement
- Vendor-managed inventory solutions
- Feedback-driven service improvements

METHOD OF ENGAGEMENT

- Face-to-face visits
- Social media and digital marketing
- Website and product portals
- Dedicated support teams and product training
- After-sales check-ins

SUPPLIERS

NEEDS AND EXPECTATIONS

- Accurate demand forecasting
- Clear product requirements
- Reliable payments and ordering processes
- Long-term business stability
- Technical collaboration and responsiveness

HOW WE ARE RESPONDING

- Timely payments and order placement
- Forecasting alignment and supplier feedback
- Close technical engagement on product issues
- Regular performance and quality reviews

METHOD OF ENGAGEMENT

- Continuous dialogue with production and procurement teams
- Feedback sessions and supplier reviews
- Technical troubleshooting support

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS continued

FUNDERS

NEEDS AND EXPECTATIONS

- Financial performance and stability
- Risk management and governance
- Sustainable growth strategy
- Transparent reporting
- ESG performance and succession planning

HOW WE ARE RESPONDING

- Regular financial and operational updates
- Covenant compliance and disclosure
- Long-term strategy articulation and scenario planning

METHOD OF ENGAGEMENT

- Integrated Annual Report
- Interim and annual financial results
- SENS announcements
- Investor and funders presentations and meetings/calls

SHAREHOLDERS

NEEDS AND EXPECTATIONS

- Shareholder value and returns
- Transparent governance
- Strategic clarity and execution
- Risk oversight
- ESG and compliance

HOW WE ARE RESPONDING

- Strategic execution and disciplined capital allocation
- Effective governance through Board and sub-committees
- Transparent and timely reporting

METHOD OF ENGAGEMENT

- Integrated Annual Report
- Annual General Meeting
- SENS announcements
- Investor roadshows and presentations

GOVERNMENTS & REGULATORS

NEEDS AND EXPECTATIONS

- Legal and regulatory compliance
- Tax collection and reporting
- Transformation and employment equity

HOW WE ARE RESPONDING

- Robust compliance framework and systems
- Dedicated tax and legal teams
- Regular reporting and disclosure

METHOD OF ENGAGEMENT

- Regulatory returns (JSE, EE, BEE, tax)
- Integrated Annual Report
- Engagements with regulatory authorities

COMMUNITIES

NEEDS AND EXPECTATIONS

- Job creation and skills development
- Educational and social upliftment
- Meaningful community investment

HOW WE ARE RESPONDING

- Local hiring and enterprise development
- CSI and bursary programmes
- Youth training and learnerships

METHOD OF ENGAGEMENT

- Community partnerships and outreach
- Local media and campaign messaging
- On-the-ground CSI initiatives

TRENDS THAT SHAPE US

TRENDS	IMPACTS/EFFECTS	OUR STRATEGIC RESPONSE	OUR OPPORTUNITIES/FUTURE OUTLOOK
Persistent global supply chain volatility	» Freight rates stabilising but lead times remain long » Ongoing unpredictability in factory output and shipping schedules » Specific component shortages, e.g. semiconductors and electronics	» Continue to hold higher inventory to mitigate delays » Strengthen demand forecasting and order planning » Enhance after-sales service to support clients during delays » Warehouse and operational relocation to optimise supply	» Improved market and customer perspective through consistent availability of inventory » Stronger supplier and logistics partnerships built on visibility and collaboration » Leverage data to optimise replenishment cycles
Shift toward after-market parts and extended asset life	» OEM lead times remain extended » Customers opting to repair rather than replace equipment » Higher consumption of spare parts	» Source reliable aftermarket alternatives » Expand spare parts inventory, especially for high-consumption items » Focus on quality assurance for non-OEM components	» Expand market share in the aftermarket parts segment » Build customer loyalty by supporting asset longevity » Develop proprietary branded parts where feasible
Inflation and input cost pressure	» Rising costs across freight, fuel, materials and labour » Ongoing currency volatility impacting imports	» Renegotiate supplier terms to offset cost pressures » Tighten forex risk management practices » Identify efficiencies in logistics and procurement	» Strengthen supplier relationships for preferential pricing » Explore local sourcing and regional consolidation » Enhance value proposition through cost-effective solutions
Trade restrictions and geopolitical risk	» Tariffs and import duties affecting specific product categories » Regulatory fragmentation across jurisdictions	» Diversify sourcing from low-tariff or free-trade countries » Assess cost-benefit of regional warehousing and assembly » Monitor geopolitical trends to anticipate disruption	» Expand supplier base into strategic trade zones » Optimise product flow to reduce exposure to duties » Agility in adapting sourcing models based on trade developments
Digital transformation and customer expectations	» Customers increasingly expect real-time visibility, digital service and e-commerce access	» Invest in digital platforms for customer self-service and order tracking » Improve internal systems to drive real-time inventory and logistics visibility	» Differentiate through a seamless digital customer experience » Strengthen competitive edge with responsive data-driven operations
Environmental and regulatory pressures	» Growing demand for sustainable products and ESG-compliant operations » Carbon pricing and emissions scrutiny increasing in certain markets	» Introduce more fuel-efficient and environmentally friendly products » Track carbon footprint and integrate ESG factors into procurement	» Meet growing customer demand for responsible sourcing » Align with future regulatory requirements and investor expectations

RISKS AND OPPORTUNITIES

RISK GOVERNANCE

The Board is ultimately responsible for risk governance across the Group and is committed to maintaining robust risk management practices in alignment with corporate governance standards and ethical leadership. While the Board has overall responsibility for risk management within the Group, the Audit and Risk Committee and Executive Committee (supported by the boards of subsidiary companies, executive committees, and management at operational level), assist the Board in discharging its responsibility for the governance of risk by identifying, monitoring, and managing risks on an ongoing basis.

At Invicta, risk management is embedded in the way we do business. It begins with an understanding of the Group's key value drivers and involves identifying both risks and opportunities that could influence strategic and operational outcomes. This includes consideration of environmental, economic, social, and geopolitical factors, as well as business processes across the Group. Risk management is coordinated across Invicta, its subsidiaries, and divisions to balance growth with responsible risk-taking, supporting long-term shareholder value.

OUR RISK MANAGEMENT APPROACH

The Group applies a dual bottom-up and top-down approach to ensure comprehensive risk identification and management. The bottom-up approach is supported by workshops with divisional management to identify and prioritise risks. The top-down approach involves a review and assessment of whether all risks are comprehensively identified and prioritised and properly addressed to accomplish the Group's strategic objectives.

The Enterprise Risk Management (ERM) process continues to mature, with improvements in risk identification, assessment, and mitigation at the entity, segment, and Group levels. Risk owners are trained to actively lead the management of risk in their areas of expertise. The process of risk management is ongoing, and, the risk registers are live documents which are maintained and updated through regular facilitated risk workshops.

RISKS AND OPPORTUNITIES continued

OUR MAJOR STRATEGIC RISKS

Our risks are identified with reference to the strategic objectives and current operations of the Group. The Group's major strategic risks are those that both have a "high" or "significant" inherent impact and probability of occurrence on the strategic objectives or operations of the Group and have an "extreme", "high" or "moderate" residual risk profile. While the other risks are monitored on an ongoing basis, the Board has prioritised the management of the risks that satisfy the above criteria. In line with Listing requirements, the risks presented below have been grouped thematically to reflect those of most immediate significance first.

RISK	CONTROL	ASSOCIATED OPPORTUNITY
Strategic Objective: Protecting and growing shareholder wealth		
Political and labour instability: The Government of National Unity is managed on a collaborative basis, which is reflected in the postponement of the Budget presentation. Sustained labour unrest and/or civil unrest in the context of high unemployment, high wage expectations.	Geographical diversification to more stable regions. Strict management of overheads to create resilience to short-term upheavals.	Build a diversified industrial portfolio which meets the Group's strategic goals.
De-industrialisation of South Africa: Lack of competitiveness/low productivity could lead to a decline in industrial production South Africa, with flat or declining impact on Group revenue and profitability. Major steel-making operations shut down in 2025, bringing the risk that government interventions to protect local industries could lead to greater production inefficiencies hampering South Africa's ability to compete.	Diversification geographically to growing industrial markets. Diversification within South Africa to high-growth products and markets.	Build a diversified industrial portfolio which meets the Group's strategic goals.
Global and local supply chain issues: Global supply chain issues result in the inability to obtain inventory, leading to a loss of sales and business. This includes issues arising from unforeseeable events / 'acts of God' which impact customers, suppliers, or our own operations, as well as issues from loss of a supplier which could result from failure to meet expectations or contractual obligations. Local supply chain issues include delays at local ports and ineffective rail transport.	Adjust working capital levels and procurement processes to compensate for changes in lead times. Operational disaster management plans are in place which empower the management teams to be fast, flexible and efficient in their response to unforeseeable events / 'acts of God'. The Group maintains a diverse customer base from an industry, product and location perspective. Virtual management of operations has been optimised. Operations carry adequate inventory to allow sufficient time to react, with some suppliers able to shift manufacturing to different cities and/or countries. Maintaining strong relationships supported by transparent and timely communication on markets. Extending the number of key suppliers to limit the risk associated with any one supplier.	New supplier and customer relationships beyond the existing relationships that the Group enjoys. The correct disaster management plans and inventory levels allow us to capture additional business opportunities. Secure competing products from new suppliers using our strong market presence.

RISKS AND **OPPORTUNITIES** continued

RISK	CONTROL	ASSOCIATED OPPORTUNITY
Strategic Objective: Protecting and growing shareholder wealth		
Execution of acquisition strategy: Acquisitions perform below expectations because of the transition time taken to optimise operations and extract value, thus exposing the Group to unanticipated risks.	Oversight from Investment Committee. The existence of well-established processes and an experienced management team create downside protection through due diligence and agreement structures.	Good acquisitions are earnings-enhancing.
Working capital management: Exchange risk volatility and supply chain concerns heighten the risk of overstocking (and consequent obsolescence), as well as forex exposure on foreign debtors and creditors.	Strict monitoring of procurement decisions at CEO level. Adherence to policy on taking forward cover for known transactions.	Structural discipline will create the opportunity to outperform the market and be the supplier of choice.
Information technology: Prolonged downtime and/or data loss due to security breaches, failure of critical IT systems such as the ERP and warehouse management system or Microsoft products, as well as external infrastructure failures such as the underwater cables.	Close monitoring and management of software updates and supplier support. Robust disaster recovery plans that are tested regularly. Continually evolving cybersecurity measures to meet new cyber challenges, supported by penetration testing and staff training. Development of a cybersecurity strategy supported by a policy to guide response to cybersecurity breaches.	The ability to operate under conditions where others fail.
South African electricity and water supply and stability: Despite greater stability in the supply of utilities, the *ad hoc* unplanned interruptions are a constraint on GDP and impact the activities of key customer industries such as mining. Higher cost of these services results in a higher operating cost for the business.	Deployment of alternative power independent of the national grid to key sites.	Grow our business by moving into the supply of alternate energy products and/or parts.

RISKS AND OPPORTUNITIES continued

RISK	CONTROL	ASSOCIATED OPPORTUNITY
Strategic Objective: Undertake an ethical, transparent, and sustainable business		
Reputational damage: The Group may suffer reputational damage because of product or governance failure, or failure to meet regulatory standards including JSE listings requirements and compliance within the multiple jurisdictions within which the Group operates. The regulatory requirements continue to increase with the Energy Performance Certification due December 2025, and complexities experienced in ensuring FIC compliance.	Reputational oversight is exercised by the Social and Ethics Committee. The Group has a strong governance framework, including ISO certification at appropriate levels and its code of ethics. External consultants are engaged where specialist knowledge is required. Standard Operating Procedures and regular training support execution. The Group has strong Non-executive Directors, and appropriately qualified and experienced Executive Directors.	The Group will be a preferred partner for companies that value ethical business practices creating a business that is sustainable in the long term.
Strategic Objective: Geographical diversification		
Geopolitical developments and trade dynamics: Escalating global tensions, increasing polarisation among leading economies, and prolonged regional conflicts have created a volatile geopolitical climate. These developments are reshaping trade relationships, heightening security concerns, and challenging long-standing multilateral frameworks. As a result, global businesses are facing greater exposure to supply chain disruptions, regulatory uncertainty, and trade realignment risks. For the Group, these dynamics give rise to several specific risk considerations: » Disruptions to the Group's supply chain and access to key customer markets. » Foreign exchange constraints, including dollar shortages in certain regions where we operate. » Tariff regimes affecting imports from our manufacturing base into key international markets. » Additional import duties – such as those affecting steel and aluminium – which may reduce demand from customers reliant on export markets. » Increased vulnerability to shifts in bilateral trade agreements, including the potential loss of preferential access to strategic markets. » Elevated uncertainty in entering new jurisdictions, as trade and security alignments continue to evolve away from predictable, rules-based global systems.	The Group's operations are spread across various jurisdictions to mitigate this risk. The Group's access to local insights and knowledge is supported by its local offices.	The Group's growing global footprint creates opportunities for new supplier and customer relationships beyond the existing relationships that the Group enjoys. The Group's current footprint positions it to identify further opportunities for geographical diversification, allowing it to follow shifting global trading patterns, with agility and insight.

RISKS AND OPPORTUNITIES continued

RISK	CONTROL	ASSOCIATED OPPORTUNITY
Strategic Objective: Attract, grow, and retain skilled management and technical staff		
Loss of technical and key management skills: The market for skilled and experienced talent at management and technical levels is very competitive in various regions where the Group operates, including South Africa.	The Group's remuneration policy is designed to attract and retain talent Salary benchmarking is undertaken periodically to align with market practices and expectations. Restraint of trade agreements are concluded with senior management throughout the Group. Succession plans for key positions/personnel are in place. Organisational structures are designed to empower our teams and develop opportunities for personal growth. Managed transitions when key personnel retire with job shadowing and post-retirement contracts for a defined period. The Group's Empowerment Trust supports education in technical fields. Group HR has embraced the "YES learner programme" with a 78% retention rate from the 2024 intake.	The Group is seen as an employer of choice and can attract employees with the right skills and qualities to achieve our strategic objectives.

04

OUR STRATEGY

Invicta strives to be a good global corporate citizen. We aim to grow a diversified and sustainable replacement parts Group, providing above-market returns to stakeholders.

REFLECTIONS FROM OUR **CEO**

Steven Joffe

STRATEGY REVIEW

THE GROUP STRIVES TO BE A WORLD-LEADING INDUSTRIAL PRODUCTS SUPPLIER IN SOUTHERN AFRICA AND SELECTED INTERNATIONAL MARKETS – OFTEN EXCLUSIVELY – OFFERING READILY AVAILABLE PRODUCTS SUPPORTED BY TECHNICAL AND SOLUTION-BASED SERVICES.

We create value through our robust distribution chain, extensive inventory holdings, reliable product availability and strong technical support. This technical support offering is a key differentiator, helping to prevent disintermediation and reinforcing our commitment to customer value.

Our overarching aim is to grow a diversified, sustainable replacement parts group that delivers above-market returns to stakeholders. To achieve this, we regularly review and restructure our businesses to meet return expectations. We also aim to achieve both geographic and sectoral diversification.

To realise our Group strategy, we are focused on the following key strategic objectives:

1. **Business optimisation:** Continuously review and restructure our operations to ensure they deliver the desired financial returns.
2. **Geographic diversification:** Expand into international markets aligned with our investment criteria, with the goal of generating 50% of Group net income from outside South Africa in the next year.
3. **Sectoral diversification:** Grow into aligned sectors that leverage the Group's core competencies and capabilities over the same timeframe.

ASSESSMENT OF OUR PERFORMANCE IN FY2025

FY2025 PERFORMANCE OVERVIEW

The Group delivered a solid performance despite persistent global economic challenges. Below is a self-assessment of our performance against the key objectives we set for FY2025:

FY2025 Objective	Self-Assessment
Managing working capital and optimising operations	1.5 – Between achieved and partially achieved
Generating cash	1.0. – Achieved
Managing supply chain challenges	1.5 – Between achieved and partially achieved
Looking for appropriate acquisitions	1.5 – Between achieved and partially achieved

Key: 1 – Achieved; 2 – Partially achieved; 3 – Not achieved

TANGIBLE NAV PER ORDINARY SHARE

13%

5 813 CENTS

WEALTH CREATED

21%

R2.6 BILLION

DIVIDEND PAID TO GROUP SHAREHOLDERS

2%

R107 MILLION

REFLECTIONS FROM OUR **CEO** continued

FY2026 STRATEGIC PRIORITIES

Looking ahead, the Group remains focused on driving performance and resilience across all core areas. Our key objectives for FY2026 are:

1. Maintaining earnings growth
2. Managing working capital and optimising operations
3. Generating cash
4. Managing and limiting geopolitical impacts on the business
5. Identifying and pursuing appropriate acquisition opportunities
6. Optimising capital allocation and the return thereon

WHY INVEST IN US?

» **Sector relevance:** Our businesses operate in critical sectors of both the local and global economy, including mining, agriculture, manufacturing, transportation, logistics and construction.

» **Geographic reach:** We have a diversified international footprint across 17 countries, with manufacturing facilities in China and distribution operations in key markets such as Poland, the United Kingdom, the United States and naturally Southern Africa.

» **Disciplined performance focus:** We are committed to improving profitability and delivering above-market returns by growing sales, enhancing gross margins, tightly managing costs and prioritising cash generation.

» **Sustainable growth:** Our strategy is to build the Group in a stable, measured and sustainable manner – creating long-term value for all stakeholders.

» **Effective capital allocation:** We continuously evaluate the best use of capital.

THE YEAR UNDER REVIEW

Invicta is pleased to report a strong set of results for FY2025, reflecting the resilient and consistent performance of our core operations. Throughout the year, we remained focused on streamlining our business, enhancing efficiency and executing key strategic initiatives.

Notable achievements during the period include:

» The successful redemption of all outstanding preference shares and the acquisition of a parcel of our ordinary shares, both aimed at improving shareholder returns.

» The disposal of the main distribution warehouse at our Kian Ann operations in Singapore is seen as an important step in the process of optimising capital allocation. This transaction has freed up substantial capital while making Kian Ann more efficient by relocating it to a bonded distribution facility in China.

» Through our Kian Ann joint venture, we have further solidified our position in the US market by establishing a further start-up business called KSP, operating out of its own warehouse in Alexandria, Louisiana, which is intended to complement the product line of our KTSU America undercarriage business.

» The disposal of the KMP operations to Kian Ann has further aligned our interests with those of our partner in the Kian Ann joint venture, as we believe that the customer bases for engine parts and undercarriage components are largely similar.

» Lastly, the acquisition of the Nationwide Bearing Company ("**NWB**") has further enhanced our offshore revenue streams.

For a more detailed breakdown of the Group's financial performance, refer to Reflections from our CFO on page 33.

Despite ongoing global economic uncertainty, the strength of our operational model and focused strategic initiatives enabled us to maintain both stability and growth. We remain confident in the long-term value of our business and are committed to delivering sustainable returns to shareholders by executing our strategy, driving operational efficiencies and maintaining discipline in capital allocation.

Throughout the period, we navigated several external challenges, including currency volatility, global supply chain disruptions, shipping delays and port congestion. Notably, South Africa experienced over 300 consecutive days without load shedding from 26 March 2024 through late January 2025, which had a positive effect on both business performance and confidence. This continuous power supply was a welcome change, allowing our customers to operate without disruption.

While external pressures persist, our Group has proven resilient, and we have continued to manage and adapt effectively. We are proud of our dedicated management teams across all operations, who have responded swiftly and creatively – not only mitigating risks but, in many cases, identifying opportunities to grow, optimise, or diversify the business. For further detail, refer to Our Operating Environment on page 17.

Our relatively strong balance sheet and shareholder support has also afforded us the ability to navigate these challenges with confidence. It has allowed us to continue invest in businesses and grow our current operations.

CAPITAL MANAGEMENT AND CASH FLOW

Net debt increased by R204 million during the year, primarily due to the R173 million net investment in finance leases in our Capital Equipment business segment. Cash generation remained strong, with R725 million generated from operations. The net investment in working capital for the year totalled R215 million, with most of this investment directed towards finance leases for customers in the Capital Equipment segment.

Our management teams remained focused on tightly managing working capital levels to ensure our investment in inventory is relatively flat, notwithstanding our current operating environment and inflationary effects on product pricing.

Over the year, we returned R166 million in dividends to ordinary and preference shareholders and undertook a strategic buyback of the entire outstanding balance of 6.9 million preference shares, at a cost of R703 million. This redemption marks a significant milestone for the Group and reflects our ongoing efforts to enhance long-term value for ordinary shareholders.

REFLECTIONS FROM OUR **CEO** continued

We also acquired 4.9 million ordinary shares at a cost of R157 million. The benefit to shareholders will be seen in the year ahead and should positively impact earnings per share.

The Group continues to benefit from significant available banking facilities, providing ample capacity to fund operations and support strategic growth initiatives.

Our internal measure of net debt has always included the listed preference shares, and the redemption of these has already delivered a net gain to ordinary shareholders during the interim period. The benefit is expected to increase annually going forward, creating a more robust and simplified capital structure aligned with our long-term strategy. Our net debt position is appropriate, and we are now in a position to evaluate growth opportunities in the market.

REPORTING SEGMENTS

Consistent with the prior year, the Group reports its operations across five business segments. While the KAG forms part of the broader Replacement Parts, Services and Solutions: Earthmoving Equipment ("**RPE**") segment, we continue to report on KAG separately due to its relative size and contribution.

The five reporting segments are:

- Replacement Parts for Earthmoving Equipment ("**RPE**")
- Kian Ann Group ("**KAG**")
- Replacement Parts for Industrial Equipment ("**RPI**")
- Replacement Parts for Auto and Agri ("**RPA**")
- Capital Equipment and Related Services ("**CE**")

REPLACEMENT PARTS FOR EARTHMOVING EQUIPMENT ("**RPE**")

This segment includes, *inter alia*, the operations of Equipment Spare Parts Africa (Pty) Ltd ("**ESP**") and NWB.

During the year, we restructured the KMP operations into the Kian Ann joint venture to better align our interests with those of our partner and leverage our combined capabilities for future growth. We also acquired NWB during the year, and it has delivered a solid performance in its first year with the Group.

RESULTS SUMMARY FOR THE YEAR (PRIOR YEAR EXCLUDES KMP, AS KMP IS REPORTED AS A DISCONTINUED OPERATION)

- Revenue increased by 23% (R460 million to R567 million).
- Operating profit before interest on financing transactions and foreign exchange increased by 39% (R95 million to R132 million).

KIAN ANN GROUP ("**KAG**")

KAG is equity-accounted as a joint venture.

During the year, we disposed of our main Kian Ann warehouse in Singapore for S$63 million. From these proceeds, we received a dividend of S$20 million, which was applied towards reducing the Group's South African debt facilities – contributing to the improvement of our overall debt position.

Following the disposal, Kian Ann relocated its primary distribution operations to Shanghai, from where it will continue servicing customers. The transition to Shanghai is expected to improve operational efficiency and profitability. The head office presence will remain in Singapore, housing the executive and sales teams.

The other KAG entities delivered satisfactory results despite heightened geopolitical tensions between China and the West.

RESULTS SUMMARY FOR THE YEAR

- Revenue increased by 16% (S$248 million to S$288 million).
- Operating profit before interest on financing transactions and foreign exchange increased by 107% (S$29 million to S$60 million). The current year operating profit includes the SG$33 million profit on the Singapore property disposal, as well as a S$4 million accounting profit from the derecognition of the IFRS 16 assets and liabilities related to the distribution centre. In the prior year, the operating profit included the S$5 million profit on the disposal of a property in Shanghai.

REPLACEMENT PARTS FOR INDUSTRIAL EQUIPMENT ("**RPI**")

RPI focuses on the import and local manufacture of industrial consumable products, services and solutions across all industries in Southern Africa. Our offering is built around world-class products and services aimed at improving customer efficiency and ensuring global competitiveness.

In the lead-up to the South African elections, customer hesitation impacted order volumes. However, once the Government of National Unity was announced and market confidence improved, we saw a noticeable uptick in activity, resulting in a strong performance in the second half of the year. The mining sector remained subdued due to low global resource prices and persistent local logistical challenges, including rail disruptions and port inefficiencies.

The business continued to prioritise inventory optimisation – maintaining appropriate fill rates and implementing strategies to move aged stock. The management team in RPI did well in controlling costs throughout the year, thus the business was able to generate improved returns.

REFLECTIONS FROM OUR **CEO** continued

RESULTS SUMMARY FOR THE YEAR

- Revenue increased by 3% (R4.9 billion to R5.0 billion).
- Operating profit before interest on financing transactions and foreign exchange increased by 18% (R352 million to R416 million).

REPLACEMENT PARTS FOR AUTO AND AGRI ("**RPA**")

RPA operates in South Africa and select European markets, supplying automotive and agricultural replacement parts. The segment imports and distributes aftermarket automotive parts, OEM kits, driveshaft components and other agricultural spares.

Most of the pressure in this segment comes from the South African markets where consumers are under financial pressure, which drives buying practices supporting Chinese-produced products.

RESULTS SUMMARY FOR THE YEAR

- Revenue increased by 10% (R738 million to R813 million), primarily due to the full-year contribution from Imexpart.
- Operating profit before interest on financing transactions and foreign exchange decreased by 1% (R94 million to R93 million).

CAPITAL EQUIPMENT AND RELATED SERVICES ("**CE**")

CE supplies capital equipment and related spare parts and services to the earthmoving, construction, mining and logistics sectors.

Customer demand slowed in the lead-up to the national elections, leading to oversupply in the market. This in turn triggered margin compression across the sector. Following the formation of the GNU, demand normalised, and we believe oversupply conditions are now largely behind us.

Mining and materials handling remained under pressure due to continued port and transport challenges. The construction sector saw limited activity amid ongoing infrastructure delays. We hope that renewed political stability will unlock infrastructure spending and provide an uplift to this segment.

Competitors distributing Japanese brands benefited from the Rand/Yen currency tailwinds, requiring us to reduce gross margins to remain competitive. In the year, we have done well and have offered customers a competitive package with our in-house financing options.

Spare parts remain a critical revenue and profit driver for the segment, especially in the aftermarket.

RESULTS SUMMARY FOR THE YEAR

- Revenue increased by 11% (R1.2 billion to R1.3 billion).
- Operating profit before interest on financing transactions and foreign exchange was flat at R110 million.

REPURCHASE OF SHARES

During the financial year, the Group repurchased and cancelled 4,921,642 ordinary shares (FY2024: 3 002 164) on the open market for R157 million. Post year-end, an additional 3,130,629 shares were acquired for R97 million.

A central pillar of our strategy is to reduce leverage. In line with this, we have successfully redeemed all outstanding preference shares without issuing new ordinary shares and without a significant increase in debt, but rather using cash from the disposal of underperforming assets as well as and operational profits. The removal of the preference shares enhances earnings available to ordinary shareholders, as previously declared dividends to preference shareholders were deducted before calculating distributions to ordinary shareholders.

These repurchases have been earnings accretive and will continue to benefit shareholders going forward.

DIVIDEND

We are pleased to declare a dividend of 115 cents per share, up 10 cents from the prior year's 105 cents – reflecting our strong operational performance and prudent capital allocation.

LOOKING FORWARD

With the implementation of tariff wars globally, future economic outlooks remain tough to gauge as reciprocal tariffs fluctuate. We are working hard to remain well-informed on developments and hope to move as quickly as possible to assess and deal with developments promptly to ensure the business remains stable.

The latest developments in the Israel–Iran war will significantly impact global logistics. The conflict has raised fears of security concerns in the Strait of Hormuz. Any disruption here could sharply increase freight costs, delay shipping times and cause fuel prices to surge.

With so much uncertainty in the world, we will continue to focus on cash generation. Having a relatively debt-free business gives us the necessary time to respond to challenging situations and simultaneously provides the capacity for us to implement our acquisition strategy. We are evaluating several opportunities on the acquisitions front, and should these global headwinds subside, and we can identify suitable targets that align with our strategy, we will certainly continue to acquire businesses.

Due to our relative financial strength, we will endeavour to return to shareholders approximately a third of our earnings annually, be it through buybacks in the market or dividends. Many sectors we service are trading in line with these results, and we can continue to service our clients without stockouts or delays. Accordingly, we remain cautiously optimistic about the new year.

REFLECTIONS FROM OUR **CEO** continued

APPRECIATION

We are proud of our strong performance and extend our sincere thanks to our loyal suppliers, customers and all stakeholders for their continued partnership and support.

To our exceptional team – across factory floors, offices and boardrooms – thank you for your dedication, expertise and resilience throughout the year. Your efforts are the cornerstone of our success.

We also express our deep appreciation to our Chairman and the Non-executive Directors for their participation and involvement at various levels. Their engagement and strategic input have played an instrumental role in helping the Group realise improved outcomes.

VALUE-ADDED STATEMENT

for the year ended 31 March 2025

Continuing operations	2025 R'000	Represented* 2024 R'000	% change
Revenue	**8 111 903**	7 648 557	6%
Cost of goods and services	**(5 991 592)**	(5 764 782)	4%
Value added	**2 120 311**	1 883 775	13%
Income from investments	**447 537**	241 327	85%
Wealth created	**2 567 848**	2 125 102	21%
Wealth distribution:			
Employees			
Salaries, wages and benefits	**1 235 373**	1 155 332	7%
Providers of capital			
Dividends to shareholders	**165 978**	182 150	(9%)
Finance costs	**200 523**	177 043	13%
	366 501	359 193	2%
Government			
Corporate tax	**210 478**	176 156	19%
Wealth retained for future expansion and growth			
Amortisation of intangibles and depreciation of property, plant and equipment	**165 845**	162 490	2%
Retained income	**589 651**	271 931	117%
	755 496	434 421	74%
Wealth distributed	**2 567 848**	2 125 102	21%

Represented to exclude KMP Holdings Limited presented as a discontinued operation.

REFLECTIONS FROM OUR **CFO**

Nazlee Rajmohamed

The Group aims to provide its shareholders with a sustainable above-market return from its diversified industrial consumables, capital equipment and replacement parts businesses, leveraging both existing operations and targeted acquisitions.

The sale of the Singapore building held by the Kian Ann joint venture, and the subsequent relocation of the warehouse to China, was a significant unlock of value that contributed a once-off R222 million to equity-accounted earnings from investment in the joint venture.

The focus of our operational and management efforts remains on the correct allocation of capital and efficient working capital management. The Group has remained cautious in terms of capital allocation and has continued to provide increased value to shareholders through the repurchase of both its ordinary and preference shares. A significant achievement during the period under review was the redemption of all preference shares in issue, requiring a cash outflow of R703 million. Net debt to equity, which rose by 5% to 18%, however, remains at an acceptable level.

The year's performance has delivered R745 million profit attributable to ordinary shareholders. Headline earnings were R514 million, with headline earnings per share at 534 cents compared to the 470 cents per share delivered last year. Sustainable headline earnings per share increased by 13% to 553 cents.

CAPITAL ALLOCATION

Our overall strategy remains the diversification into growth industries and markets, with the focus being on jurisdictions that meet our geopolitical and regulatory benchmarks and, are aligned to the business sectors that we currently operate in. We made two capital allocation decisions following these principles.

The Group acquired 100% of Nationwide Bearing Company ("**NWB**"), based in the United Kingdom, for GBP 12.4 million. This company supplies consumable parts to the earthmoving and agricultural machinery aftermarkets, including bearings, belts, brushes and seals with its own in-house proprietary brand NWB. It will be reported in the RPE: Earthmoving segment and benefit from the Group's procurement capabilities. Additionally, the Group can explore cross-selling NWB products into the Groups' existing operations.

The Group disposed of its 100% interest in KMP Holdings to our Kian Ann joint venture for a consideration of GBP 12.6 million, with a portion of the proceeds used to fund the NWB acquisition. The KMP Group with operations in the United Kingdom and

GP%	EQUITY ACCOUNTED EARNINGS	OPERATING PROFIT*
↑ 0.3%	↑ 112%	↑ 13%
32.6%	**R365 MILLION**	**R761 MILLION**

This is before equity-accounted earnings.

REFLECTIONS FROM OUR **CFO** continued

America will benefit from the Kian Ann activities in America and provided Kian Ann with a United Kingdom presence, while still allowing Invicta to participate in its performance through our holding in Kian Ann.

The Group acquired 5,021,237 ordinary shares for R160 million and redeemed 6,857,757 preference shares for R703 million. These shares, less the 99,595 ordinary shares issued to Directors, were subsequently cancelled.

WORKING CAPITAL MANAGEMENT

The net working capital utilised by the Group has increased by R32 million, largely due to the sale of KMP to Kian Ann whose working capital was higher than that of NWB acquired. Excluding the movement in net working capital of R149 million due to these two transactions, the net working capital has increased by R181 million, largely due to the increase in finance leases entered into for capital equipment customers, with inventory and trade receivables mainly offset by increased payables.

- **Inventory turnover** remains a key management focus area with inventory turn being one of the key operational performance measures. Inventory decreased by R44 million, to R2,971 million. However, excluding the impact of the exit of KMP and the acquisition of NWB, there has been a 4% or R113 million increase. The increase is primarily attributable to higher inventory levels in our automotive business and general inflationary increase in product pricing.
- **Trade receivables and other receivables** at R1 343 million have increased by R88 million. However, excluding the impact of the exit of KMP and the acquisition of NWB, there has been an 11% or R131 million increase. The increase in trade and other receivables is 7%, which is largely in line with the increase in revenue for the Group.
- **Net investment in finance leases** has increased by R170 million to R383 million. This is a record level of financing and reflects our growing success in managing these types of deals. It is matched by an increase of R173 million in finance lease liabilities. This has improved our net financing income from financing transactions.
- **Trade and other payables** increased by R182 million to R1 610 million, reflecting our focus on cash management. Excluding the impact of the exit of KMP and the acquisition of NWB, there has been a 17% or R234 million increase, further amplifying the working capital management focus.

TRADING PERFORMANCE

We have delivered revenue growth of 6%, while improving our gross profit percentage to 33% from 32%. Selling administration and distribution costs were well contained as reflected in the 2% increase. This was further supported by the year-on-year net increase of profit derived from the disposal of property, plant and equipment, investment property and subsidiaries of R39 million.

Net finance costs have increased by R9.8 million following the increase of R204 million in net interest-bearing debt, as a result of investments made. These activities, as well as the repurchase of the preference and ordinary shares, were also partly funded by the repatriation of the Group's share of Kian Ann dividends of R311 million, which came predominantly from the profit on the sale of the property by Kian Ann.

Net cash and cash equivalents at R780 million reflect a pleasing position given the acquisitions, share repurchases, and dividend payments made to shareholders.

Equity accounted earnings from joint ventures of R365 million relates mainly to our investment in Kian Ann, which has yielded a return on investment of 20%, including profit on sale of the Singapore property. Excluding the profit from that, the return was 8%. The prior year return was 7% excluding the profit on the disposal of the Shanghai property.

Basic earnings per share of 773 cents were achieved compared to 492 cents in the prior year.

Headline earnings of 534 cents was achieved compared to 470 cents in the prior year.

OUR SUSTAINABILITY **JOURNEY**

Sustainability is a key strategic pillar for Invicta Holdings. As a Group operating in the industrial, engineering and distribution sectors, we recognise our responsibility to reduce our environmental impact and contribute to the long-term sustainability of the communities and industries we serve.

In FY2025, we laid the foundation for an ESG framework and established a dedicated ESG function within the Group. This function is responsible for overseeing our sustainability initiatives and reporting, and for embedding ESG considerations into our overall strategy and operations.

ESG FRAMEWORK AND STRATEGIC PILLARS

Our ESG approach is guided by four pillars:

- **Operations**: Improve environmental performance across our businesses.
- **Strategy**: Align ESG with long-term value creation.
- **Reporting**: Enhance transparency and data quality.
- **Innovation**: Drive sustainability through employee engagement and innovation.

FY2025 HIGHLIGHTS

- **Expanded ESG Coverage**: ESG reporting expanded to most of our South African operations, including several RPI Group branches. Data collection has been completed across the CE, RPA and RPE segments. Reporting for BMG – the Group's largest contributor – is still underway and will be included in future reporting cycles to ensure full Group-wide coverage.
- **New ESG Reporting System**: In April 2025, we implemented a centralised ESG data system to improve the accuracy, consistency and audit readiness of future reports. The data in this report was collected manually before the system went live. The new system will allow us to better track electricity, water, fuel (for fleet and generators), and waste generation going forward.
- **Greener Fleet**: We introduced 10 hybrid vehicles into the BMG fleet as part of our drive to reduce emissions and improve fuel efficiency.
- **Employee Awareness**: A sustainability mascot was launched to support internal ESG awareness campaigns, and training is being delivered through the Invicta Connect platform.

WASTE MANAGEMENT PROGRAMME ACHIEVEMENTS

- **Waste Management Pilot**: We launched a pilot waste management programme at five high-impact sites in Gauteng, which account for around 30% of our operational activity, based on employee headcount. These sites were selected for their size, resource intensity and ease of access. The aim was to identify and utilise ideal test sites for diverting waste from landfill and to develop insights that will guide future implementation at smaller, less intensive sites across South Africa.

ENVIRONMENTAL ACHIEVEMENTS:

The waste programme delivered measurable results:

- 368,305 m^3 of waste diverted from landfill
- 683 tonnes of CO_2 equivalent emissions avoided
- 3.1 million litres of water saved
- 2,049 trees preserved

The SDG Framework is the guiding principle for Invicta's integrated approach to the process of incorporating ESG considerations into the Group's investment decisions and the management of the Group's operations.

As a Group, we are committed to preserving our planet for future generations and are dedicated to integrating sustainable practices into both our daily operations and business strategy.

OUR SUSTAINABILITY **JOURNEY** continued

m³ OF WASTE DIVERTED FROM LANDFILL

368,305

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, 1 April 2024 TO: Monday, 31 March 2025

Comparisons to create perspective and demonstrate the scale of achievement.

19,983

Equivalent of 240l wheelie bins of waste that were saved from landfill

NUMBER OF TREES SAVED

2,049

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

4,181,353

m³ (volume) of CO_2 these trees could sink

NUMBER OF TREES SAVED

2,049

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

13 Acres

(equivalent to 6.26 rugby fields)

of tropical forest at average tree density saved

TREES SAVED

Site Name	NO. OF TREES SAVED	EQUIVALENT ACRES OF TROPICAL FOREST	EQUIVALENT M³ OF CO_2 SUNK BY THIS NO. OF TREES
Criterion Equipment	10.83	0.07	22,099.56
Bearing Man Group	1,857.32	11.74	3,790,035.41
Develon	75.49	0.48	154,076.57
ESP	43.32	0.27	88,398.23
HPE Africa	62.11	0.39	126,742.9
TOTALS	**2,049.07**	**12.95**	**4,181,352.67**

OUR SUSTAINABILITY **JOURNEY** continued

LITRES OF WATER SAVED

3,150,211

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

52

Average home swimming pools that could be filled with 60m³ of water

LITRES OF WATER SAVED

3,150,211

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

34

Number of average household annual water needs

WATER SAVED

Site Name	Litres of Water Saved	EQUIVALENT SWIMMING POOLS FILLED WITH THIS WATER	EQUIVALENT HOUSEHOLDS' YEARLY WATER NEEDS FULFILLED
Criterion Equipment	16,649.7	0.28	0.18
Bearing Man Group	2,855,394.34	47.59	31.2
Develon	116,080.54	1.93	1.27
ESP	66,598.8	1.11	0.73
HPE Africa	95,487.49	1.59	1.04
TOTALS	**3,150,210.87**	**52.5**	**34.42**

OUR SUSTAINABILITY **JOURNEY** continued

m³ OF CO_2 SAVED

379,489

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

6,325
Average home swimming pools that could be filled with this co_2

m³ OF CO_2 SAVED

379,489

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

185
Number of trees grown to maturity that would have been required to sink this carbon

CO_2 SAVED

Site Name	m³ of CO_2 SAVED	GROWN TREES REQUIRED TO SINK THIS CO_2	EQUIVALENT SWIMMING POOLS THIS CO_2	EQUIVALENT HOUSEHOLDS' YEARLY THIS CO_2 EMISSIONS
Criterion Equipment	35,393.87	17.28	589.9	4.94
Bearing Man Group	215,199.45	105.07	3,586.66	30.03
Develon	30,065.74	14.68	501.09	4.19
ESP	4,904.28	2.39	81.74	0.68
HPE Africa	93,925.28	45.86	1,565.42	13.1
	379,488.62	**185.28**	**6,324.81**	**52.94**

OUR SUSTAINABILITY **JOURNEY** continued

kWh OF ENERGY SAVED

2,324,605

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

217,380

Litres of oil equivalent saved per volume

kWh OF ENERGY SAVED

2,324,605

Through Waste Reduction and Recycling initiatives implemented at **ALL WASTE COLLECTION POINTS**
FROM: Monday, April 1, 2024 TO: Monday, March 31, 2025

Comparisons to create perspective and demonstrate the scale of achievement.

63,390

Litres of petrol equivalent per volume

ENERGY SAVED

Site Name	kWh OF ENERGY SAVED	POTENTIAL NO. OF MID-INCOME HOMES POWERED FOR A YEAR	EQUIVALENT LITRES OF OIL	EQUIVALENT LITRES OF PETROL
Criterion Equipment	348,005.4	37.53	32,542.96	9,489.88
Bearing Man Group	812,469.43	87.61	75,976.28	22,155.51
Develon	248,471.41	26.79	23,235.25	6,775.65
ESP	16,897.08	1.82	1,580.09	460.77
HPE Africa	898,761.92	96.92	84,045.74	24,508.66
	2,324,605.24	**250.67**	**217,380.32**	**63,390.47**

OUR SUSTAINABILITY **JOURNEY** continued

ESG ROADMAP: FY2025–FY2030

FOCUS AREAS FOR FY2026

- Commission solar PV and battery storage systems at five additional sites.
- RPI operating segment budgeted for seven full maintenance lease replacements and 16 new hybrid vehicles to support ongoing fleet modernisation.
- Expand the Invicta recycling programme to an additional three locations.
- Refine ESG data reporting and close gaps in energy, water and waste usage data at smaller branches.

LOOKING AHEAD

As we continue to mature in our sustainability journey, we are committed to embedding ESG principles as a fundamental part of our operations, improving data quality and transparency, and contributing meaningfully to the United Nations Sustainable Development Goals. Sustainability is not a standalone initiative, but forms part of how we create long-term value for all stakeholders.

OUR SUSTAINABILITY **JOURNEY** continued

E – ENVIRONMENTAL

Our environmental sustainability efforts are focused on the following strategic areas:

Energy efficiency and consumption **Water usage and sustainability** **Waste generation**

In each of these areas, we seek to adopt proven strategies and practices targeted at reduction.

ENERGY EFFICIENCY AND CONSUMPTION

RELEVANCE TO GROUP

The Group recognises that improving energy efficiency and managing consumption is central to meeting carbon reduction targets and aligning with South Africa's climate commitments.

TARGET

The five-year target, using FY2025 as a baseline, aims to reduce our reliance on the grid (fossil fuels) by 15% by FY2030.

FY 2024 GOALS

FY 2024 INITIATIVES

» Installation of solar power and Battery Energy Storage Systems (BESS) at strategic sites across RPA, RPI and CE.

ASSESSMENT

» Project completed at BMG World (RPI's largest site), with BESS currently undergoing testing.

» Implementation at RPA and CE sites remains in progress.

FY 2024 OTHER NOTABLE ACHIEVEMENTS

» Additional solar panels have been added to BMG World.

» The system includes a 630 kVa inverter, a 1.8 MWh battery, and a 900-kW photovoltaic (PV) array.

FY 2025 GOALS

FY 2025 INITIATIVES

» Fully commission the Battery Energy Storage System (BESS) at BMG World.

» Begin monitoring and reporting on electricity generated from on-site renewable energy installations.

» Roll out renewable energy projects to other South African sites.

» Introduce hybrid vehicles into the fleet, where appropriate, to reduce carbon emissions.

ASSESSMENT

» The BESS at BMG World has been fully commissioned and is operational.

» Monitoring of electricity generated by solar installations has commenced where infrastructure is in place.

» South African sites for solar expansion have been identified, with proposed budgeting currently in progress.

» Ten hybrid vehicles have been added to the fleet.

FY 2025 OTHER NOTABLE ACHIEVEMENTS

» BMG World achieved energy savings of 0.93 GWh through on-site solar generation, reducing reliance on grid electricity.

» Ten new hybrid vehicles were introduced into the BMG fleet to support the Group's carbon reduction efforts.

CHALLENGES AND MITIGATION STRATEGIES

» Fuel usage for generators showed a consistent decline across South African sites within the Group until December 2024, when load shedding was suspended. However, usage increased again between January and March 2025 due to the return of power disruptions.

» Monitoring electricity and water consumption at smaller branches remains a challenge, particularly where utility billing is managed by landlords. While usage data for all head offices was captured, data from smaller sites remains inconsistent, limiting the accuracy of reporting.

FY 2026 GOALS

FY 2026 INITIATIVES

» Expand the number of hybrid vehicles in the fleet.

» Install two additional solar panel parking bays at one of the Group's largest sites, along with enhanced solar infrastructure.

» Improve reporting on renewable energy generation across the Group, particularly at smaller branches.

» Conduct energy efficiency surveys across key operations.

STRATEGIES

» Budget provision has been made for the replacement of seven fleet vehicles with hybrids, and for the addition of 16 new hybrid vehicles.

» The planned solar expansion includes a 250 kVA power conversion system (PCS), a 600 kWh backup battery, and two photovoltaic arrays rated at 150 kW and 140 kW.

» ESG software has been implemented to support centralised environmental data collection and is expected to improve reporting from smaller branches.

OUR SUSTAINABILITY **JOURNEY** continued

SUSTAINABLE USAGE AND WATER MANAGEMENT

RELEVANCE TO GROUP

Water efficiency directly affects operational costs and is a key component of reducing the Group's environmental footprint. Ongoing water shortages at BMG World have underscored the importance of securing alternative water sources to ensure operational continuity. The Group remains committed to sustainable water use through ongoing initiatives aimed at reducing consumption and conserving resources.

TARGET

The larger facilities within the South African operations have set a five-year goal to reduce municipal water consumption by 15% by FY2030, using FY2025 as the baseline year.

FY 2024 GOALS

FY 2024 INITIATIVES

» Extend the implementation of identified initiatives across all operations to maximise the impact of proven measures.

ASSESSMENT

» The implementation of water-efficient technologies is underway across the Group's South African operations.

FY 2024 OTHER NOTABLE ACHIEVEMENTS

» A JoJo backup water storage system was installed to provide an alternative to municipal supply and support business continuity.
» A borehole and filtration system was installed and commissioned to reduce reliance on municipal water sources.

FY 2025 GOALS

FY 2025 INITIATIVES

» Explore additional initiatives such as greywater recycling systems.
» Scale successful pilot site initiatives across South African operations.
» Promote employee awareness of water conservation.
» Monitor water usage across operations.

ASSESSMENT

» Surveys conducted at head office sites confirmed the presence of backup water systems, including municipal backups and rainwater harvesting for landscaping.
» Sustainability audits were carried out, incorporating leak detection and employee awareness campaigns focused on responsible water use.
» Water-saving technologies have been implemented, including the installation of smaller geysers near usage points to reduce both electricity and water consumption.

FY 2025 OTHER NOTABLE ACHIEVEMENTS

» Continued protection of water sources through the implementation of safe operational practices.
» Hazardous materials handling surveys were conducted to assess potential risks to water sources, resulting in the implementation of mitigation strategies to prevent environmental harm.
» Upgrades to oil separator systems were completed across several entities to reduce the risk of water contamination.

CHALLENGES AND MITIGATION STRATEGIES

» Accurate water usage data remains difficult to obtain at smaller branches, particularly where sites are leased and municipal billing is managed by landlords. This limits the ability to monitor consumption consistently across all locations.

FY 2026 GOALS

FY 2026 INITIATIVES

» Improve water usage data collection at branch level.
» Enhance awareness of environmentally responsible water use and discharge practices.

STRATEGIES

» Conduct national surveys to assess current water usage practices and identify areas for improvement.
» Promote awareness through survey feedback, staff training sessions and internal communication campaigns.

OUR SUSTAINABILITY **JOURNEY** continued

WASTE MANAGEMENT

RELEVANCE TO GROUP

» For the Group, effective waste management reduces operational costs by minimising landfill disposal fees, improving resource recovery in our operations and enhancing compliance efficiency.
» The Group applies the waste management hierarchy, prioritising prevention, reduction, reuse and recycling, to reduce its environmental footprint. These practices directly support the Group's ESG commitments and contribute to achieving relevant Sustainable Development Goals.

TARGET

» Primary Target: Achieve a 15% reduction in total waste generated by FY2030, using FY2025 as the baseline year.
» Secondary Target: Achieve a 10% reduction in waste sent to landfill by FY2025.

FY 2024 GOALS

FY 2024 INITIATIVES

» Monitor waste sent to landfill by category.
» Appoint a dedicated waste service provider for RPA's Gauteng branches as a pilot project to improve recycling and reduce landfill waste.

ASSESSMENT

» Waste categorisation has been fully implemented at BMG World and is in the process of being rolled out across other divisions.
» A new waste management initiative for the larger facilities of our South African operations is under development and will be included in annual sustainability reporting going forward.

FY 2024 OTHER NOTABLE ACHIEVEMENTS

» BMG World, the Group's largest site, was selected as the pilot site for a new waste reporting portal. This has contributed to increased recycling rates and a measurable reduction in landfill waste.
» The Capital Equipment segment has been successfully onboarded to the portal, with rollout to additional segments underway.
» Implementation of the waste management hierarchy at BMG World led to the adoption of a reuse policy for packaging materials and pallets, resulting in a significant reduction in overall waste volumes.

m³ OF WASTE DIVERTED FROM LANDFILL

368,305

Comparisons to create perspective and demonstrate the scale of achievement.

19,983

Equivalent of 240l wheelie bins of waste that were saved from landfill

FY 2025 GOALS

FY 2025 INITIATIVES

» Launch a visual media campaign to raise employee awareness around waste minimisation.
» Expand the footprint of the appointed waste service provider across the larger facilities within the South African operations.
» Strengthen internal waste monitoring and reporting processes.
» Promote circular economy practices through reuse and internal recycling initiatives.

ASSESSMENT

» A sustainability video was launched, highlighting key practices in water conservation, energy use, recycling and waste reduction.
» Waste separation and reporting were successfully extended to six additional head office entities.
» Reuse of packaging materials (including pallets and boxes) has contributed to reduced procurement and disposal costs.
» 56% of total waste generated by selected entities was diverted from landfill.

FY 2025 ENVIRONMENTAL ACHIEVEMENTS THROUGH WASTE

- **368,305 TONNES** DIVERTED FROM LANDFILL
- **288,288 TONNES** DISPOSED OF TO LANDFILL
- **683 TONNES** OF CO_2 EQUIVALENT
- **2,049** TREES SAVED
- **3,150,211 LITRES** OF WATER SAVED
- **2,324,605 KWH** OF ENERGY SAVED

CHALLENGES AND MITIGATION STRATEGIES

» **Inconsistent monitoring of waste across the Group's South African entities.**
Mitigation: Partner with a service provider that offers software solutions for accurate waste tracking and landfill diversion reporting.
» **Lack of standardised waste separation practices at all sites.**
Mitigation: Implement recycling stream separation at selected strategic sites in collaboration with a dedicated waste service provider.
» **Low waste volumes at certain sites limit programme viability.**
Mitigation: Conduct feasibility assessments to determine the suitability of selected sites for inclusion in the waste management programme.

FY 2026 GOALS

FY 2026 INITIATIVES

» Extend the waste programme including reuse and recycling practices to branch level where viable.
» Broaden the scope of waste reporting across all entities.
» Explore composting solutions for organic waste generated by canteen operations.

STRATEGIES

» Conduct a feasibility study to evaluate the practicality of extending the waste programme to branches.
» Roll out a centralised ESG reporting platform across selected entities to support consistent and accurate waste data tracking.

OUR SUSTAINABILITY **JOURNEY** continued

S – SOCIAL

Invicta regards its people as critical enablers of long-term value creation. Our human capital initiatives for the FY2025 reflect a continued focus on talent development, diversity and inclusion, workforce wellbeing and operational resilience.

WORKFORCE PROFILE

As at May 2025, the Group employed 2,736 individuals across its four South African operating divisions:

- **RPI**: Replacement Parts for Industrial Equipment – comprising BMG (Bearing Man Group), Industri, OST (Operational Services and Technologies) and Belt Brokers.
- **RPE**: Replacement Parts for Earthmoving Equipment – comprising Kian Ann, ESP (Earthmoving Spare Parts) and KMP (KM Products).
- **RPA**: Replacement Parts for Auto and Agri – comprising Autobax and Driveshaft Parts Group (UPG).
- **CE**: Capital Equipment and Related Services – comprising Doosan, HPE (Hyundai Power Equipment), Criterion and Shamrock.

RPI remains the largest contributor to Group employment, accounting for 78% of the total workforce.

African employees represent over 80% of the South African workforce, underscoring the Group's alignment with national transformation objectives. Women now comprise 28% of employees – a marked improvement in a historically male-dominated industry and ahead of the Group's 2028 target of 15% female representation in management.

REMUNERATION, BENEFITS AND EQUITY

Invicta adheres to the provisions of the Metal and Engineering Industries Bargaining Council, the Motor Industry Bargaining Council, or the Basic Conditions of Employment Act, depending on the operating entity. Where not regulated by bargaining councils, a Group minimum wage of R6,500 per month applies. The Group also provides comprehensive benefits including compulsory retirement contributions, subsidised voluntary medical aid and above-statutory annual leave provisions.

The Group has made significant inroads by grading 80% of all the jobs within the Group according to the Paterson Grading System. Aligning all jobs to the Paterson Grading System supports not only transparency in remuneration, but also assists in the attraction and retention of talent as well as talent deployment.

YOUTH EMPLOYMENT SERVICE (YES) PROGRAMME

Our flagship YES initiative has now entered its fourth year and continues to yield positive results. In FY2025, 82 learners were recruited into learnerships in Business Administration and Warehousing. The programme's 77.8% absorption rate is the highest since inception, with over 132 participants now permanently employed across the Group.

STRATEGIC HUMAN CAPITAL ACHIEVEMENTS

- **Leadership Development**: BMG launched the "Lead Me" programme for 48 senior managers, focusing on emotional intelligence and engagement. A rollout to middle managers is planned for FY2026.
- **Integrated Talent Management**: SHL (Saville & Holdsworth Ltd) psychometric assessments were implemented in both recruitment and development, including a Sales Transformation programme targeting over 300 employees.
- **Wellness and Social Investment**: 159 bursaries were awarded to employees' children, valued at over R917,000. Wellness days and health campaigns were held across entities. A secure transport service was introduced at BMG World to enhance employee safety.
- **Inclusion and Disability Empowerment**: The Group has invested R2.3 million in skills development for 50 individuals with disabilities, now a core part of its social impact strategy.

LOOKING AHEAD

In FY2026, our focus areas will include deepening diversity and inclusion, embedding SHL data analytics in succession planning, expanding our YES footprint and introducing digital automation in HR processes to improve efficiency and responsiveness.

Invicta's people remain at the heart of its competitive advantage, and we are committed to cultivating an inclusive, agile and high-performance culture that empowers every employee to thrive.

OUR SUSTAINABILITY **JOURNEY** continued

SOCIO-ECONOMIC DEVELOPMENT

IDENTIFY INITIATIVES

Some of the key initiatives include:

» School bursaries to employees' children.
» Medical assistance and mental health assistance for employees without medical aid.
» Droste Park community upliftment which involves the upkeep of the area surrounding BMG World.
» Meal-in-bag parcels for the homeless on Mandela Day.

FY 2024 OTHER NOTABLE ACHIEVEMENTS

» The Group provided 159 bursaries to the children of qualifying employees.
» Approximately R965,885 was spent on this initiative.
» The Group provides free medical services, including mental health services to employees without medical aid.
» Approximately R628,827 was spent on this initiative.
» The Group ensures that the area around our main offices in Jeppestown are gardened, improved and kept free from litter.
» Approximately R375,000 has been spent maintaining and improving the area in which we trade.
» Approximately R200,000 was spent on providing food parcels to the homeless.

FY 2025 GOALS

» The Group sets an annual target of 1% of its profit after tax, of its South African operations.
» The annual Rand value target is R3,2 million.

SKILLS DEVELOPMENT

IDENTIFY INITIATIVES

Some of the key initiatives include:

» Learnerships for 175 learners.
» Graduate Programme for 15 graduates.
» Three- to four-year Trainee Programme for 35 trainees.
» Y.E.S. Initiative for 66 youths.

FY 2024 OTHER NOTABLE ACHIEVEMENTS

The Group implemented the below-mentioned skills development initiatives:

» People with Disabilities (PWD) Learnership – The Group assisted 50 unemployed PWD learners with training costs and monthly stipends (one year) to complete a Business Administration NQF 3 qualification.
» Graduate Programme – The Group on-boarded 15 HDI unemployed graduates to address the growing need for skilled and competent employees.
» Youth Employment Service – a joint initiative between Government and the Private sector. The Group on-boarded 66 unemployed HDI youth.
» Branch Trainee programme – a three- to four-year development programme. The aim is to equip our trainees with skills and experience deemed necessary for a successful career in the Group. We currently have 35 HDI trainees participating in the programme.
» The Group has spent approximately R15 million on the skills development initiative.

FY 2025 GOALS

» 1.5% of payroll for our South African operations to be contributed towards skills development per annum.
» The Rand value target is R18 million.

OUR SUSTAINABILITY **JOURNEY** continued

G – GOVERNANCE

Following on from our commitment to human capital development, Invicta Holdings continues to prioritise strong governance as the foundation of long-term sustainability and stakeholder trust. Our approach to governance supports responsible leadership, ethical conduct, compliance with all applicable laws, and the promotion of economic inclusion.

We recognise that good governance does more than ensure regulatory compliance – it drives resilience, safeguards reputation and enhances our ability to deliver value to all stakeholders.

CORPORATE GOVERNANCE

The Board of Directors, through its Audit and Risk Committee, ensures that Invicta and its subsidiaries uphold the highest standards of corporate governance.
The committee oversees compliance with all applicable legislation, regulations and codes of best practice. The Group continues to embed the statutory compliance framework developed in FY2024, with monitoring and assessments across entities ongoing.

FY2025 PROGRESS

- Operationalisation of the compliance framework is underway, with a formal evaluation scheduled for FY2026.
- Continuous monitoring of legal and regulatory developments to ensure proactive compliance.

FY2026 GOAL

- Maintain substantive compliance across the Group and further entrench a culture of accountability and ethical business conduct.

FRAUD AND CORRUPTION

Invicta maintains a strict zero-tolerance policy towards fraud, corruption and unethical behaviour. The Group recognises that such conduct not only poses financial and legal risks, but can also erode stakeholder trust.

KEY INITIATIVES IN FY2025 INCLUDED:

- Maintenance and strengthening of the anonymous whistleblowing hotline.
- Enhanced employee awareness campaigns and response protocols across all divisions.

ASSESSMENT

- Reporting and investigative systems remain effective. Continuous improvement efforts are ongoing to bolster Group-wide resilience.

FY2026 GOAL

- Reinforce internal controls and employee accountability to deter unethical practices.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

Transformation remains central to Invicta's licence to operate in South Africa.
The Group is committed to advancing B-BBEE in line with the BEE Act and applicable sector charters.

FY2025 PROGRESS

- Invicta Holdings Limited improved its contributor status from Level 4 to Level 3 as of June 2024.
- Invicta South Africa maintained its Level 4 status, with strategic efforts underway to improve further.

FY2026 GOAL

- Achieve Level 2 for Invicta South Africa.
- Maintain or improve Level 3 for Invicta Holdings Limited.

These efforts support inclusive growth and align with national priorities for economic transformation.

APPLICABLE SDGS AND CAPITALS:

This section supports Invicta's contributions to the United Nations Sustainable Development Goals (SDGs), particularly:

It also draws on the social, human and intellectual capitals that underpin our integrated thinking framework.

INVESTMENT IN OUR COMMUNITIES AND EMPLOYEES

PROJECTS FUNDED BY THE HUMULANI EMPOWERMENT TRUST ("HET") IN FY2025

Invicta Holdings established the Humulani Employee Investment Trust (**"HEIT"**) and the Humulani Empowerment Trust (**"HET"**) in 2007 and 2011, respectively. These Trusts are central to the Group's long-term commitment to transformation and inclusive development. Through them, the Group actively aligns with key stakeholders, its employees and the communities in which it operates, while also supporting the sustainability of its B-BBEE credentials.

While the HEIT operates as an employee share scheme for historically disadvantaged individuals employed within the Group, the HET invests in impactful initiatives that empower employees and/or their immediate families, as well as the broader communities surrounding the Group's operational footprint. The HET's activities are funded through dividends declared by Invicta South Africa Holdings Proprietary Limited.

Projects supported by the HET are carefully vetted and overseen by an independent board of trustees who are responsible for ensuring alignment with the Trust's founding objectives. The trustees play an active role in guiding and monitoring the outcomes of each initiative.

In FY2025, the HET supported a diverse portfolio of high-impact projects spanning education, youth empowerment, digital learning, disability inclusion, and skills development. Compared to the prior year, the FY2025 portfolio demonstrates several key areas of enhanced impact. These include improved tracking of project outcomes, greater geographic reach (including rural KwaZulu-Natal and Freedom Park), integration of digital and blended learning technologies, and new focus areas such as neurodiversity and disability inclusion. Other initiatives also include long-term scalability plans, multi-phase implementation roadmaps, and partnerships with global and public-sector actors. This signals a more mature, strategic and measurable approach to impact investment.

The following is a summary of initiatives funded during the year under review:

1. Ruth First Jeppe Memorial Trust

This scholarship programme provides full financial and developmental support to high-potential girls from disadvantaged backgrounds, enabling their attendance at Jeppe High School for Girls–one of South Africa's top-performing public schools.

2025 Impact:

- Three new Grade 8 learners were accepted.
- Grade 12 scholars excelled academically and secured university placements (notably Favor Onyekwere and Takinha Simao).
- A total of 20 girls supported since 2017.

Programme Enhancements:

- Offers a structured enrichment programme including mentorship, psychosocial support, and leadership development.
- Twelve Grade 8 learners accepted for 2025; HET support is sought for two.

HET Funding: R400,500 (April 2024)
SDG Alignment: SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 10 (Reduced Inequality)

INVESTMENT IN OUR COMMUNITIES AND EMPLOYEES continued

2. Global Teachers Institute (GTI) – Future Leaders Information Portal (FL!P)

GTI is scaling its teacher internship programme through FL!P, a data-driven portal supporting intern tracking, donor reporting, and performance analytics.

2024 Milestones:

» Completion of Phase 2: Intern and Donor Reporting Portals.
» Phase 3 Progress: 80% Academic Interventions, 20% Financial Module, 0% Social Responsibility module.
» Agile development approach adopted via Injini EdTech Fellowship.
» Pilot restricted to GTI and 2 TICZA partners to optimise testing.

HET Funding: R794,829
SDG Alignment: SDG 4 (Quality Education), SDG 9 (Industry, Innovation & Infrastructure)

3. YD Co-Lab

A youth development hub focused on capacity-building, ecosystem support, and collaboration across youth organisations.

2024 Outcomes:

» 15 programme events hosted, including the inaugural YD Co-Lab Summit (80+ stakeholders).
» Membership grew by 43%; now supporting over 80 organisations.
» Expanded the Knowledge Library and launched the #TogetherWeThrive campaign.

HET Funding: R1,000,000
SDG Alignment: SDG 17 (Partnerships for the Goals), SDG 8 (Decent Work & Economic Growth)

INVESTMENT IN OUR COMMUNITIES AND EMPLOYEES continued

4. Imbeleko Foundation – Digital Afterschool Programme

A blended digital learning model targeting rural learners in KwaZulu-Natal through UCT Online High School and other tools.

2024 Achievements:

- Rolled out pilot at five schools.
- Improved Grade 8 maths performance from 32% to 54%.
- Core maths Grade 10 uptake rose to 73% (vs 20% for non-participants).

HET Funding: R880,424
SDG Alignment: SDG 4 (Quality Education), SDG 10 (Reduced Inequality)

5. Para'demics Edu Centre

A disability-inclusive Early Childhood Development and vocational skills centre based in Freedom Park.

2024 Milestones:

- Built a fully accessible facility with a sensory room and assistive devices.
- Provided consistent meals and therapy sessions.
- Created local jobs during construction.

HET Funding: R319,000
SDG Alignment: SDG 4 (Quality Education), SDG 3 (Good Health & Well-being), SDG 10 (Reduced Inequality)

INVESTMENT IN OUR COMMUNITIES AND EMPLOYEES continued

6. Vuyolethu's Haven

Focused on supporting children with autism and their families through education, outreach, and partnerships.

2024 Highlights:

» Successful launch event attended by 180+ guests; featured on SABC and eNCA.

» Established partnerships with Bertha Gxowa Hospital and Mohato School of Autism.

» Delivered awareness campaigns and teacher training workshops.

HET Funding: R1,800,000
SDG Alignment: SDG 3 (Good Health & Well-being), SDG 4 (Quality Education), SDG 10 (Reduced Inequality)

7. Skills Empire

Empowers youth through entrepreneurship training, job readiness preparation, and mental wellness programmes.

2024 Progress:

» Twelve candidates completed Micro-Entrepreneurship Programme.

» Job Readiness and Mental Health modules in design phase.

HET Funding: R1,925,000
SDG Alignment: SDG 8 (Decent Work & Economic Growth), SDG 3 (Good Health & Well-being), SDG 4 (Quality Education)

Conclusion:
HET's FY2025 project portfolio reflects strategic alignment with national development goals and demonstrates measurable, inclusive, and scalable impact. Through its continued support of high-quality initiatives, the Trust helps to build stronger communities and a more equitable and sustainable South Africa.

05

CORPORATE GOVERNANCE

The Board regards sustainability as a business opportunity that guides strategy formulation.

The purpose of the Board is to provide strategic direction and management to Invicta and its divisions and to maximise shareholders' wealth.

OUR APPROACH TO **GOVERNANCE**

OUR GOVERNANCE PHILOSOPHY AND FRAMEWORK

The Board remains the focal point and custodian of corporate governance across the Group, providing strategic direction and oversight that supports long-term value creation.

It continues to fulfil this mandate by:

- Exercising ethical, effective and accountable leadership in shaping strategy and overseeing performance; and
- Ensuring transparency and responsibility through robust reporting and disclosure practices.

The Board actively aligns the Group's business practices with the interests of its stakeholders, underpinned by sound governance principles. Recognising the evolving operating landscape, it integrates environmental, social and governance (**"ESG"**) considerations into decision-making, reinforcing the Group's commitment to sustainability.

A holistic approach to governance, risk management, sustainability and performance has been adopted, enabling informed, balanced oversight. The Board supports a culture of openness and trust and encourages Directors to raise concerns in the spirit of constructive engagement.

Directors have unrestricted access to Group records, management and property. Non-executive Directors continue to engage with management outside of formal meetings to ensure informed contributions and effective oversight.

The Board is satisfied that it has discharged its responsibilities in accordance with its Charter for the year under review and confirms compliance with the Companies Act, the Group's memorandum of incorporation, and all applicable legislation and regulatory obligations.

ETHICS

The Board sets and upholds the ethical tone for the Group, ensuring that integrity and responsible leadership remain core to how the business operates. Directors lead by example, reinforcing high ethical standards and sound governance practices that underpin sustainable performance.

In discharging their fiduciary duties, Directors remain mindful of balancing the interests of the Company with those of its stakeholders. They comply with the Group's Code of Ethics and Gift Policy, which apply equally across all levels of the organisation. A register of Directors' interests is maintained by the Group Company Secretary, and Directors continue to declare any relevant interests and recuse themselves where necessary to manage conflicts appropriately.

OUR GOVERNANCE **STRUCTURES**

COMMITTEES

The Board maintains effective control over the Group through well-established governance structures, including five statutory and standing committees. These committees support the Board in fulfilling its responsibilities, but do not diminish the Directors' collective accountability, which remains in accordance with the Companies Act, JSE Listings Requirements, and the principles of King IV™.

Each committee operates under a formal charter that sets out its mandate, authority and reporting responsibilities. Committees report to the Board in line with the frequency and requirements specified in their respective charters, ensuring governance oversight remains robust, transparent and responsive.

The composition and key responsibilities of each committee are set out below:

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	INVESTMENT COMMITTEE	NOMINATIONS COMMITTEE
Chairperson: Rashid Wally Frank Davidson Mpho Makwana	**Chairperson:** Mpho Makwana Christo Wiese Rashid Wally Iaan van Heerden	**Chairperson:** Mpho Makwana Rashid Wally Lance Sherrell Steven Joffe	**Chairperson:** Jacob Wiese Frank Davidson Iaan van Heerden Steven Joffe	**Chairperson:** Christo Wiese Mpho Makwana Rashid Wally Iaan van Heerden
Provides oversight of integrated and financial reporting, internal controls, risk management, regulatory compliance and financial sustainability. Also monitors the safeguarding of Group assets and related assurance processes. *Refer to the AFS for the Audit and Risk Committee report.*	Reviews and maintains fair and responsible remuneration policies for Directors, executives and employees to support long-term performance and retention. *Refer to page 57 for the remuneration report.*	Oversees the Group's ethical conduct and monitors the impact of its activities on the environment, employees, communities and other stakeholders, in support of responsible corporate citizenship.	Reviews and advises on investment matters, including acquisitions and mergers, to ensure alignment with the Group's strategic objectives.	Supports the Board in identifying, nominating and appointing Directors. Also ensures that the composition of the Board and its committees remain effective, diverse and fit for purpose.

OUR GOVERNANCE STRUCTURES continued

Directors are expected to attend all scheduled meetings as set out in the Board Charter and/or applicable committee charter and other *ad hoc* meetings which may be required from time to time. The table below reflects the high levels of engagement and commitment within the Board and its various committees.

	BOARD	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATIONS COMMITTEE	SOCIAL AND ETHICS COMMITTEE	INVESTMENT COMMITTEE
Number of members	10	4	4	4	4	4
Number of meetings per workplan or charter	4	4	2	As required	3	As required
Number of meetings held in the FY 2025	5	5	2	0	3	2

	MEETINGS ATTENDED	%	MEETINGS ATTENDED	%	MEETINGS ATTENDED	%	MEETINGS ATTENDED	%	MEETINGS ATTENDED	%	MEETINGS ATTENDED	%
Christo Wiese	5/5	100			2/2	100	0	N/A				
Steven Joffe	5/5	100						3/3	3/3	100	2/2	100
Nazlee Rajmohamed	5/5	100										
Mpho Makwana	4/5	75	5/5	100	2/2	100	0	N/A	3/3	100		
Rashid Wally	5/5	100	5/5	100	2/2	100	0	N/A	3/3	100		
Frank Davidson	5/5	100	5/5	100							2/2	100
Iaan van Heerden	5/5	100	5/5	100	2/2	100	0	N/A			2/2	100
Jacob Wiese	4/5	75									2/2	100
Lance Sherrell	4/5	75							2/3	75%		
Craig Barnard	5/5	100										

MANAGEMENT

Responsibility for the day-to-day operations of the Group is delegated to the Group Executive Committee, under the leadership of the Group CEO, Steven Joffe. There is a clear separation between the roles of the CEO and the Chairman of the Board, in line with governance best practice. These roles are held by different individuals, ensuring independent oversight and strategic balance.

The Group follows a decentralised, divisionalised structure. Each division operates with its own executive committee and is supported by a dedicated finance and administration infrastructure. Where appropriate, divisions leverage shared services to enhance efficiency and collaboration.

The Group CEO, Group CFO and Commercial Director remain actively involved in the activities of the divisions. These Executive Directors also participate on the boards of subsidiary companies, ensuring alignment with Group strategy and oversight of operational performance.

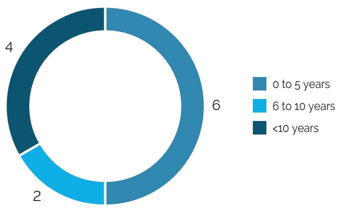
THE COMPANY SECRETARY

The Board is supported by the Group Company Secretary and Legal Counsel, Sade Lekena, who provides independent advice and guidance on corporate governance, legal compliance and Board procedures. Sade reports to the Group CEO and is not a member of the Board, ensuring an arm's-length relationship.

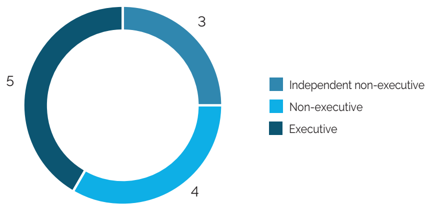
The Board has assessed and is satisfied with the Company Secretary's qualifications, experience, competence and independence. The Board also retains access to external legal and governance expertise when required and is confident that the current arrangements are effective and support sound governance.

OUR BOARD **PROFILE**

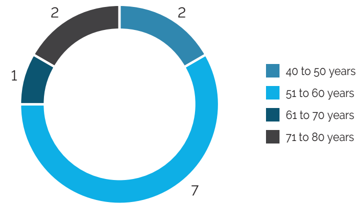
Tenure



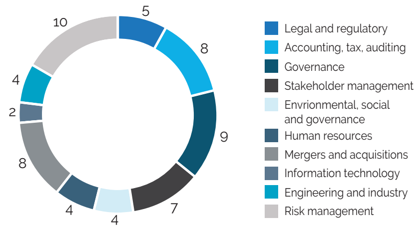
Independence



Age



Board skills



TENURE AND SUCCESSION

The Board values the retention of institutional knowledge, skills, and experience of the Non-executive Directors, while also recognising the importance of renewal. Regular assessments are undertaken to evaluate Board composition, and succession planning remains a standing priority. When appropriate, new Directors are appointed to ensure the Board continues to evolve in line with the Group's needs and governance best practices.

Taking into account the tenure and experience of existing members, the Board is satisfied that it retains an appropriate balance of skills, continuity and oversight capability to govern effectively. While formal succession plans are not currently in place, the Board remains mindful of the need for ongoing renewal and future Board composition.

INDEPENDENCE

As at 31 March 2025, the Board comprised ten Directors, three of whom were classified as independent non-executive Directors.

Although Independent Directors are in the minority, the Board is satisfied that the balance of power and authority is maintained through robust engagement, diverse perspectives and open deliberation.

While the Chairperson is not classified as independent, the presence of a strong Lead Independent Director provides the necessary counterbalance to ensure objectivity and independent oversight, in line with the principles of King IV™.

The Board further confirms that both the Lead Independent Director and the Company Secretary continue to operate independently and provide impartial guidance and oversight.

BOARD DIVERSITY

The Board recognises that diversity in composition strengthens decision-making, enhances stakeholder relevance and supports long-term sustainability.

In line with the Board's Diversity Policy, appointments are guided by the goal of achieving diversity across gender, race, culture, age, fields of knowledge, skills and experience.

While no formal targets have been set at this stage, any new appointments or vacancies will be considered with a strong preference for individuals who will enhance the Board's diversity in a meaningful and sustainable manner.

BOARD SKILLS AND EXPERIENCE

The Board collectively possesses a broad range of expertise across key areas including legal, financial, commercial, industrial, investment, governance and sustainability. Ongoing assessments are conducted to ensure that the Board's skillset remains aligned with the evolving needs of the Group and its strategic ambitions.

OUR GOVERNANCE STRUCTURES continued

BEE COMPLIANCE		SDG AND CAPITAL
INITIATIVES	» Compliance with the BEE Act is measured through Invicta South Africa Holdings Proprietary Limited ("Invicta South Africa"), a subsidiary of Invicta. » Invicta South Africa is currently a level 2 contributor. » The BEE status of key subsidiaries are:	

BMG	Level 2	Disa Equipment	Level 2
Belt Brokers	Level 2	Criterion Equipment	Level 2
Industri Tools & Equipment	Level 2	Shamrock Handling Concepts	Level 2
Oscillating Systems Technology	Level 2	Equipment Spare Parts	Level 2
Universal Parts Group	Level 2	High Power Equipment Africa	Level 2
		Compact Computer Solutions	Level 2
		Humulani Marketing	Level 2
		MacNeil Plastics	Level 2

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REMUNERATION **REPORT**

This remuneration report (the "**Report**") has been prepared in accordance with the principles of King IV and outlines Invicta's approach to remuneration for FY2025. The Report, presented by the Remuneration Committee ("**the Committee**"), focuses primarily on the remuneration of Executive Directors while also providing insight into remuneration governance across the Group.

The Report is structured as follows:

- **Section One: Background Statement** – Context for remuneration decisions and material considerations during the reporting period.
- **Section Two: Remuneration Policy** – Overview of policies applicable to Executive and Non-executive Directors, executive committee members, and broader employee groups.
- **Section Three: Implementation Report** – Application of the remuneration policy during the financial year under review.

1. SECTION ONE – BACKGROUND STATEMENT

The remuneration principles adopted in FY2021–namely the benchmarking of executive packages, alignment of incentive structures with market practice, and the formalisation of remuneration governance–have continued to underpin the Group's approach. In a constrained and increasingly complex operating environment, the Committee is satisfied that the Group has retained key talent and incentivised performance aligned with shareholder expectations.

The successful onboarding of new executives into senior roles, following a planned leadership transition, further reflects the strength of the Group's succession planning.

FOCUS IN 2025

The Committee maintained oversight of all remuneration structures and ensured that practices were aligned with legislative and corporate governance developments.

Key developments this year included:

- strengthening the alignment of variable pay with clearly defined performance outcomes;
- embedding qualitative performance metrics to promote a more holistic assessment of leadership effectiveness;
- supporting the refinement of the performance management framework to better align behavioural expectations and values-based leadership with reward outcomes.

REMUNERATION COMMITTEE FOCUS IN 2026

In the coming year, the Committee will:

- conduct a market benchmarking exercise for executive remuneration to ensure continued competitiveness;
- review the long-term incentive framework for enhanced alignment with shareholder value creation;
- monitor the application of behavioural KPIs within executive performance contracts;
- assess the implications of emerging ESG-linked pay metrics.

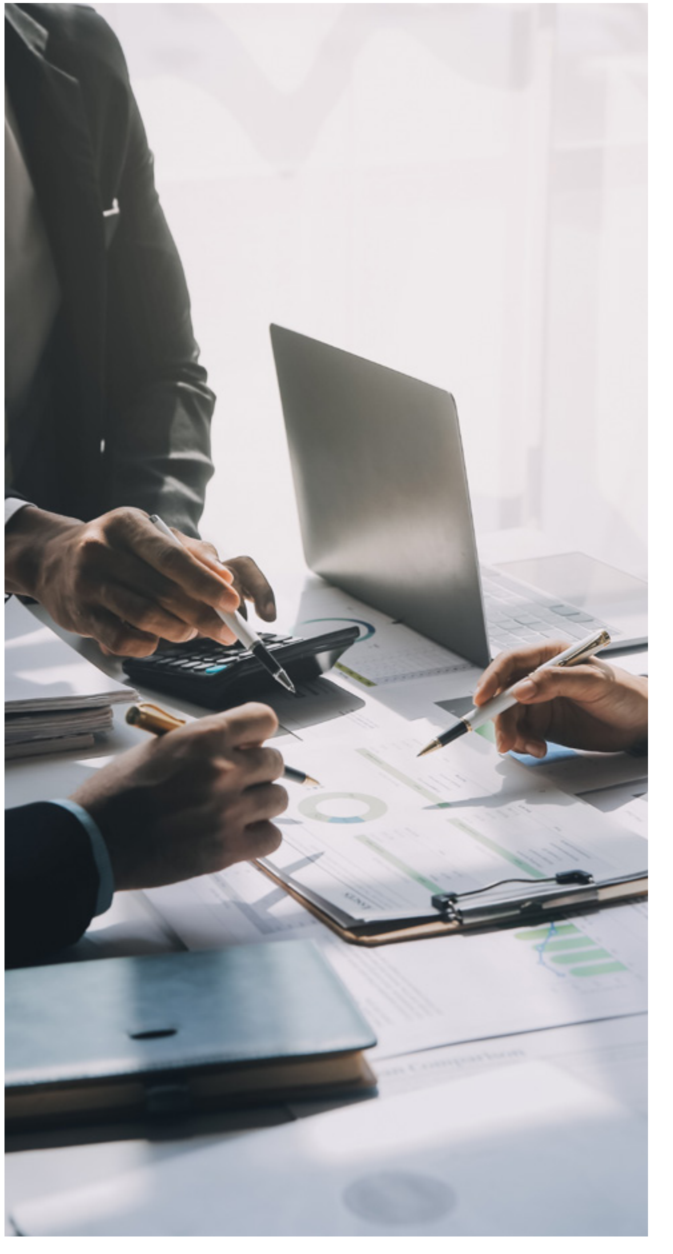
SHAREHOLDER ENGAGEMENT

The Committee continues to prioritise transparent and constructive engagement with shareholders on remuneration matters. At the 2024 AGM, all resolutions related to remuneration were passed with the requisite support.

As per King IV, shareholders will be asked to vote on:

- the remuneration policy;
- the implementation report;
- Non-executive Directors' fees.

Should either of the advisory votes on the remuneration policy or its implementation receive less than 75% support, the Committee will engage with dissenting shareholders to understand concerns and propose necessary amendments.



REMUNERATION **REPORT** continued

2. SECTION TWO – REMUNERATION POLICY

REMUNERATION PHILOSOPHY

REWARD STRATEGY

The Group's philosophy remains focused on attracting and retaining the right talent to deliver on strategic priorities and create long-term value for all stakeholders. Key principles include:

- reward for performance and value creation;
- fair and responsible pay practices, including equal pay for work of equal value;
- flexibility and alignment with employee needs, market conditions, and strategic goals;
- ownership and accountability by line managers in applying reward practices consistently.

The Group's reward strategy is reviewed annually and supports the execution of its business strategy across the short, medium, and long term. Remuneration decisions are influenced by:

- group and individual performance;
- internal equity and relativity;
- external market benchmarking;
- the broader socio-economic context.

All components of pay–fixed, variable, and benefits–are managed with a view to sustainability, equity, and strategic alignment. The introduction of behavioural metrics into performance management structures reflects a broader shift toward an integrated performance culture.

ELEMENTS OF REMUNERATION

The Group seeks to accomplish various objectives through the different elements of remuneration.

REWARD	TARGET EMPLOYEES	TARGET PERCENTILE	OBJECTIVE
Guaranteed remuneration	All employees receive monthly remuneration.	As a fair and responsible employer, Invicta targets the median of the relevant market for its employees. High-performing employees and those with critical skills can be remunerated up to the 75^{th} percentile and above.	Ensure fair remuneration is paid to all employees.
Short-term incentives	All non-scheduled permanent employees qualify for participation.	The incentive targets are set at a level that rewards superior performance and are affordable and fair to the Group. The incentive schemes are performance-based. Some scheduled employees are part of the industry collective agreement and receive their incentives in terms of these agreements.	Drive Group and business unit performance.
Long-term incentives	Executives, senior management and other selected employees who possess key skills.	Market median. High-performing employees and those with critical skills can be remunerated up to the 75^{th} percentile and above.	Attract and retain executives and key employees. Align with shareholders with a long-term outlook.

REMUNERATION **REPORT** continued

GUARANTEED REMUNERATION

Guaranteed pay is reviewed annually in line with the Group's remuneration policy and adjusted where appropriate. Third-party benchmarking data and external consultants are utilised to guide decision-making. Salary ranges are tailored to:

- job complexity and seniority;
- individual performance and contribution;
- prevailing market benchmarks;
- internal pay equity and progression;
- retirement fund and medical aid contributions.

SHORT- AND LONG-TERM INCENTIVES

Variable remuneration aims to reward performance without exposing the Group to undue risk. Key principles include:

- defensible differentiation – ensuring rewards are linked to measurable and pre-defined performance;
- regular review – updating targets to align with evolving strategy and market conditions;
- clear performance contracts – defining goals against which bonuses are measured (baseline vs. stretch targets).

EXECUTIVE REMUNERATION

Executives are remunerated on a total cost-to-company basis, benchmarked externally to ensure competitiveness. There are no post-retirement benefits.

- Short-term incentive (STI): Executives may earn 60% to 120% of their cost-to-company based on performance against approved KPIs. STI calculations follow the formula: cost-to-company × applicable bonus % × performance score.
- Long-term incentive (LTI): Executives participate in the Long-Term Bonus and Share Incentive Right (LBSIR) scheme, which grants share rights at the five-day VWAP. Grant size reflects role benchmarking and individual performance

MANAGEMENT AND GENERAL STAFF

- Guaranteed Remuneration: Generally targeted at the 50th percentile of the market. Employees under industry councils negotiate terms collectively. Others are remunerated on a cost-to-company or basic-plus-benefits basis by job grade.
- Short-term Incentives: Performance-linked bonuses range from 8.33% to 120% of CTC, based on divisional metrics such as profitability, working capital, and cost control.

NON-EXECUTIVE DIRECTORS

Non-executive Directors are remunerated for their Board and committee roles only and do not receive any form of variable pay. Their fees are periodically benchmarked to ensure alignment with market practices and the Group's size and complexity.

During the year, the Group implemented a retainer-based fee structure, transitioning from the previous per-meeting model. This change is intended to promote more consistent engagement, enhance governance oversight, and improve operational efficiency.

PERFORMANCE MANAGEMENT

Performance is formally assessed annually and used to inform:

- salary adjustments;
- incentive allocations;
- training interventions;
- succession planning.

REMUNERATION **REPORT** continued

3. SECTION THREE – IMPLEMENTATION REPORT

This section details the application of remuneration policy for the 2025 financial year.

GUARANTEED REMUNERATION

Executive Directors are remunerated on an all-inclusive basis, including retirement and medical aid contributions. Their packages were reviewed for consistency and market alignment.

SHORT-TERM INCENTIVE

Executive STI awards are based on performance against a scorecard covering:

- Group net profit vs. budget;
- return on net assets;
- revenue growth;
- individual KPIs and behavioural metrics.

LBSIRs

In January 2022, LBSIRs were issued to the executives with performance conditions. During the year under review, vested share options for Nazlee Rajmohamed, Steven Joffe, and Craig Barnard were exercised.

Vesting of Awards:

On 20 February 2025, Nazlee Rajmohamed exercised 167,486 share options being 75% of the 223,315 share options originally granted and which had met the performance criteria, with a grant price of R30.44 per option under the LBSIR scheme, settled by delivery of 6,904 ordinary shares (net of relevant taxation) at a price of R32.91 per share. On 3 March 2025, Steven Joffe exercised 462,062 share options being 75% of the 616,082 share options originally granted and which had met the performance criteria, with a grant price of R30.44 per option under the LBSIR scheme, settled by delivery of 27,210 ordinary shares (net of relevant taxation) at a price of R34.09 per share. Similarly Craig Barnard exercised 177,980 share options being 75% of the 237,306 share options originally granted and which had met the performance criteria, with a grant price of R30.44 per option under the LBSIR scheme, settled by delivery of 10,481 ordinary shares (net of relevant taxation) at a price of R34.09 per share.

These share options vested upon meeting performance targets approved by the Remuneration Committee and highlight our continued emphasis on performance-aligned rewards.

The following grants were made during the year:

RECIPIENT	Number of LBSIRs	Grant Price	Estimated Value of LBSIRs
Steven Joffe	682,193	R31.77	R5,723,267.61
Nazlee Rajmohamed	217,497	R31.77	R1,411,147.49
Craig Barnard	236,179	R31.77	R1,497,718.83

These awards are subject to a three-year vesting period, with **85%** contingent on the achievement of performance conditions, and the remaining **15%** forming part of a retention component. The CEO's award is 100% performance based. Executives have 547 days post-vesting to exercise their rights, after which unexercised LBSIRs will lapse. A clawback provision for fraud and malus applies to all awards.

Performance Conditions (for 85% of award):

- **75%** based on **cumulative headline earnings per share growth of CPI + 2% per annum** from the FY2022 base of 351 cents.
- **25%** based on achieving a **12% return on ordinary shareholders' equity** in FY2025.

CEO RETENTION SCHEME

This six-year equity matching scheme aligns shareholder and CEO interests while ensuring executive continuity. Under the scheme:

- The CEO commits to purchase up to 600,000 Invicta shares over six years, matched one-for-one by the Company.
- All purchases are off-market and non-competitive.
- Shares purchased by the Company vest in the CEO the following year, with tax borne by the CEO.
- The Company is entitled to claim a tax deduction for the employment-linked cost.

On 31 March 2025, 100,000 LBSIRs granted to Steven Joffe under the CEO Retention Scheme (strike price R32.00) were settled by delivering 55,000 shares, net of tax.

TALENT RETENTION

No additional cash-based retention schemes were issued. However, the Group is implementing a focused talent management campaign, including graduate and learner development, and succession planning initiatives for senior management.

NON-EXECUTIVE DIRECTOR FEES

Non-executive Director fees are structured as a retainer in order to promote ongoing engagement by Directors. The Chairpersons of the Board and Board Sub-Committees received a combination of the Chairperson retainer fee and the member fee retainer, as approved at the Annual General Meeting.

Non-executive Director fees:

Christo Wiese – Chairman	R1 496 168.40
Frank Davidson	R684 953.80
Iaan Van Heerden	R860 484.05
Rashid Wally	R1 220 524.90
Jacob Wiese	R600 193.05
Lance Sherrell	R376 914.00
Mpho Makwana	R1 164 492.30

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ANNEXURES

ANNEXURE A: KING IV™ COMPLIANCE

Invicta applies the King IV™ principles to ensure that the governance outcomes relating to an ethical culture, effective control, good performance, and legitimacy are firmly embedded within the Group.

The Board is of the opinion that the Group substantively complies with the governance principles contained in King IV™ and fully complies with all requirements of the Company's Memorandum of Incorporation, the Companies Act, the JSE Listings Requirements. A summary on the manner in which the King IV™ governance principles have been applied is detailed in the table below.

KING IV™ APPLICATION STATEMENT

PRINCIPLE	KING IV™ PRINCIPLE	APPLICATION OF RECOMMENDED PRACTICES
Principle 1	The governing body should lead ethically and effectively.	The Board, as governing body, hold one another accountable for decision-making and ethical behaviour. The Board Chairperson oversees this on an ongoing basis. This responsibility is contained in the Board Charter. The Board has adopted a code of ethics in fulfilment of its commitment to uphold and strengthen ethical standards. The code of ethics sets the ethical tone for the Group and is applied widely. Directors disclose their other business interests in terms of the Companies Act and Invicta's conflict of interest disclosure policy. The Group Company Secretary maintains a register of their interests and Directors disclose at each meeting any interests they may have regarding agenda items and recuse themselves as necessary.
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board, through the Social and Ethics Committee, is responsible for the monitoring and governance of the ethics of the Group. The Social and Ethics Committee reports to the Board on an ongoing basis on the general state of the ethics within the Group. The Board adopted an ethics charter, conflict of interests charter, gift declarations charter, and code of conduct to encourage a consistent ethical culture across the Group. The Executive Directors ensure that the focus on ethics and governance is lived operationally at every opportunity. Additionally, the Group has implemented whistleblowing services across the Group, which aims to facilitate an ethical culture across the organisation.
Principle 3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board oversees the Group's conduct as a good corporate citizen. In terms of the Board Charter, it is the responsibility of the Board to ensure that it is and is seen to be a responsible citizen by having regard to not only the financial aspects of the Group, but also the impact that business operations have on the environment and communities in which they operate. The Board has mandated the Social and Ethics Committee to monitor and oversee corporate citizenship and report to the Board on ESG matters. The Social and Ethics Committee set ESG targets to encourage corporate citizenship across the Group. A detailed report on the various ESG initiatives is included in page 35 of the Integrated Annual Report.
Principle 4	The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board recognises that the Group's strategy, risk, performance and sustainability are inseparable. To give effect to this principle, the Board must (i) satisfy itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management, (ii) identify key performance and risk areas, (iii) ensure that the strategy will result in sustainable outcomes and (iv) consider sustainability as a business opportunity that guides strategy formation. The Group strategy was developed by management in consultation with the Board. Management is responsible for the implementation of the strategic plan, with the Board providing oversight support to ensure implementation. The Board is satisfied that there are sufficient measures to facilitate implementation of the strategy, and that areas of high risk are identified and effectively reported to the Group.

ANNEXURE A: KING IV™ COMPLIANCE continued

PRINCIPLE	KING IV™ PRINCIPLE	APPLICATION OF RECOMMENDED PRACTICES
Principle 5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	The Board is responsible for ensuring that reports to stakeholders are compliant with the relevant legal and regulatory requirements. The Board delegated this responsibility to the various sub-committees to review committee-specific reports and make recommendations to the Board for approval. Notwithstanding this delegation, the Board takes responsibility for overseeing the integrity and completeness of the reports. The Board, through the Audit and Risk Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the Annual Financial Statements, the Integrated Annual Report and any other disclosures made to shareholders as part of the Groups' year-end reporting. The Board is satisfied that external reports report on the performance of the Company, mainly the Integrated Annual Report and Annual Financial Statements provide sufficient information to enable stakeholders to make informed assessments on the Company.
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board is the focal point and custodian of corporate governance within the Group. The Board Charter, the Company's Memorandum of Incorporation, the requirements of the JSE Listings Requirements, the Companies Act, and King IV™, guide the Board in the execution of its role and responsibilities in an ethical manner and based on principles of good corporate governance. The Board is supported by various sub-committees which have a delegated responsibility to assist the Board in fulfilling specific functions. The responsibilities of the sub-committees are set out in the respective charters, which are reviewed annually. The Board and Company have access to the Group Company Secretary, who also serves as the Group Legal Counsel, to assist with corporate governance advice in the organisation. The Company Secretary ensures that the Board adheres to best corporate governance practices and supports the Board with oversight of corporate governance across the organisation. This is achieved through a report provided to the Board at every meeting.
Principle 7	The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	As at 31 March 2025, the Board comprises three Executive Directors and seven Non-executive Directors, three of whom are independent. Despite the number of Independent Non-executive Directors remaining in the minority, given the diversity in knowledge, skills and experience, the Board is of the view that there was a balance of power and authority on the Board reflected in its discussions. As the Chairman, Dr Christo Wiese, is not considered to be independent as he is also a major shareholder. Mr Mpho Makwana is appointed as the Lead Independent Non-executive Director to take up the role of the Chairman should there be a conflict. The chief executive officer ("**CEO**") and chief financial officer are members of the Board. The positions of Chairman of the Board and CEO are divided and approved by the Board to ensure a balance of power. The Board is guided by the Nomination Committee, which considers the composition of the Board and is guided by the diversity charter. The Board is satisfied that its composition provides for diversity to enable it to discharge its duties effectively and objectively. A detailed report on the composition of the Board is provided on page 55 of the Integrated Annual Report.
Principle 8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.	The Board is committed to adhering to best corporate governance standards. The Board has established the Audit and Risk Committee, Remuneration Committee, Nominations Committee, Social and Ethics Committee and Investment Committee, which have specific delegated authority through clearly defined terms of references. These sub-committees provide feedback at each Board meeting on matters within their authority. This encourages accountability and enables the Board to discharge its oversight responsibilities. The sub-committees have access to and are empowered to access specialised skills where necessary to support the efficient discharge of their duties. The Board is satisfied that the composition of the sub-committees allows for the exercise of independent judgement.

ANNEXURE A: KING IV™ COMPLIANCE continued

PRINCIPLE	KING IV™ PRINCIPLE	APPLICATION OF RECOMMENDED PRACTICES
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, supports continued improvement in its performance and effectiveness.	The Board values openness and transparency, and Directors are encouraged to raise any concerns regarding Board functioning as they arise. The Board acknowledges the importance of continuous training for the discharge of its obligations.
Principle 10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board has approved and implemented the delegation of authority framework, which details the powers and matters reserved for itself and those delegated to the executive committee. The delegation of authority framework is reviewed annually by the Board. The delegation of authority addresses all operational aspects of the business and details the levels of authority and required approvals for these aspects. The CEO is appointed by the Board and has been delegated the responsibility of the day-to-day management of the Company, with the assistance of the Executive Directors. The Board is satisfied that the Company is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.
Principle 11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Board is ultimately responsible for ensuring that risks are managed effectively. The Board accepts that it is responsible for the governance of risk, and has the ultimate responsibility for risk management, as well as for developing the risk appetite and monitoring risk tolerance levels. In order to assist the Audit and Risk Committee to discharge this obligation, the Audit and Risk Committee is delegated the responsibility of managing risk in the organisation. A detailed report on the organisations top-rated risks is included in page 22 of the Integrated Annual Report. The Board is satisfied that risk has been governed to support the achievement of strategic objectives.
Principle 12	The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.	The Board, through the Audit and Risk Committee, oversees the governance of information technology. The Audit and Risk Committee established an IT Steering Committee which has the responsibility of assisting the Audit and Risk Committee to ensure that the governance of IT supports the organisation. The IT Steering Committee meets every quarter and reports at every Audit and Risk Committee meeting. The responsibilities of the IT Steering Committee are clearly defined in a terms of reference charter which was approved by the Audit and Risk Committee.
Principle 13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	The Board is ultimately responsible for the governance of compliance with applicable laws and any adopted non-binding rules, codes, and standards. Compliance with laws, rules, regulations, and relevant codes is integral to the Company's risk management process. The Audit and Risk Committee assumes oversight of the compliance function within the Group and is assisted by the Group Company Secretary to monitor compliance with the various regulations to which the Company is subject.

ANNEXURE A: KING IV™ COMPLIANCE continued

PRINCIPLE	KING IV™ PRINCIPLE	APPLICATION OF RECOMMENDED PRACTICES
Principle 14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently, so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Company is committed to remunerating fairly, responsibly and transparently to achieve the strategic objectives of the Company and Group in the short, medium and long-term. The Remuneration Committee, on behalf of the Board, reviews the Remuneration Policy and Implementation Report, which are approved by the Board and tabled at the Annual General Meeting for a non-binding shareholder advisory vote. This helps to ensure that shareholders are able to express their views on the implementation of the Company's Remuneration Policy. Should 25% or more of the votes exercised at the Annual General Meeting in respect of the Remuneration Policy and Implementation Report be against either resolution, the Company will issue an invitation to the dissenting shareholders to engage with the Company. The Remuneration Policy and Implementation Report are set out in the Integrated Annual Report.
Principle 15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Board has delegated oversight of the assurance services to the Audit and Risk Committee. The Audit and Risk Committee Charter outlines the internal and external audit responsibilities which are in line with good practice and adhere to the principles of combined assurance. Additionally, the Audit and Risk Committee is responsible for ensuring that the Group's audit function is independent and has the necessary resources, standing, and authority in the organisation to discharge its duties.
Principle 16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Company is committed to a stakeholder-inclusive approach that balances the needs, interests and expectations of stakeholders in the best interests of the organisation. The Board encourages shareholder activism and holds the interests of all stakeholders in equal regard. The Board encourages the CEO to consistently engage with stakeholders in order to manage expectations and monitor relationships. The Company has multiple ways in which it engages with stakeholders, which include the Integrated Report, SENS announcements, annual and interim financial statements, results presentations and media interviews.
Principle 17	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	The Company is not an institutional investor, and the principle is not applicable.

Invicta
HOLDINGS LIMITED