FOR PROFESSIONALS

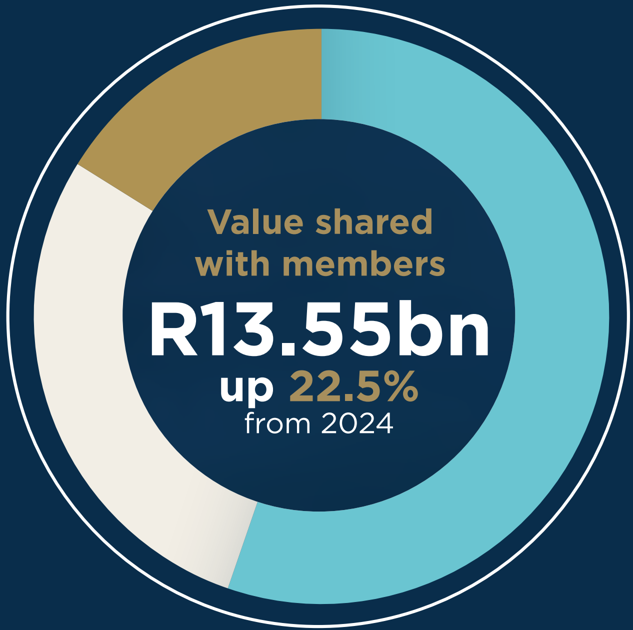
SINCE 1941

PPS 2025

Integrated Report Highlights

Success is better, shared.

We have a **mutual story** to share.



R6.88bn
Total profits allocated to members' PPS Profit-Share Accounts™*

R4.62bn
Total claims paid

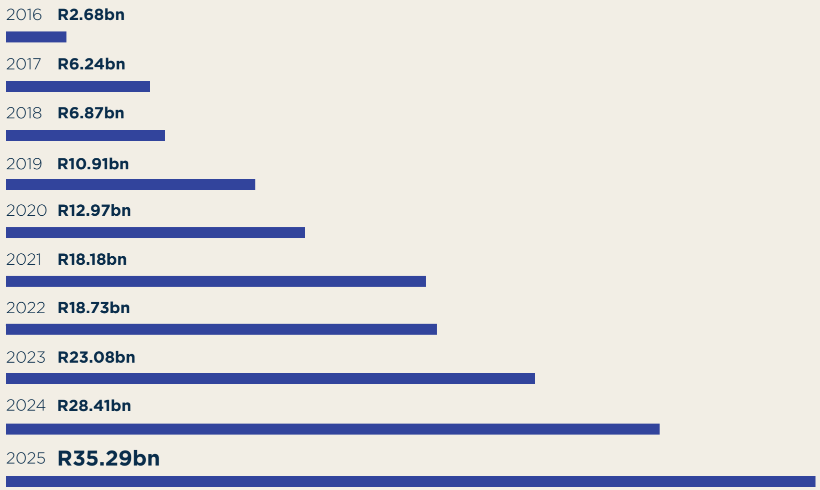
R2.05bn
Profit-Share paid to members who have exited their life-risk cover phase

2025 Highlights

PPS Profit-Share millionaires
14 572

Total cumulative Profit-Share allocation* to members over the last ten years

R35.29bn



The graph illustrates the growth of total cumulative Profit-Share allocations to members over the past ten years with 2016 serving as the baseline. Numbers are for PPS's operations in South Africa.

**Allocated to members with qualifying life-risk products. Past performance is not necessarily indicative of future performance.*

Gross life-risk revenue

R6.89bn
up 6.9%
from 2024

Total assets at PPS Investments

R112.12bn
up 16.2%
from 2024

From 2025, these highlights focus exclusively on PPS's performance in South Africa. It no longer includes results or figures for PPS Insurance Namibia. These are available in PPS Insurance Namibia's report and highlights brochure. Readers should bear this in mind when comparing with the previous year's results.

Izak Smit
Group Chief Executive Officer

CEO's message

"I am pleased to present the PPS financial results for 2025, reflecting yet another record year for the Group and our members. We demonstrated our ability to create long-term value for graduate professionals by strengthening operational foundations, delivering consistent performance and expanding opportunities for shared success. The year was shaped by disciplined execution and a focus on building resilience across all business areas."

For a second consecutive year, we celebrated record Profit-Share allocations to members, reaching R6.88 billion. To put this in perspective: The Profit-Share distributed was almost equal to gross premiums in our Life Solutions business (death, disability, critical illness and sickness cover). Many members received more in Profit-Share allocations than the premiums they paid, which underscores the exceptional value returned to members.

Performance across business units was strong. PPS Life Solutions advanced product innovation with enhancements to existing offerings and developing new solutions designed to meet evolving member needs. Initiatives included the simplification of Profit-Share structures, repricing of the Sickness and Permanent Incapacity product to improve sustainability and the introduction of Life Service Fees to strengthen adviser remuneration.

As an organisation that operates under the ethos of mutuality, we always celebrate the value that we return to our members in the form of claim payments. Paying valid claims remains our first priority, before allocating Profit-Share. This is of course a difficult statement to make for non-mutual organisations, where the claims line in the income statement is a true negative. But at PPS, we celebrate the fact that the claims support provided to our members in 2025 was by far the highest in our history, R4.62 billion. We are always cognisant that behind these numbers are real families and lives. The impact on society is huge. However, increased claims naturally had a dampening effect on underwriting profit.

In 2025, PPS in South Africa achieved a total operating profit of R1.32 billion, alongside a total investment return of R5.56 billion – bringing the total allocation to members with qualifying life-risk products' allocation to their PPS Profit-Share Accounts™ to a record R6.88 billion (2024: R5.33 billion). Additionally, annual gross benefits paid amounted to R6.67 billion (2024: R5.73 billion). Altogether, these figures reflect a total of R13.55 billion returned to members in 2025, compared to R11.06 billion in 2024 – further reinforcing the power of our mutual model in delivering sustained value. True to the ethos of mutuality that has guided PPS since its founding, all premiums paid into our insurance businesses, net of the costs of running the business, are ultimately returned to our members – with investment growth – either through claims, added benefits or, for members who hold a qualifying life-risk product, through allocations to their PPS Profit-Share Account™. Those who hold additional qualifying products further benefit from the PPS Profit-Share Cross-Holdings Booster**. Furthermore, the PPS Investments Family Network enables members to aggregate individual and family assets, unlocking lower fees through a larger, combined asset base.

The only outflow not returned to members is the cost of managing the business, which is carefully controlled through strict performance targets set by our Board to ensure efficiency.

Our record-breaking results are a testament to the enduring strength of PPS and the power of mutuality. As we look ahead, we remain committed to driving long-term sustainability and ensuring that our members continue to benefit from the unique advantages of our business model.

MEMBERS

From a membership perspective, members with PPS life-risk products in South Africa now amount to more than 130 000.

As was the case in 2024, many of our graduate professional members continued to feel financial pressure during the year due to constrained economic conditions. Lapse rates increased slightly from 4.4% in 2024 to 4.6% in 2025. However, these rates remain exceptionally low by industry standards and our strong member retention continues to be a key driver of the business's profitability.

Performance snapshots

PPS LIFE SOLUTIONS

In 2025, PPS Life Solutions reinforced its position as a key contributor to member well-being by delivering comprehensive life-risk cover and enabling participation in Profit-Share allocations through qualifying products. This remains the central value of the business unit: providing graduate professionals with financial security while ensuring they share in PPS's success. The introduction of a transparent and simplified Profit-Share Lifetime Mutuality structure improved clarity and strengthened the ethos of mutuality, making it easier for members to understand how their qualifying products contribute to long-term wealth creation.

Product enhancements addressed evolving member needs. The repricing of the Sickness and Permanent Incapacity benefit, implemented on 1 November 2025, ensured sustainability while maintaining competitive cover. The Immediate Needs benefit limit has been increased to R100 000, offering members greater financial security during critical life events. These changes demonstrate PPS Life Solutions's commitment to delivering relevant and robust protection.

Performance indicators reflected the success of these initiatives. Membership growth was supported by targeted campaigns alongside eligibility reviews that reactivated previously cancelled members. These efforts contributed to an increase in annual premium income and improved retention rates. Lapse rates continued to trend downward, reinforcing member trust and loyalty.

In 2025, total gross premium revenue in South Africa reached R6.89 billion, reflecting a 6.9% increase on 2024. Total long-term insurance claims paid amounted to R4.39 billion compared to R3.66 billion in 2024.

Beyond core benefits, PPS Life Solutions introduced initiatives that enriched the member experience and strengthened adviser engagement. Digital innovation continued to add value through the PPS mobile app, which provides members with seamless access to their portfolios, planning tools and wellness resources. PPS also introduced advanced digital tools designed to empower advisers and engage members.

PPS Wealth Mentor, a financial needs analysis platform, enables advisers to deliver personalised, holistic advice and helps members visualise their financial goals. The platform supports informed decision–making and reinforces the ethos of mutuality by showing how PPS solutions can work together to create long–term security.

PPS INVESTMENTS

PPS Investments responded to ongoing member preferences and professional needs by introducing Retirement Income Solutions, which was launched to provide members nearing retirement with sustainable drawdown strategies and smoother transitions.

Multi-managed portfolios continued to deliver strong outcomes and Portfolio Choice remained a key feature for members from age 55, enabling them to decide how their accumulated PPS Profit-Share Account™ allocations are invested. By allowing members to select among PPS-approved investment portfolios, this feature helps align Profit-Share with retirement objectives and risk appetite, ensuring relevance and long-term value creation.

Hyper-personalised offerings, including Shari'ah-compliant funds and tailored glidepath portfolios, further strengthened PPS Investments's ability to meet diverse member requirements.

In 2025, PPS Investments expanded its asset management fund range with the introduction of three new funds and partner managers, namely, the PPS SA Flexible, PPS SA Balanced and PPS Worldwide Funds, thereby enhancing the range of investment options available.

Across the fund ranges, the investment team navigated a volatile market environment with disciplined portfolio positioning. Early-year defensive allocations protected members during periods of uncertainty, while tactical increases in risk exposure during the market rebound captured upside potential.

Operational efficiency improved with the implementation of a centralised investment data platform and enabling scalable processes to deliver member investment solutions. PPS Investments maintained strong governance and compliance, responding proactively to regulatory developments, such as the new Conduct Standard for CIS Managers and anti-money laundering requirements.

Assets under administration and management grew to R112.12 billion, supported by continued inflows into multi-managed portfolios and new investments into discretionary fund management services and the partnership fund range, increasing gross flows for the year by 19%.

PPS SHORT-TERM INSURANCE

Personal and commercial lines

In 2025, PPS Short-Term Insurance strengthened its role in supporting graduate professionals by delivering more accessible and responsive cover. A growing number of graduate professionals chose PPS Short-Term Insurance, reflected in an 10.7% increase in in-force policies to 11 378 compared to 2024. Digital tools such as Quick Quote and enhanced telephony platforms improved convenience, while WhatsApp servicing provided additional avenues for members to engage with PPS Short-Term Insurance. The insourcing of claims administration, implemented in late 2024, marked its first full year and proved transformative. Direct control over the claims process enabled faster turnaround times, improved quality assurance and a more empathetic, member-focused experience. These changes strengthened trust and reinforced the value proposition.

Financial performance exceeded expectations despite economic headwinds. Premium income and profitability grew steadily, supported by strong retention rates and competitive pricing. Independent intermediaries continued to drive new business growth, supported by streamlined processes and adviser enablement initiatives. Operating profit increased to R46.2 million in 2025 compared to R6.8 million in 2024.

The first anniversary of insourced claims administration highlighted continuance in high-level service delivery. Enhanced quality audits, training and process documentation resulted in greater consistency and accuracy. Member feedback emphasised the importance of proactive communication and self-service capabilities, which are receiving focused attention. Retention rates remained high, reflecting member confidence in claims responsiveness and fairness.

Follow this link or scan the QR code to access the PPS Wealth Mentor.

PPS Health Professions Indemnity

PPS Health Professions Indemnity delivered exceptional performance in 2025. Gross written premiums were R181.1 million (2024: R146.1 million), driven by increased uptake among specialists and improved portfolio mix. Claims run-off savings from prior years reinforced the quality of the insurance portfolio and strengthened relationships with global reinsurers.

Operational excellence remained a key differentiator. We enabled a direct-to-member model while process reengineering improved efficiency in new business and renewals. Policy issuance within one hour of first contact is now possible, underscoring the business's commitment to service excellence.

Beyond indemnity cover, PPS Health Professions Indemnity delivers value through proactive risk management, helping practitioners mitigate exposure and improve outcomes. Continuous system enhancements and process optimisation ensure that resources are directed to what matters most: supporting members through personalised attention, meaningful conversations and guidance tailored to their individual circumstances.

PPS HEALTHCARE ADMINISTRATORS

In 2025, PPS Healthcare Administrators strengthened its position as a trusted partner in healthcare administration by delivering innovative, client-focused solutions that improve member well-being and enhance scheme sustainability. The business continued to differentiate through boutique servicing, advanced digital capabilities and strategic partnerships that deliver measurable health outcomes.

PPS Healthcare Administrators strengthened its digital transformation strategy by introducing tools that support employees behind the scenes, streamlining workflows and enhancing service accuracy while ensuring that members continue to receive personal, attentive support. Digital facial scanning technology was introduced for Profmed and KeyHealth, setting a new standard in preventative healthcare management. PPS Healthcare Administrators also launched PPS Health Insurance, an affordable primary healthcare solution that addresses gaps in access amid economic and regulatory challenges.

These developments reflect PPS Healthcare Administrators' commitment to innovation and operational excellence, ensuring members receive seamless, caring service while schemes benefit from improved efficiency and resilience.

Omnichannel platforms, including app enhancements and WhatsApp for Business, improved engagement for members, providers and advisers. Managed care programmes were expanded to include mental well-being support and enhanced disease risk management, leveraging data analytics to reduce hospital admissions and improve health outcomes.

glu

2025 marked glu's first year of operations as a start-up designed to bring fresh thinking to the South African financial services landscape. The division introduced a bold, youth-centred brand and concentrated on building distribution and operational capacity to support sustainable growth. Innovative product design that combines simplicity with comprehensive cover enabled glu to extend the ethos of mutuality to more South Africans, particularly emerging consumers seeking accessible and modern financial solutions. While adviser accreditation and initial policy uptake showed meaningful progress, membership growth was slower than expected amid a competitive market where trust and brand familiarity take time to develop. The team responded by intensifying engagement and refining distribution strategies to strengthen traction.

Technology is used for seamless onboarding and efficient processes, positioning glu as a modern solutions provider without compromising the personal support members expect. Operational priorities included establishing strong distribution partnerships and accrediting advisers at scale, supported by dedicated training and appropriate digital tools.

PPS INSURANCE NAMIBIA

PPS Namibia performed exceptionally well in 2025, recording a second consecutive record year in terms of operating profit and investment returns. Operating profit for PPS Insurance Namibia decreased to N$59.5 million from N$63.2 million in 2024. The total net (of reinsurance) claims increased from N$98.4 million to N$106.6 million. Gross insurance premium revenue increased year-on-year by 9.4% from N$255.8 million to N$279.8 million.

Our members in Namibia also benefitted from the good investment market returns in 2025. Investment returns distributed to members' PPS Profit-Share Accounts™ have increased from N$201.6 million in 2024 to N$307.8 million in 2025. We continue to adhere to the same multi-manager strategy in Namibia that our members benefit from in South Africa.

PPS MUTUAL AUSTRALIA

PPS Mutual Australia, an affiliate company established in Australia ten years ago, operates very successfully. Not only does it provide the benefits of PPS's mutual model to its members in Australia, but it also contributes to the Profit-Share allocations of South African members through the payment of fees and royalties.

PPS Mutual Australia now has almost 20 000 members and has attained a highly favourable annual in-force premium of more than A$120 million.

It also earned the title of Best Retail Life Insurer from Adviser Ratings, for a third year in a row from an independent market comparator, securing a place in the top two in all categories.

PPS MUTUAL NEW ZEALAND

PPS Mutual New Zealand launched in August 2025, building on the sustained success of PPS Mutual Australia and representing the next phase in PPS's international growth. The decision to expand into New Zealand was influenced by the strong alignment between PPS's member-centred proposition and the needs of the New Zealand professional market, which values quality advice, long-term financial security and solutions grounded in shared success. Early engagement has been encouraging, with 110 accredited advisers actively quoting and writing business. This momentum reflects a receptive market and reinforces the relevance of PPS's approach in a jurisdiction that mirrors many of the characteristics that enabled PPS Mutual Australia to flourish.

POSITIVE IMPACT IN SOCIETY AND SHARED OBJECTIVES

Graduate professionals often carry a profound sense of duty but the demands of practice and lifestyle can lead to imbalance.

We can see this from increased claims numbers in 2025, which reduced underwriting profit. Sickness claims were approximately 6% above year-on-year expectations, while death claims ended the year 34% higher. These trends reflect the pressures facing graduate professionals – economic stress, burnout, less time to care for their physical being and mental health challenges. Behind these numbers are real lives and families, and PPS remains steadfast in its role as a partner during difficult times.

PPS advocates for holistic wellness through a programme that encourages active member participation and supports both physical and mental health.

The PPS Healthy Weigh Challenge, as an example, encourages sustained habits of movement, nutrition and self-care and directs entry fees to education initiatives, linking personal health to collective progress. Reality Wellness supports members' mental health, with particular focus during critical illness claims when stress and decisions peak.

The South African Health Business Academy, an initiative that PPS started in 2023, is another example of collaborative capability building, equipping clinicians with the tools to start and sustain private practices. Continuing professional development programmes and practice forums foster peer learning so that knowledge flows across professions rather than remaining siloed. Partnerships with professional associations ensure product design responds to real-world needs instead of abstract assumptions. The shared objective is simple and urgent: keep professionals serving, protected and thriving so that society can do the same.

TOP EMPLOYER CERTIFICATION

PPS celebrated the achievement of Top Employer certification in 2025 – recognition that reflects a sustained, proactive commitment to fostering an environment where our employees thrive. Organisations grounded in trust, shared purpose and consistent investment in their people are better positioned to serve members and society.

EDUCATION AND WORKING TOGETHER FOR THE NEXT GENERATION

Education sits at the heart of PPS's purpose because it shapes who will diagnose, design, adjudicate and lead tomorrow. PPS's approach is collaborative by design. Cultivating Tomorrow's Professionals is an initiative that originated a few years ago among our staff. This has grown since and is a programme where PPS staff give their free time to mentor and work with public schools to support mathematics, host monthly workshops and expose learners to university environments. In addition, our bursary programmes are comprehensive because financial strain can derail potential.

Work readiness is a joint effort. The Learned Engaged Accelerated Professionals programme equips final-year students and graduates with practical tools for CVs, interviews, professionalism and financial wellness. Subsidised medical aid for students, delivered through healthcare administration partnerships, keeps future graduate professionals healthy during their studies. Nutrition initiatives on campus tackle food insecurity so that energy goes into learning rather than coping. This is mutuality in action. Read more about these initiatives in our PPS Sustainability Report 2024.

Summary and reference to full report on **www.pps.co.za**

Read more about PPS Investments' sustainability initiatives in the **PPS Sustainability Report 2024**

LOOKING AHEAD: MUTUALITY REIMAGINED, REIGNITED

PPS will soon launch a next-generation digital mutuality platform designed to connect graduate professionals and families across jurisdictions, expand shared value participation at speed and bring the mutual experience closer to everyday life.

By combining the might of artificial intelligence with neuro- and behavioural-science, real-world solutions, expert insight and a like-minded community committed to excellence, we are creating a catalyst unlike anything before – a powerful platform designed with one purpose. To connect people – people who want to make big things happen in their lives – with a compelling, personalised combination of solutions, experts and information to realise their aspirations and impact the world.

Apart from being a robust example of mutuality in action, this platform will also strengthen PPS as a business as much as it strengthens our members. For our graduate professionals, it will advance innovation and digital transformation by expanding our ecosystem and improving accessibility, convenience and self-service capability. It will provide the integrated tools and support needed across life stages and professional journeys, deepening engagement, improving advice access and supporting long-term financial resilience. It will promote operational excellence and growth through enhanced efficiency, automation and scalable technology. It will reinforce sustainability by supporting long-term value creation through informed decision-making and responsible platform design.

FOR PROFESSIONALS

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*The PPS Profit-Share Account reflects the accumulated value of annual profit allocations made to members who hold qualifying products. These amounts are invested on the member's behalf and vest at retirement, death, or in other limited circumstances permitted under the qualifying insurance policy terms and conditions. Allocations may be positive or negative depending on operating experience and investment performance, and past allocations are not necessarily indicative of future outcomes.