

Trustees' Report

HOLDING ENTITY

The holding entity for the PPS Group is The Professional Provident Society Holdings Trust, registration number IT 312/2011 (PPS Holdings Trust or the Trust), which controls all the entities in the PPS Group.

GOING CONCERN AND SOLVENCY

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency position of the PPS Group remains resilient.

PRINCIPAL ACTIVITIES

PPS Holdings Trust is a trust registered by the Master of the High Court in terms of the Trust Property Control Act of 1988. PPS Holdings Trust's sole investment is 100% of the shares of Professional Provident Society Insurance Company Limited (PPS Insurance). The beneficiaries of PPS Holdings Trust are the PPS Group companies. Membership of PPS Holdings Trust is acquired through participation in PPS Group products. The Ordinary Members of PPS Holdings Trust control the PPS Group through the election of trustees. All the profits of the PPS Group are allocated to the Ordinary Members of PPS Holdings Trust through their participation in their policyholder PPS Profit-Share Accounts.

PPS Insurance is a wholly-owned subsidiary of PPS Holdings Trust and is a long-term insurance company registered in South Africa in terms of the Insurance Act, which offers a broad range of insurance products, including sickness and incapacity benefits, life and disability benefits, critical illness benefits and business assurance policies. PPS Insurance also issues linked living annuities and endowment policies to PPS members. PPS Insurance has over 136 000 policyholders in South Africa and Namibia.

Professional Provident Society Investments (Pty) Limited (PPS Investments) and its subsidiaries are wholly-owned subsidiaries of PPS Insurance which provide, *inter alia*, savings and investment products primarily to PPS members. The assets backing the PPS Profit-Share Account, as well as the assets underlying Risk Reserves, are managed by the in-house multi-manager, PPS Multi-Managers, a wholly-owned subsidiary of PPS Investments.

Professional Provident Society Insurance Company (Namibia) Limited (PPS Namibia) is a wholly-owned subsidiary of PPS Insurance providing insurance products exclusively to the Namibian market. PPS Namibia currently has over 6 000 Namibian policyholders.

Professional Provident Society Healthcare Administrators (Pty) Limited (PPS Healthcare Administrators) is a wholly-owned subsidiary of PPS Insurance, which administers Profmed and other medical schemes. PPS Healthcare Administrators' objective is to provide professional service and to support the sustainability of the schemes by applying scheme benefit and tariff rules properly and managing clinical risk, to enable medical schemes to provide for the health care needs of members when they need it most. The administered medical schemes have their own independent boards of trustees.

Professional Provident Society Short-Term Insurance Company Limited (PPS Short-Term Insurance) is a wholly-owned subsidiary of PPS Insurance and is a fully-fledged short-term insurer, offering personal lines, commercial lines and, through its Health Professions Indemnity Division, professional indemnity products, to PPS members.

glu is a separate brand of PPS Insurance launched in January 2025 and is a division of PPS, operating on the insurance licence of PPS. glu also operates under the ethos of mutuality, but offers products to a wider segment of the population than PPS professionals.

PPS Mutual Limited (Australia) and its operating subsidiary launched in Sydney, Australia in February 2016, are affiliates of PPS Insurance. The company's operating model replicates the PPS Group in South Africa's mutual model, focusing on the insurance needs of graduate professionals in Australia.

The PPS Mutual Limited (New Zealand) group was incorporated during 2023 in Auckland, New Zealand and is an affiliate of PPS Insurance. The company's operating model replicates the PPS Group in South Africa's mutual model, focusing on the insurance needs of graduate professionals in New Zealand.

The PPS Property Fund Trust (PPS Property Trust) is a trust controlled by PPS Insurance, registered in terms of the Trust Property Control Act of 1988, which invests directly in certain investment property for the benefit of PPS Insurance.

Financial Solutions 4 Professionals (Pty) Limited (FS4P) is a wholly-owned subsidiary of PPS Insurance, established as a brokerage, to provide a vehicle for supporting agents that are not able to sell PPS products due to Retail Distribution Review regulation, which came into effect on 1 January 2018, and enables the continuity of insurance services to members.

PPS Wealth Advisory (Pty) Ltd is a wholly-owned subsidiary of PPS Insurance, which obtained its Financial Services Provider licence during 2022, and provides wealth advisory services to PPS' clients.

The Professional Provident Society Foundation Trust is a trust founded by PPS Insurance and registered by the Master of the High Court in terms of the Trust Property Control Act of 1988. It has the principal objectives of working with strategic partners to improve access to Science, Technology, Engineering and Mathematics (STEM) related professions and build the

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professional pipeline, especially the scarce skills disciplines, making a measurable contribution to sustainable development within South Africa's communities (as defined in the DTI B-BBEE Codes of Good Practice) and the Financial Sector Charter and ensuring that the Foundation's funds are spent on real sustainable, measurable benefits in support of the professional pipeline being created. The Trust also supports the Group's sustainability initiatives, benefiting PPS, its members and the community served by PPS.

UNIT TRUSTS AND POOLED FUNDS

Unit Trusts and pooled funds for which the Group renders asset management services are consolidated due to the requirements of IFRS Accounting Standards. These include the PPS Collective Investment Scheme (South African Unit Trust), PPS Global Equity Fund (Irish Unit Trust) and PPS Namibia Portable Fund (Namibian Pooled Fund).

EVENTS AFTER FINANCIAL YEAR-END

No circumstances have arisen, or events occurred, between the statement of financial position date and the date of this report in respect of matters which would require adjustment to, or disclosure in, the annual financial statements, or which should be disclosed through some other medium, except as disclosed elsewhere in the financial statements.

GOING CONCERN

The Trustees/Directors assess the Group's future performance and financial position on an ongoing basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. For this reason, these financial statements are prepared on a going concern basis.

FINANCIAL RESULTS

The financial results on pages 21 to 127 set out the results of the PPS Group (comprising PPS Holdings Trust and all its subsidiaries) for the financial year ended 31 December 2025.