



Operating Update

for the three months ended 30 September 2025

MOMENTUM GROUP LIMITED
Incorporated in the Republic of South Africa
Registration number: 2000/031756/06
JSE share code: MTM
A2X share code: MTM
NSX share code: MMT
ISIN code: ZAE000269890
(Momentum Group or the Group)

MOMENTUM METROPOLITAN LIFE LIMITED
Incorporated in the Republic of South Africa
Registration number: 1904/002186/06
LEI: 378900EOA78B7549C212
Alpha code: MMIG
(Momentum Metropolitan Life)

Operating update for the three months ended 30 September 2025

This update serves to inform stakeholders about the Group's operational performance against key measures such as new business volumes and provides guidance and commentary on key factors influencing the Group's earnings for the three months ended 30 September 2025.

Overview of key metrics

The table below sets out certain key operational metrics for the three months ended 30 September 2025 ("1QF2026" or "the quarter") compared to the three months ended 30 September 2024 ("1QF2025" or "the prior period"):

Key operational metrics	1QF2026	1QF2025	change %
Normalised headline earnings (R million) ¹	1 759	–	–
Recurring premiums (R million)	1 154	1 073	8%
Single premiums (R million)	16 490	15 681	5%
Present value of new business premiums (PVNBP, R million)	22 388	20 645	8%
Value of new business (VNB, R million)	146	197	(26)%
Total direct expenses (R million)	3 410	3 235	5%
Health members under administration ('000)	1 350	1 279	6%

¹ NHE for 1QF2025 is not available as the Group did not perform an earnings consolidation for that period, having prioritised the implementation of IFRS 17.

Momentum Group's disciplined strategy execution continues

The positive earnings trajectory established during F2025 continued into the first quarter of F2026. The Group delivered a strong operational performance with normalised headline earnings (NHE) of R1 759 million, for the three months ended 30 September 2025. These results were underpinned by effective strategic execution and continued focus on profitable growth across the Group's business units. The Group's earnings were further supported by positive market variances (R201 million) for the quarter, although these variances contributed less than in the prior period (R570 million). Short-term insurance underwriting experience also remained excellent.

The Group's sales, as measured by PVNBP, improved by 8% to R22.4 billion. The Group's VNB declined from R197 million to R146 million, predominantly impacted by lower life annuity sales in Momentum Investments. This impact was partially mitigated by the VNB improvement in all the other segments, as discussed in the business unit sections below. Consequently, the Group's new business margin reduced to 0.7% from 1% in the prior period.

Direct expenses increased by 5% across the Group, mainly driven by inflationary adjustments on personnel cost, increased spend to meet requirements resulting from regulatory changes, and IT investments across the Group. As reported in the F2025 annual results announcement, benefits from the Group-wide performance optimisation project will become more pronounced toward the latter part of F2026. To date, savings of R389 million have been realised, while a further R500 million has been identified and is expected to be realised over the remaining strategic period.

The regulatory solvency position of the Group's main insurance entities remains healthy and within their targeted solvency ranges. The solvency cover of Momentum Metropolitan Life decreased from 1.96 times solvency capital requirement (SCR) (pre-foreseeable dividend) at 30 June 2025 to 1.76 times SCR (pre-foreseeable dividend) at 30 September 2025. The decrease in solvency cover was driven by dividends paid to the Group (to fund ordinary dividends and the share buyback programme) and the increase in the SCR following the reduction in nominal yields. The solvency position remains within the target range of 1.6 to 2.0 times SCR.

As communicated in the F2025 annual results announcement, the operating model review of Momentum Africa has been completed, with changes effective from 1 July 2025. The Namibia short-term insurance business is now reported in Guardrisk, and the health insurance businesses in Lesotho, Botswana, and Mozambique are reported as part of Momentum Health. As a result, the Momentum Africa business unit comprises the life insurance and asset management businesses across Namibia, Lesotho, and Botswana, as well as the Namibia health administration business and Ghana up to the date of sale.

New business performance

The tables below show the new business volumes by business unit for the three-month period:

R million	1QF2026	1QF2025	change %
Momentum Retail	2 394	2 159	11%
Momentum Investments	13 669	12 537	9%
Metropolitan Life	1 584	1 744	(9)%
Momentum Corporate	3 368	3 334	1%
Momentum Africa	1 373	871	58%
Total PVNBP	22 388	20 645	8%

R million	1QF2026		1QF2025		change %	
	Recurring premiums	Single premiums	Recurring premiums	Single premiums	Recurring premiums	Single premiums
Momentum Retail	296	795	272	642	9%	24%
Momentum Investments	77	13 324	78	12 200	(1)%	9%
Metropolitan Life	367	397	450	450	(18)%	(12)%
Momentum Corporate	227	1 651	139	2 172	63%	(24)%
Momentum Africa	187	323	134	217	40%	49%
Total	1 154	16 490	1 073	15 681	8%	5%

Segmental performance

Momentum Retail

Momentum Retail's NHE of R254 million was largely supported by the contractual service margin (CSM) release ("expected profit"), positive mortality experience in the protection and traditional businesses and a positive contribution from FinGlobal which was acquired during F2025. This was offset by slightly negative market variances in the protection business following recent shifts in the yield curve.

The CSM for Momentum Retail increased for the quarter aided by new business and positive experience variances.

Momentum Retail's PVNBP improved by 11% to R2.4 billion, supported by a 21% increase in long-term savings new business. The protection business saw a 3% decline in new business volumes.

VNB improved to R21 million from R12 million in the prior period. This was driven by improved profitability of both the long-term savings and protection businesses.

Momentum Investments

Momentum Investments achieved NHE of R310 million for the quarter, largely due to the CSM release from the life annuity book, increased contributions from the wealth management, asset management and multi-management businesses, and the significant reduction in onerous contracts following product design changes to the back-to-back solution.

The CSM for Momentum Investments grew marginally over the quarter mainly due to new business written.

Momentum Investments' PVNBP increased by 9% to R13.7 billion, primarily aided by higher new business volumes in the Momentum Wealth investment platform. Life annuity new business volumes were lower than the prior period due to the lower interest rate environment.

VNB declined to R114 million from R198 million in the prior period. Although, VNB for the quarter was largely in line with the run-rate of the last quarter of F2025. The year-on-year decline was predominantly due to the new business mix being weighted toward lower-margin living annuity products and platform business. VNB was also adversely impacted by the reprice of the back-to-back annuity product.

Assets under administration increased by 20% year-on-year, owing to pleasing growth in both the local and offshore Momentum Wealth investment platforms following strong net inflows and favourable market performance. Assets under management improved by 7%, mainly owing to good market growth.

Metropolitan Life

Metropolitan Life's NHE of R248 million was largely aided by the release of the CSM and risk adjustment, positive mortality experience variance on the funeral book, and improved persistency experience variance in the protection business following continued improvements in observed lapse experience. NHE was further supported by positive market variances and investment income, although lower than the prior period.

The closing September 2025 CSM and risk adjustment in Metropolitan Life were mainly in line with June 2025.

PVNBP declined by 9% to R1.6 billion, attributable to lower sales volumes across all products. The lower protection and long-term savings new business volumes were because of a leaner, but more productive, agency force driven by channel optimisation efforts. The reduction in annuity volumes was primarily due to a shift away from life annuity products driven by lower interest rates and strong competition in the market.

VNB improved to R7 million from R4 million in the prior period, despite lower new business volumes. This result was due to a change in mix away from long-term savings products, disciplined expense management, better quality of new business (with a reduction in early duration lapses), and distribution cost efficiencies.

Momentum Corporate

Momentum Corporate's NHE of R427 million was aided by solid profits from the group risk business, and higher earnings from large corporate clients and FundsAtWork investments business. Earnings were further supported by increased investment income on shareholder assets. Market variances were lower compared to the prior period.

Momentum Corporate's CSM, which is primarily driven by guaranteed and with-profit annuities business, increased from June 2025.

PVNB for Momentum Corporate improved by 1% to R3.4 billion compared to the prior period, mainly owing to the onboarding of Woolworths and another large recurring premium client.

VNB was negative R5 million, an improvement from the negative R10 million in the prior period. This was mainly due to the two large recurring premium deals in the quarter. New business margins remain under pressure in the current economic environment.

Momentum Health

Momentum Health delivered NHE of R101 million for the quarter. This result was supported by fee income growth of 14% following membership growth across most schemes, annual administration and managed care fee increases as well as improved performance from capitation contracts. NHE includes R28 million which represents the earnings from the Africa health entities.

An increase in expenses partially offset the strong fee income growth. This growth was primarily driven by continued investment in strategic growth and process transformation initiatives while maintaining cost optimisation goals.

Overall membership growth of 6% was achieved, driven by continued strong growth in Health4Me (23%) aided by the onboarding of Woolworths in collaboration with Momentum Corporate, and growth of public sector membership (3%). Momentum Medical Scheme's membership base increased by 2%, mainly owing to a steady recovery in membership volumes from retail clients, students and employer groups. The labour segment base increased by 52% mainly due to the amalgamation of two schemes in the latter part of F2025. Membership in both the open scheme and closed scheme corporate segment remained under pressure, largely because of lower formal employment levels and affordability.

Guardrisk

Guardrisk reported NHE of R252 million for the quarter. This result was aided by strong underwriting profit growth in Guardrisk General Insurance and Guardrisk Life, increased management fee income, primarily from the mining rehabilitation guarantee business, and higher investment income.

Earnings for the quarter includes R13 million from the short-term insurance business in Namibia following the Momentum Africa operating model change.

Expenses increased above inflation, largely due to higher personnel costs and IT costs required to support business growth and regulatory compliance.

Momentum Insure

Momentum Insure delivered NHE of R157 million for the quarter driven by strong underwriting performance and an increase in investment income.

The combined ratio improved to 83.1%, well below the long-term targeted range of 92% to 97%. This was supported by a lower claims ratio of 44%, benefiting from benign weather conditions and continued underwriting and pricing discipline. Expenses remained well controlled, despite investment in underwriting capabilities, increasing by only 0.2% year-on-year.

Gross written premium (GWP) growth remained under pressure and declined marginally compared to the prior period because of lower than expected new business volumes. Persistency levels improved slightly and are within management expectations.

Momentum Africa

Momentum Africa achieved NHE of R192 million for the quarter. Earnings were supported by the CSM release in the life business, premium growth and lower claims ratios in the Namibia and Ghana health businesses as well as positive market variances of R35 million from Namibia and Botswana. NHE was further boosted by investment income, mainly from bond returns and the capital appreciation on bond assets driven by a reduction in the yield curve in Namibia. This result was partially dampened by increased new business strain in Lesotho and Botswana, driven by higher expenses. Mortality experience variance was positive; however, Namibia saw elevated protection claims during the quarter, while Lesotho and Botswana experienced an increase in policy surrenders driven by economic pressures.

Momentum Group successfully exited the Ghanaian market on 9 September 2025 following the conclusion of a transaction that resulted in the sale of its interest in three entities in Ghana to emPLE Group. Earnings for the quarter includes NHE of R46 million from these entities up to the date of sale.

Africa's PVNB improved significantly to R1.4 billion. This was largely due to strong growth in corporate new business volumes in Lesotho and Namibia, higher retail new business volumes in Namibia, and increased annuity new business volumes in Botswana and Lesotho.

VNB saw a pleasing turnaround to R9 million from a loss of R7 million in the prior period. This was primarily driven by an improvement in Namibia's VNB following strong retail and corporate risk new business growth, and higher corporate risk new business volumes in Lesotho.

India²

India recognised an NHE loss of R108 million for the quarter. The earnings loss reported under Indian GAAP of R32 million was an improvement on the R48 million loss in the prior period. This improvement was aided by strong GWP growth of 24%, with solid contributions from both retail and group business, and a lower expense ratio of 32% from 40% in the prior period. The earnings loss widened under IFRS 17 due to the net impact of accounting differences, primarily driven by movements in the loss component, timing differences in premium recognition, reinsurance adjustments, and the capitalisation of acquisition costs.

Given the compelling market opportunity and the differentiated business model, we remain optimistic about the growth potential of our health insurance business in India. In line with F2025, the India business expects to break even under Indian GAAP toward the latter part of F2026.

² Results for the India investment are reported with a three-month lag. The results are reported on an IFRS 17 basis and include support costs incurred by Momentum Group outside of the associate. As such, the results may differ from those published by Aditya Birla Health Insurance.

Shareholders segment

The Shareholders segment delivered an NHE loss of R74 million mainly driven by higher audit costs following the implementation of the joint audit, losses on the incentive share hedge and further write downs of some investments in the venture capital funds, together with related foreign exchange losses.

Outlook

We are encouraged by the excellent earnings performance the Momentum Group achieved over the past quarter, reflecting the resilience of our empowered and accountable business units. We are firm in our commitment to delivering value for our clients and stakeholders and will maintain our enhanced focus on driving sales volumes and improving VNB outcomes.

The outlook for South Africa indicates modest growth supported by improved energy availability, easing interest rates and inflation, and the successful exit from the Financial Action Task Force greylist. While this is encouraging, our operating environment remains challenged by an increasingly competitive landscape, with subdued economic growth and the elevated cost of living affecting new business growth and margins.

We remain focused on delivering on our Impact strategy, with progress on strategic initiatives gaining momentum. We believe that our financial ambitions for F2027 (NHE of R7 billion, ROE of 20% and VNB margin of 1% to 2%) are achievable, with the focus being on improving the VNB margin in the near term.

19 November 2025

CENTURION

The information in this commentary, including the financial information on which the outlook is based and any non-IFRS financial measures (which are presented for additional information purposes only), is the responsibility of the directors of Momentum Group and has not been reviewed and reported on by Momentum Group's external auditors.

This outlook is based on several assumptions, including continued recovery in consumer confidence and disposable income due to easing inflation and interest rates, experience aligned to recent trends, successful execution of strategic initiatives under the Impact strategy, and no material adverse changes to regulation, tax or macroeconomic conditions. These ambitions were initially published on 23 July 2024 and should be read in conjunction with the Group's previously published results, specifically NHE (income statement), shareholders' equity (statement of financial position) and VNB (EV statement) in the Annual Financial Statements toward our F2027 ambitions.

Conference call

The executive management of Momentum Group will be hosting a conference call for shareholders, investors and analysts on 19 November 2025.

We kindly request callers to pre-register using the following link: <https://www.diamondpass.net/4211084>

A passcode and pin will be generated following registration. We advise callers to dial in five minutes before the conference call starts at 11:00.

The recorded playback will be available for three days after the conference call.

Access numbers for the recorded playback:

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