Annual Financial Statements

for the year ended 31 March 2026

Issued 7 August 2026

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Go Beyond

MW Asset Rentals (RF) Limited
(Registration Number 2002/030074/06)

MW Asset Rentals (RF) Limited

(Registration Number 2002/030074/06)
Annual Financial Statements for the year ended 31 March 2026

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2002/030074/06
Registration Date	27 November 2002
Nature of Business and Principal Activities	The company provides financial services - Asset-backed financing agreements.
Directors	R Kamalie Non-executive MJ Pitout Non-executive BL Majozi (Previously Dube) Non-executive L Bosman (Appointed 8 August 2025) Executive P Lochner (Appointed 25 February 2022) (Resigned 8 August 2025) Executive
Controlling Company	Merchant West Proprietary Limited
Registered Office	145 West Street Sandton Gauteng 2010
Business Address	145 West Street Sandton Gauteng 2010
Postal Address	P.O. Box 651098 Benmore 2010
Bankers	ABSA Group Limited First National Bank Limited Investec Bank Limited Nedbank Limited
Auditor	PricewaterhouseCoopers Inc. Block 5 Riverside Office Park Aqua Street Mbombela 1200

General Information

Company Secretary	Morestat Corporate Services Proprietary Limited 235 Soetdoring Building 7 Protea Street Doringkloof Centurion 0157
Preparer	Lizelle Bosman CA(SA)
Issued	7 August 2026

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Corporate Governance Report

MW Asset Rentals (RF) Limited (the "company") is, as far as applicable, fully committed to the principles of the Code of Corporate Practices ('the code') as set out in the King IV Report on Corporate Governance.

In supporting the code, the directors recognise the need to govern the company with integrity and in accordance with the generally accepted corporate practices.

The company is a special purpose public company and is a subsidiary of the MWAR Owner Trust. The company has no employees and its management function is outsourced to Merchant West Proprietary Limited.

In the context of the above, the directors of the company are of the opinion that it has complied with the principles and recommendations of the code, in all material respects, with regard to the period under review.

1. Board of Directors

The board consists of the following directors (refer to Director's Report note 9):

	2026	2025
Independent non-executive	3	3
Executive director	1	1
	4	**4**

Please refer to the following link for a brief CV of each director:
https://merchantwest.co.za/wp-content/uploads/2026/07/MWAR-Directors.pdf

The board has the following committees:
- Audit Committee
- Social and Ethics Committee

2. Compliance with King IV

The company endeavours at all times to apply the principles of the King Code of Governance Principles for SA ('King IV') in such a way that these requirements are met. For the period under review the board indicated that it was satisfied with the way in which the company applied the recommendations of King IV, or put alternative measures in place where necessary.

An explanation of how the King IV Code principles is applied in the company can be found on the Merchant West website.
https://merchantwest.co.za/MWAR/MWAR-King-IV.pdf

3. Independent advice

A director or any member of a board committee may, if necessary, take independent professional advice at the expense of the company.

4. Company Secretary

All directors have access to the advice and services of the Company Secretary, who provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interest of the company.

5. Audit committee

The Board has concluded that the Audit Committee has fulfilled its responsibilities for the year under review in compliance with its terms of reference and statutory requirements.

Corporate Governance Report

6. Social and Ethics committee

The board has constituted a social and ethics committee to consider the company's activities with regard to matters relating to social and economic development. The committee consists of three members elected by the board and the chairman is a non-executive director of the board. The committee meets at least once annually and is accountable to both the board and shareholder.

7. Remuneration committee

The company is a special purpose vehicle which does not employ any employees and no remuneration is paid. The independent non-executive directors are provided by TMF Corporate Services (South Africa) Proprietary Limited and its fee for providing the service is agreed with Merchant West Proprietary Limited. The executive director receives no direct remuneration from the company and is remunerated by Merchant West Proprietary Limited.

8. Integrated sustainability reporting and disclosure

The company does not play an active role where the environment and the community are involved, therefore the integrated sustainability report will not form part of the Annual Financial Statements.

9. Fundamental and affected transactions

The company does not conduct business with entities in which its directors have an interest. Directors are required to declare their directorships in other companies on an annual basis.

Audit Committee Report

1. Members of the Audit Committee

The members of the audit committee ('the committee') are all independent non-executive directors of the company and include:

Name

M J Pitout (Chairman)

B L Majozi (Previously Dube)

R Kamalie

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa.

2. Meetings held by the Audit Committee

The Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The Committee held two scheduled meetings during the 2026 financial year.

3. External auditor

The committee satisfied itself through inquiry that the external auditor, PricewaterhouseCoopers Inc. complies with the JSE Debt & Specialist Securities Listings Requirements 7.10(b). Mr. JN Boshoff has been appointed as the designated auditor, and the firm is independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. The Audit committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved for the 2026 financial year end, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope. No non-audit services rendered for the financial year and hence no approval required by the committee.

The committee recommends the appointment of the external auditor and oversees the external audit process and in this regard the committee:

- Approves the annual audit fee and terms of engagement of the external auditor;
- Monitors and reports on the independence of the external auditor in the annual financial statements;
- Defines a policy for non-audit services and pre-approve non-audit services to be provided by the external auditor (if applicable);
- Ensures that there is a process for the committee to be informed of any reportable irregularities as defined in the Auditing Profession Act, 2005, identified and reported by the external auditor (if applicable);
- Reviews the quality and effectiveness of the external audit process;
- Considers whether the audit firm and where appropriate the individual auditor that will be responsible for performing the functions of auditor is accredited as such on the JSE List of Accredited Auditor and their advisers as required by the JSE Debt & Specialist Securities Listings Requirements; and
- Determines that the individual auditor does not appear on the disqualified list.

The committee has been provided with all decision letters or findings issued by the Independent Regulatory Board for Auditor ("IRBA"), or any other regulators, and any summaries relating to monitoring procedures or deficiencies issued by PricewaterhouseCoopers Inc.

4. Annual financial statements

Following the review of the annual financial statements the committee recommended the Board approval thereof on 7 August 2026.

Audit Committee Report

5. Discharge of responsibilities and Audited Annual Financial Statements

Following the review by the committee of the audited annual financial statements of the company for the year ended 31 March 2026 and based on the information provided to it, the committee considers that, in all material respects, the company complies with the provisions of the Companies Act No 71 of 2008, as amended, the provisions of the JSE Debt & Specialist Securities Listings Requirements, IFRS® Accounting Standards, and that the accounting policies applied are appropriate.

The committee further concurred with the Board and management that the adoption of the going-concern status in preparation of the audited annual financial statements is appropriate.

6. Expertise and experience of finance function

The on-going secretarial administration of the company’s statutory records is done by Morestat Corporate Services Proprietary Limited, whilst accounting is managed by Merchant West Proprietary Limited. Nedbank Limited is the professional administrator of MW Asset Rentals (RF) Limited.

The committee satisfied itself that the composition, experience and skills set of the finance function met the requirements as per Companies Act 71 of 2008.

7. Key Audit Matter

In reviewing the Key Audit Matter ("KAM") the Audit Committee engaged with the external auditor through the respective governance structures to discuss and consider the KAM:

- Expected credit loss allowance ('ECL") of loans and advances.

The Audit Committee considered in detail the level of testing performed on the ECL for future expected credit losses on loans and advances. The Audit Committee are comfortable with the ECL for future expected credit losses on loans and advances to customers raised.

On behalf of the Audit Committee:

MJ Pitout
Chairperson of the Audit Committee

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period ended, in conformity with IFRS Accounting Standards, issued by the International Accounting Standards Board (the "IASB"), including IFRIC interpretations ("IFRIC Interpretations") issued by the IFRS Interpretations Committee ("the Committee"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Institute of Chartered Accountants (SAICA) and Financial Reporting Guides as issued by the Accounting Practices Committee and the Johannesburg Stock Exchange Listing Requirements. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance and complies with IFRS Accounting Standards and the Companies Act 71 of 2008 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have assessed the going concern of the company for the year ended to 31 March 2027 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The directors of the company are responsible for the controls over, and the security of the website and , where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the shareholders and to the Companies and Intellectual Property Commission.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and the auditor's unqualified audit report is presented on pages 14 to 21.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder and board of directors. The board of directors believes that all representations made to the independent auditor during their audit are valid and appropriate.

The annual financial statements set out on pages 22 to 72, which have been prepared on the going concern basis, and the directors' report set out of pages 11 to 13 was approved and authorised for issue by the board of directors and were signed on 7 August 2026.

Directors' Responsibilities and Approval

R Kamalie

L Bosman

Company Secretary's Declaration

In terms of section 88(2)(e) of the Companies Act, 71 of 2008 of South Africa, I certify that to the best of my knowledge and belief, the MW Asset Rentals (RF) Limited has lodged all returns required in terms of the Companies Act, 71 of 2008, with the Registrar of Companies for the financial year ended 31 March 2026 and that the returns are true, correct and up to date.

Dianne Whitaker
Company Secretary
Morestat Corporate Services Proprietary Limited
Centurion
7 August 2026

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of MW Asset Rentals (RF) Limited (‘the company’) for the year ended 31 March 2026.

1. Nature of business

The company is incorporated in the Republic of South Africa and is managed by Merchant West Proprietary Limited, the ultimate holding entity is the MWAR Owner Trust. The Merchant West Proprietary Limited group provides asset-based finance and related services to corporate and consumer clients.

The company is a 'ring-fenced' securitisation special purpose vehicle, and registered a R 2 500 000 000 loan receivables backed note programme with the JSE in November 2016, under which it issues notes from time to time. The proceeds of the notes are used to acquire additional participating assets from Merchant West Proprietary Limited or to refinance existing notes on the applicable scheduled maturity date.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, the requirements of the Companies Act 71 of 2008 and JSE Debt & Specialist Securities Listings Requirements. The accounting policies have been applied consistently compared to the prior year, however the application and conclusions under IFRS 9 was amended.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements and, do not in our opinion, require any further comment.

3. Holding entity

The company's ultimate holding entity is the MWAR Owner Trust which is incorporated in the Republic of South Africa with the controlling company being Merchant West Proprietary Limited which is incorporated in the Republic of South Africa. Refer to note 3 of the Annual Financial Statements.

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review (refer to note 7).

5. Dividends

During the year under review, preference share dividends were declared amounting to R 130 000 000 (2025: R 310 000 000). A solvency and liquidity test was performed before the dividend was paid out.

6. Class A Floating Rate Notes

MWAR18, issued on 22 May 2025, with a nominal amount of R150,000,000. The issuance comprised of floating rate notes, with a tenor of two years and six months to scheduled maturity (22 November 2027) and ten years to final redemption (22 May 2035), issued at 3-month JIBAR plus 170 basis points (at 31 March 2026 this interest rate was 8.450%). The proceeds were used to settle the notes previously issued under Stock Code MWAR08.

MWAR19 and MWAR20, issued on 22 November 2025, with a nominal amount of R650,000,000. The issuance comprised of floating rate notes, MWAR19, with a tenor of one year to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 99 basis points (at 31 March 2026 this interest rate was 7.740%) and MWAR20, with a tenor of three years to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 150 basis points (at 31 March 2026 this interest rate was 8.250%). The proceeds were used to settle the notes previously issued under Stock Code MWAR09 and MWAR16.

Directors' Report

The Notes are not directly secured by any of the assets of the company, being the Issuer, but MW Asset Rentals Security SPV (RF) Proprietary Limited (the "Security SPV") executed the limited recourse Security SPV Guarantee in favour of the Secured Creditors (including the Noteholders). All payments to be made to the Secured Creditors (including the Noteholders) (whether made by the Issuer or the Security SPV) will be made in accordance with the Priority of Payments. Please refer to the section of this Programme Memorandum headed "Security Arrangements" for an understanding of the security structure relating to the Notes. Interest is paid quarterly with the last payment in the year being on 28 February 2026. The next interest payment is due on 31 May 2026.

A rating of AAA(za)(sf) has been assigned to the Class A Notes. The rating was reaffirmed by Global Credit Ratings in the current financial year.

Refer to note 9 of the Annual Financial Statements.

The last payments referencing JIBAR rates will occur on 22 November 2026. Effective from 22 February 2027, all payments will be linked to ZARONIA and paid accordingly. The programme memorandum was amended April 2026 to incorporate these changes.

7. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report that would have a material effect on the current year's financial statements. Procedures performed by management up to 7 August 2026, did not identify additional information that requires judgements and estimates to be updated.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The company has no credit facilities or borrowings, other than the listed notes (refer note 9), the subordinated loan (refer note 8) and loan to group companies (refer to note 11). The directors have satisfied themselves that the company is in a sound financial position and that there is sufficient demand for the company’s listed notes to meet its foreseeable funding requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors have not identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

9. Directors

The directors of the company during the year and up to the date of this report are as follows:

R Kamalie

MJ Pitout

BL Majozi (Previously Dube)

L Bosman (Appointed 8 August 2025)

P Lochner (Resigned 8 August 2025)

10. Social and ethics committee

In line with the requirements of the Companies Act of South Africa, MW Asset Rentals (RF) Limited has appointed a social and ethics committee who have presented their report at the Annual General Meeting. The members of the committee are:

Directors' Report

Name

B L Majozi (Previously Dube) - Chair person
R Kamalie
M J Pitout

11. Secretary

The company's designated secretary is Morestat Corporate Services Proprietary Limited.

Details of the Company Secretary is as follows:

Name and surname:	Morestat Corporate Services Proprietary Limited
Secretary's business address:	235 Soetdoring Building 7 Protea Street Doringkloof Centurion 0157

12. Auditor

PricewaterhouseCoopers Inc. was appointed as auditor for the company for 2026.

Independent auditor’s report

To the shareholder of MW Asset Rentals (RF) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MW Asset Rentals (RF) Limited (the Company) as at 31 March 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

MW Asset Rentals (RF) Limited's financial statements set out on pages 22 to 72 comprise:

- the statement of financial position as at 31 March 2026;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview

Final materiality	R19.89 million
Key audit matters	Expected credit loss allowance of loans and advances

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

	Company financial statements
Final materiality	R19.89 million
How we determined it	0.75% of total assets
Rationale for the materiality benchmark applied	The Company is a securitisation special purpose vehicle created solely to acquire equipment finance agreements. The Company's revenue is predominantly generated from loans and advances which is the core focus of the Company's activities. These loans and advances are the majority of assets in the Company. We chose 0.75% of total assets, which is consistent with quantitative materiality thresholds used for asset-oriented companies.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* / the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	**How our audit addressed the key audit matter**
Expected credit loss (ECL) allowance of loans and advances The Company's principal operations comprise purchases of asset backed finance agreements from Merchant West Pty (Ltd) resulting in loans and advances being the most significant asset category on the statement of financial position. As at 31 March 2026, loans and advances amounted to R2.54 billion (2025: R2.48 billion), net of an expected credit loss allowance of R138.19 million (2025: R106.75 million). Refer to accounting policy 1.4.1 and note 4 to the financial statements for disclosures relating to this matter. The determination of the ECL requires judgment and estimation by management, particularly in the following areas:	We performed the following audit procedures, with support from our actuarial experts, to assess the ECL allowance for loans and advances: • We obtained an understanding of the methodologies and assumptions used by management in the various ECL model components (PD, EAD and LGD) and how these components were then used to estimate the allowance. • We assessed the alignment of management's ECL methodology with IFRS Accounting Standard 9 - Financial Instruments (IFRS 9), by comparing the ECL methodology to the requirements of IFRS 9. We also compared any refinements in the ECL methodology to industry practice. We noted no material inconsistencies.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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The judgement involved in determining the input assumptions and methodologies applied to estimate the probability of default (PD), exposure at default (EAD) and loss given default (LGD) within the loss allowance calculations; and
The incorporation of forward-looking information (FLI) and macro-economic inputs into the significant increase in credit risk (SICR) assessment.

ECL allowance on loans and advances was considered to be a matter of most significance in our audit of the current year's financial statements due to the following:

The level of subjective judgement applied in determining the ECL allowance on loans and advances; and
The magnitude of the loans and advances in the financial statements.

</td><td>

For a sample of Stage 1, Stage 2, and Stage 3 exposures, we assessed through inspection of the underlying supporting documentation, whether the stage classification of these exposures was appropriate and in accordance with the accounting policy. No material exceptions were identified.
For a sample of loans and advances we performed inputs testing to obtain comfort over the accuracy of the data by agreeing the data applied by management in their ECL calculation to underlying supporting documentation. No material exceptions were noted.
For a sample of loans and advances, we tested the inputs used by management in measuring the credit risk of customers, specifically the qualitative and quantitative factors. This customer credit score is used to determine the PD. We agreed the data applied by management to underlying supporting documentation to assess its accuracy on a sample basis. We also performed some input sensitivity analyses to assess the impact of potential changes in key assumptions on the assigned credit score and resulting PD. No material exceptions were noted.
We independently recalculated management's PDs based on management's rating methodology and industry practice. No material exceptions were noted.

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Key audit matter	How our audit addressed the key audit matter
	• We estimated the lifetime PDs for all exposures based on Standard & Poor's (S&P's) corporate PD term structure (a large-scale international study of actual default rate experience for different corporate risk grades over time) and the term remaining applicable for each loan and advance. These lifetime PDs were applied to Stage 1 exposures, with a remaining term of less than one year, and all Stage 2 exposures. For Stage 1 exposures with a remaining term exceeding one year, 12-month PDs were applied in accordance with IFRS 9. No material exceptions were noted. • We independently assessed the reasonability of the LGDs using industry benchmarks as there is limited internal historical loss data to support the calibration of empirical loss estimates. No material exceptions were noted. • For a sample of Stage 3 exposures, we inspected supporting documentation underpinning the existence and valuation of collateral to assess whether the collateral values applied by management were reasonable and appropriately reflected in the LGD calculation. No material exceptions were noted. • We estimated the EAD for Stage 1 and 2 loans and advances using an exposure rundown approach based on the remaining term of the exposure. We compared this calculated EAD to the EAD applied by management. No material exceptions were noted.

Key audit matter	How our audit addressed the key audit matter
	• We assessed the ECL impact of moving accounts over and above the 30-day backstop into Stage 2 based on management's early warning triggers which we evaluated for reasonableness. The majority of accounts moved into Stage 2 were exposures meeting management's early trigger criteria, as this represents the proportion of the Stage 1 exposures where there has been a significant increase in credit risk. No material exceptions were noted. • We obtained an understanding of how management incorporated the impact of FLI into the ECL calculation, including adjustments to credit scores of the underlying customers within specific industries and segments, as well as the application of a judgemental FLI overlay. This understanding was achieved through consideration of supporting documentation and discussions with management. We independently assessed the reasonableness of these adjustments by developing an independent FLI overlay using external market data and key economic drivers of credit risk. No material exceptions were noted. • We independently reperformed the ECL calculation by applying management's methodology and underlying parameters. In addition, we derived an independent estimate of the ECL by bringing together our independent assessments of PDs, LGDs, EADs, staging and forward-looking information. Management's estimate fell outside our independent range of acceptable outcomes. This difference was within our final materiality threshold and therefore has no material impact to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "MW Asset Rentals (RF) Limited Annual Financial Statements for the year ended 31 March 2026", which include(s) the Directors' Report, the Audit Committee Report and the Company Secretary's Declaration as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of MW Asset Rentals (RF) Limited for 6 year(s).

PricewaterhouseCoopers Inc.
Director: JN Boshoff
Registered Auditor
Mbombela, South Africa
7 August 2026

MW Asset Rentals (RF) Limited

(Registration Number 2002/030074/06)

Financial Statements for the year ended 31 March 2026

Statement of Financial Position as at 31 March 2026

Figures in R	Notes	2026	2025
Assets			
Non-current assets			
Loans and advances	4	1 569 473 552	1 485 457 372
Total non-current assets		**1 569 473 552**	**1 485 457 372**
Current assets			
Loans and advances	4	968 845 279	993 110 639
Amounts due from group companies	5	39 073 503	27 621 891
Cash and cash equivalents	6	73 483 628	135 633 853
Current tax receivable	13	2 437 540	-
Total current assets		**1 083 839 950**	**1 156 366 383**
Total assets		**2 653 313 502**	**2 641 823 755**
Equity and liabilities			
Equity			
Share capital	7	121	121
Retained income		165 572 034	210 689 706
Total equity		**165 572 155**	**210 689 827**
Liabilities			
Non-current liabilities			
Subordinated loan	8	416 399 156	361 399 156
Borrowings - listed notes	9	2 000 000 000	2 000 000 000
Deferred tax	10	26 435 960	28 835 366
Total non-current liabilities		**2 442 835 116**	**2 390 234 522**
Current liabilities			
Subordinated loan	8	1 528 698	1 216 935
Borrowings - listed notes	9	16 375 068	17 937 740
Amounts due to group companies	11	23 840 307	32 939
Trade and other payables	12	3 162 158	3 221 544
Current tax payable	13	-	18 490 248
Total current liabilities		**44 906 231**	**40 899 406**
Total liabilities		**2 487 741 347**	**2 431 133 928**
Total equity and liabilities		**2 653 313 502**	**2 641 823 755**

Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	2026	2025
Interest income	14	394 069 876	398 569 972
Interest expense	15	(246 515 014)	(249 890 922)
Net interest income		**147 554 862**	**148 679 050**
Non-interest income	16	14 006 817	23 054 894
Total income		**161 561 679**	**171 733 944**
Impairment charges	17	(39 198 509)	(35 678 124)
Gross income		**122 363 170**	**136 055 820**
Other operating expenses	18	(4 330 896)	(4 696 369)
Profit before taxation		**118 032 274**	**131 359 451**
Taxation	20	(33 149 946)	(33 981 919)
Total profit for the year		**84 882 328**	**97 377 532**

MW Asset Rentals (RF) Limited

(Registration Number 2002/030074/06)
Financial Statements for the year ended 31 March 2026

Statement of Changes in Equity

Figures in R		Share capital	Retained income	Total
Balance at 1 April 2024		121	423 312 174	423 312 295
Profit for the year		-	97 377 532	97 377 532
Dividends recognised as distributions to shareholder		-	(310 000 000)	(310 000 000)
Balance at 31 March 2025		**121**	**210 689 706**	**210 689 827**
Profit for the year		-	84 882 328	84 882 328
Dividends recognised as distributions to shareholder		-	(130 000 000)	(130 000 000)
Balance at 31 March 2026		**121**	**165 572 034**	**165 572 155**
	Note	**7**		

MW Asset Rentals (RF) Limited

(Registration Number 2002/030074/06)
Financial Statements for the year ended 31 March 2026

Statement of Cash Flows

Figures in R	Notes	2026	2025
Net cash flows from operations	21	**9 616 533**	**28 321 218**
Net cash flows from loan and advances		(78 908 021)	(39 891 551)
Net movement of amounts due from/ to group companies		12 355 756	(58 482 407)
Interest received		374 028 568	378 505 695
Income taxes paid	22	(56 477 140)	(935 654)
Net cash flows from operating activities		**260 615 696**	**307 517 301**
Cash flows used in financing activities			
Proceeds from notes issued	24	800 000 000	600 000 000
Repayment of notes	24	(800 000 000)	(600 000 000)
Payment of interest on notes	24	(178 473 900)	(201 990 302)
Payment of interest on subordinated loan	24	(69 292 021)	(51 176 934)
Proceeds of subordinated loan	24	55 000 000	100 000 000
Dividends paid	23	(130 000 000)	(310 000 000)
Cash flows used in financing activities		**(322 765 921)**	**(463 167 236)**
Net decrease in cash and cash equivalents		**(62 150 225)**	**(155 649 935)**
Cash and cash equivalents at the beginning of the year		135 633 853	291 283 788
Cash and cash equivalents at the end of the year	**6**	**73 483 628**	**135 633 853**

Material Accounting Policies

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1.1 Basis of preparation

The financial statements complies with and have been prepared in accordance with IFRS Accounting Standards, issued by the International Accounting Standards Board (the “IASB”), including IFRIC interpretations ("IFRIC Interpretations)" issued by the IFRS Interpretations Committee ("the Committee"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No 71 of 2008, as amended, and the JSE Debt and Specialist Securities Listings Requirements.

The financial statements are presented in South African Rands (“Rands”), rounded to the nearest rand. They are prepared on the basis that the company is a going concern, using the historical cost basis of measurement and incorporate the principal accounting policies set out below. Expenses recognised in profit or loss are analysed by function (refer to note 18).

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Material judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Material judgements include:

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Loans and advances under IFRS 9

Expected credit loss ("ECL") assessment

As explained in note 1.4.1, Expected credit losses ("ECL") are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets.

The quality of loans and advances depend on the credit risk of the underlying customers. To determine this a scientific internally-generated credit rating methodology is used, based on quantitative and qualitative information. This takes into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default (“PD”) occurring as well as estimating the loss upon default.

To determine the ECL, a Loss Given Default (“LGD”) is applied by taking collateral into account, based on the asset class of the underlying equipment.

Significant accounting policies continued...

The three-stage approach to ECL IFRS 9 requires entities to recognise ECL based on a stage allocation methodology, with such categorisation informing the level of provisioning required. IFRS 9 has been applied and the company defines stage 2 loans and advances as accounts with arrears more than 30 days, but less than 90 days for all clients or if there is other evidence that the asset's credit risk has significantly increased, unless the account has been defined as stage 3 (these are referred to as non-performing loans or "NPL").

The company defines stage 3 loans and advances (default) as:

- Accounts that are in arrears for more than 90 days for all clients;
- The customer has entered business rescue or liquidation;
- There is suspected fraud that has been committed;
- A decision has been taken by management to hand the account over to the legal department based on any other indication of credit impairment.

Collateral includes the underlying asset of the rental or instalment sale agreements included in loans and advances, as well as any other assets pledged by a borrower that a lender accepts as security against the loan in case the borrower for any reason cannot pay back the loan.

Security values are taken into account for ECL when the loans and advances are in stage 3. The security values applied to the stage 3 accounts are not market values on a willing buyer willing seller basis, but rather more aligned to forced sale values. Security values are based on valuations, latest offers received, or amounts recovered on similar assets in the recent past.

1.3 Reportable segments

The company has only one reportable segment relating to the acquisition of advances and issuing of notes to the market and all of these counterparties reside in the Republic of South Africa.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees. Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

Financial assets which are debt instruments are subsequently measured at amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

Finance liabilities are subsequently measured at amortised costs.

Note 26. Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Material Accounting Policies

Significant accounting policies continued...

1.4.1 Financial assets

Classification

The company holds loan and advances (note 4) with the objective of collecting the contractual cash flows in terms of asset-backed financing agreements. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, the company measures the financial asset at amortised cost using the effective interest method subject to impairment. The company sells certain financial assets to the originator, in order to manage the credit risk of loans and advances to maintain the quality of the loan book and the AAA rating. These sales are where assets have increased in credit risk and are incidental.

Cash and cash equivalents (note 6) comprise bank balances and demand deposits. They have been classified in this manner because the contractual terms of the loans and advances give rise, on specified dates to cash flows that are payments of principal and interest on the principal outstanding and related fees, and the company's business model is to collect the contractual cash flows.

Cash and cash equivalents are initially measured at the transaction price, and subsequently at amortised cost.

The company is entitled to invest cash from time to time. A Permitted investment is an investment in money market funds which have the Required Credit Rating or which the Rating Agency confirms in writing will not adversely affect its respective current Rating of Tranche(s) of Notes then in issue, as the case may be, and which are regulated in terms of the Collective Investment Schemes Control Act, 2002, MWAR only invests in one money market fund managed by Merchant West Investments. The fund has a Credit Rating of AA+(ZA)(f) as assigned by Global Credit Ratings Inc. on 23 February 2024, which exceeds the required rating threshold by 3 notches.

Amounts due from group companies (note 5) comprise of cash and cash equivalents collected by Merchant West Collections SPV Proprietary Limited as an agent for MW Asset Rentals (RF) Limited. It also includes deals being restructured in Merchant West Proprietary Limited and MW Warehouse SPV (RF) (Pty) Ltd and the corresponding cash flows.

Trade and other receivables comprise of amounts due from third parties and other non-financial instruments. These financial assets are measured at amortised cost using the effective interest method subject to impairment.

Expected credit loss allowance

Exposure to credit risk:

The maximum exposure to credit risk is the gross carrying amount of the loans and advances to the underlying customers as presented above.

Credit Rating framework

Loans and advances to the underlying customers:

Internal credit grade	**Description**	**Basis for recognising expected credit losses**
Performing	Low risk of default	12m ECL
Significant increase in credit risk	Either NPL status or there is other evidence that the asset’s credit risk has significantly increased	Lifetime ECL

Significant accounting policies continued...

Default / write-off	Evidence that the financial instrument is at default or there is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery as assessed by management on a case-by-case bases.	Lifetime ECL (credit impaired)/Amount is written off, except for the value of proven security

Loans and advances:

The company recognises a loss allowance for expected credit losses on loans and advances that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all financial instruments, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL on the gross carrying amount (stage 1 loss allowance). 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition, based on the gross carrying amount (stage 2 loss allowance). Should the financial instruments be considered at default (stage 3 loss allowance), the lifetime ECL will be calculated on the amortised carrying amount. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Ancillary rental income relates to payments received on leases that have not been terminated by the client at the end of the lease term.

Significant increase in credit risk (Stage 2 loss allowance)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the company’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the company’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Significant accounting policies continued...

Credit impaired financial assets and write off policy (Stage 3 loss allowance)

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. Transfers of ECL occur when the credit stage of an account at the end of the year differs from that at the beginning of the year. Any movements in the amount of ECL which arise as a direct result of the change in credit stage are included in the "movements for the year" line.

Collateral includes the underlying asset of the rental or instalment sale agreements included in loans and advances to the underlying customers, as well as any other assets pledged by a borrower that a lender accepts as security against the loan in case the borrower for any reason cannot pay back the loan. Collateral is taken into account for ECL when the loans and advances are in stage 3. The collateral or security values applied to the stage 3 accounts are not market values on a willing buyer willing seller basis, but rather more aligned to forced sale values. Security values are based on valuations, latest offers received, or amounts recovered on similar assets in the recent past.

Amounts due from group companies:

Loans to group companies inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due. An analysis is performed at each reporting date to determine whether company loans are performing or are in default.

Material Accounting Policies

Significant accounting policies continued...

The company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that loans to group companies that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the borrower; or
- information developed internally or obtained from external sources indicates that the borrower is unlikely to pay its creditors (including the company), in full (without taking into account any collateral held by the company); or
- the borrower has insufficient liquid assets to settle the loan.

Derecognition

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Modification

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue.

The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes. If the terms are not substantially different for financial assets or financial liabilities, the company recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate.

The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).

1.4.2 Financial liabilities

Classification

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are added to the fair value of the financial liabilities, as appropriate, on initial recognition.

Subordinated loan (note 8), Borrowings (note 9), Amounts due to group companies (note 11), and Trade and other payables (note 12) are classified as financial liabilities subsequently measured at amortised cost.

Material Accounting Policies

Significant accounting policies continued...

Application of the effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points margin paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not a business combination; or the initial recognition of goodwill.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from: the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not a business combination; or the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Material Accounting Policies

Significant accounting policies continued...

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Non-redeemable preference shares with discretionary dividend features are classified as equity.

Dividend distributions made to equity holders are recognised as a reduction in equity when they are appropriately authorised and are no longer at the discretion of the entity.

Preference shares

The Company has issued preference shares that are non-redeemable and carry discretionary dividend rights. The holders have no contractual right to demand redemption or payment of dividends.

1.7 Interest income

Interest is recognised, in profit or loss using the effective interest rate method.

1.8 Non-interest income

Non-interest income comprises of ancillary rental income, settlement profit, bad debts recovered, ownership fee, and sundry income which are recognised on an accrual basis, unless included in the effective interest rate. Ancillary rental income relates to payments received on expired leases that have not been terminated by the client at the end of the lease term. Revenue from ancillary rentals is recognised in the accounting period in which the services are rendered. Settlement profit relates to the fees earned when a client early settles their contract. Revenue for the settlement profit is recognised at a point in time when the agreement is settled.

1.9 Operating expenses

Operating expenditure comprises of expenditure incurred in the day-to-day operating activities of the company and is recognised in profit or loss as the services are received.

1.10 Borrowing costs

Borrowing costs are recognised as an interest expense in the period in which they are incurred using the effective interest rate method.

2. New Standards and Interpretations

Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements are presented below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's annual financial statements.

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	**Effective date: Annual periods beginning on or after**	**Expected impact:**
- Amendments to IAS 21 - Lack of Exchangeability	Annual periods beginning on or after 1 January 2025 (Published August 2023)	The impact of the standard is not material

New Standards and Interpretations continued...

2.2 Standards and interpretations not yet effective

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the entity. Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The transition will be to ZARONIA as an official rate.
Please refer to note 8 & 9 to the instruments that are impacted by the ZARONIA changes.

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2026 or later periods:

Standard/ Interpretation:	**Effective date: Annual periods beginning on or after**	**Expected impact:**
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	Annual periods beginning on or after 1 January 2026 (Published May 2024)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.

New Standards and Interpretations continued...

- Annual Improvements to IFRS Accounting Standards – Volume 11 These amendments are part of the Annual Improvements to IFRS Accounting Standards. Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 list of amended Accounting Standards and accompanying guidance include the following: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows.	Annual periods beginning on or after 1 January 2026. (Published July 2024)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	Annual period beginning on or after 1 January 2026. (Published December 2024)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency	Annual periods beginning on or after 1 January 2027. (Published November 2025)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.

New Standards and Interpretations continued...

- IFRS 18 - Presentation and Disclosure in Financial Statements IFRS 18 is the new Accounting Standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. To comply with paragraph 30 of IAS 8, it is expected that March 2026 year-end disclosures include disclosures about: • the nature of the changes, • the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027, • the planned adoption date, and • either: - known of reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or - if that impact is not known or reasonably estimable, a statement to that effect. When preparing disclosures related to the adoption of IFRS 18 to comply with paragraph 30 of IAS 8, entities should consider the following principles: • Disclosures are expected to become increasingly detailed as entities’ implementation process progresses toward 2027.	Annual periods beginning on or after 1 January 2027. (Published April 2024) The company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial period will be reinstated accordance with IFRS 18.	Management is currently assessing the detailed implications of applying the new standard on the entity's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified: - Although the adoption of IFRS 18 will have no impact on the entity’s net profit, the entity expects that grouping items of income and expenses in the statement of profit or loss into the new categories may impact how operating profit is calculated and reported. - The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation. - From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. interest paid will be presented as financing cash flows and interest received as operating cash flows. - The entity does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

New Standards and Interpretations continued...

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending 31 March 2026, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

- Where appropriate and reliable, consider including quantitative information

It may be appropriate to disclose preliminary figures, when the entity has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

- Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

Disclosures should be based on the information available through the date of issuance of the financial statements, not only the end of the reporting period.

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures’	Annual periods beginning on or after 1 January 2027. (Published May 2024)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.
- Amendment to IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’	Annual periods beginning on or after 1 January 2027. (Published August 2025)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.

New Standards and Interpretations continued...

- Amendment to IFRS S2 ‘Climate-related Disclosures	Annual periods beginning on or after 1 January 2027. (Published December 2025)	Unlikely there will be a material impact. Will assess the impact of this standard in the next financial period.

The South African financial markets are transitioning from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA). The Market Practitioners Group has designated ZARONIA as the successor reference rate to replace JIBAR, and affected financial instruments and funding arrangements are being assessed and amended accordingly.

On the 3rd of April 2026 we implemented structural amendments to the programme memo to incorporate the ZARONIA as the new reference rate in the subordinated loan and listed bonds. The last payment in JIBAR for the subordinated loan will be 22 December 2026 and listed bond 22 November 2026.

3. Controlling entities

The MWAR Owner Trust holds 100% of the issued ordinary shares of MW Asset Rentals (RF) Limited.
In terms of the IFRS Accounting Standards (‘IFRS’) 10 – Consolidated Financial Statements, an entity is consolidated when it is controlled by an investor. Control is achieved when the investor is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, an investor controls an investee if and only if the investor has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities): exposure, or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns.

Merchant West Proprietary Limited has full control over the management function of MW Asset Rentals (RF) Limited and thus has existing rights and the current ability to direct the relevant activities of the company in the form of directing its business operations and activities. Merchant West Proprietary Limited also has rights to variable returns in the form of dividends and has the ability to use its power over the company in the form of management services in order to affect its returns.

In terms of IFRS 10, the company is regarded to be controlled by Merchant West Proprietary Limited and is consolidated in the annual financial statements of Merchant West Proprietary Limited which is incorporated in the Republic of South Africa.

4. Loans and advances

Correction of derecognition error

The company acquired the lease receivables and the related equipment from Merchant West Proprietary Limited ("the originator") by way of sale, cession and delegation under the Sale Agreement dated 9 November 2016, as amended. Legal ownership of the equipment and the contractual rights against the lessees vested in the company, and the credit risk to which the company is exposed remained that of the underlying lessees.

During the current year the originator reassessed its judgement, under IFRS 9.3.2, as to whether substantially all of the risks and rewards of ownership of the transferred assets had passed to the company, and concluded that they had not. Having regard to that reassessment, the company has renamed the statement of financial position line item from "Loans and advances to customers" to "Loans and advances" in order to describe the counterparty position more appropriately. The impact of the change on the statement of financial position is one of description only. There is no change to the measurement, classification or carrying amount of any asset or liability, and no effect on any of the other primary financial statements of the current or of any prior period. Accordingly, no restatement of comparative amounts arises and no additional statement of financial position is presented in terms of IAS 1.40A. Note that for purposes of the IFRS 7 disclosures below the disclosure is still done on the basis of the underlying loans to customers as this information remains useful to users of the financial statements.

Figures in R	2026	2025

Loans and advances continued...

4.1 Loans and advances incorporates the following balances:
Corporate and SME

Gross investment in the lease due		
- within one year	1 414 736 429	1 403 927 068
- in second year	930 959 797	924 413 988
- in third year	567 930 923	520 598 149
- in fourth year	282 021 115	236 378 814
- in fifth year	72 521 095	72 852 471
- later than five years	6 482 826	9 814 974
	3 274 652 185	**3 167 985 464**
Less: Unearned finance income		
- within one year	(307 999 052)	(304 297 615)
- in second year	(174 888 839)	(169 833 911)
- in third year	(82 644 995)	(76 866 738)
- in fourth year	(28 224 993)	(26 615 753)
- in fifth year	(4 897 070)	(5 220 216)
- later than five years	(575 205)	(1 008 183)
Present value of minimum lease payments receivable	**2 675 422 031**	**2 584 143 048**
Less: Allowance for uncollectable minimum lease payments	(138 074 614)	(106 725 001)
	2 537 347 417	**2 477 418 047**
Present value of minimum lease payments due (Net investment in lease)		
- within one year	1 106 737 377	1 099 629 453
- in second year	756 070 958	754 580 077
- in third year	485 285 928	443 731 411
- in fourth year	253 796 122	209 763 061
- in fifth year	67 624 025	67 632 255
- later than five years	5 907 621	8 806 791
	2 675 422 031	**2 584 143 048**
Less: Allowance for uncollectable minimum lease payments	(138 074 614)	(106 725 001)
	2 537 347 417	**2 477 418 047**

Split between non-current and current portions		
Non-current assets	1 568 684 655	1 484 513 597
Current assets	968 662 762	992 904 450
	2 537 347 417	**2 477 418 047**

Notes to the Financial Statements

Figures in R	2026	2025
Loans and advances continued...		
Government		
Gross investment in the lease due		
- within one year	446 762	395 776
- in second year	446 762	385 200
- in third year	478 862	385 200
- in fourth year	-	385 200
- in fifth year	-	32 100
	1 372 386	**1 583 476**
Less: Unearned finance income		
- within one year	(146 022)	(162 161)
- in second year	(96 942)	(125 601)
- in third year	(39 784)	(83 576)
- in fourth year	-	(34 351)
- in fifth year	-	(395)
Present value of minimum lease payments receivable	**1 089 638**	**1 177 392**
Less: Allowance for uncollectable minimum lease payments	(118 224)	(27 428)
	971 414	**1 149 964**
Present value of minimum lease payments due (Net investment in lease)		
- within one year	300 740	233 615
- in second year	349 820	259 599
- in third year	439 078	301 624
- in fourth year	-	350 849
- in fifth year	-	31 705
	1 089 638	**1 177 392**
Less: Allowance for uncollectable minimum lease payments	(118 224)	(27 428)
	971 414	**1 149 964**
Split between non-current and current portions		
Non-current assets	788 897	943 777
Current assets	182 517	206 187
Total	**971 414**	**1 149 964**

Figures in R	2026	2025
Loans and advances continued...		
Total		
Gross investment in the lease due		
- within one year	1 415 183 191	1 404 322 844
- in second year	931 406 559	924 799 188
- in third year	568 409 785	520 983 349
- in fourth year	282 021 115	236 764 014
- in fifth year	72 521 095	72 884 571
- later than five years	6 482 826	9 814 974
	3 276 024 571	**3 169 568 940**
Less: Unearned finance income		
- within one year	(308 145 074)	(304 459 776)
- in second year	(174 985 781)	(169 959 512)
- in third year	(82 684 779)	(76 950 314)
- in fourth year	(28 224 993)	(26 650 104)
- in fifth year	(4 897 070)	(5 220 611)
- later than five years	(575 205)	(1 008 183)
Present value of minimum lease payments receivable	**2 676 511 669**	**2 585 320 440**
Less: Allowance for uncollectable minimum lease payments	(138 192 838)	(106 752 429)
	2 538 318 831	**2 478 568 011**
Present value of minimum lease payments due (Net investment in lease)		
- within one year	1 107 038 117	1 099 863 068
- in second year	756 420 778	754 839 676
- in third year	485 725 006	444 033 035
- in fourth year	253 796 122	210 113 910
- in fifth year	67 624 025	67 663 960
- later than five years	5 907 621	8 806 791
	2 676 511 669	**2 585 320 440**
Less: Allowance for uncollectable minimum lease payments	(138 192 838)	(106 752 429)
	2 538 318 831	**2 478 568 011**
Split between non-current and current portions		
Non-current assets	1 569 473 552	1 485 457 372
Current assets	968 845 279	993 110 639
	2 538 318 831	**2 478 568 011**

Loans and advances have been disaggregated into the following classes:

- Corporate and SME
- Government

Loans and advances continued...

Class A Floating Rate Notes of R 2 016 375 068 (2025: R2 017 937 740) of the company are secured by cession of the loans and advances (refer to note 9). Leases are entered into at market-related terms and the average term of the leases are 50.41 months (2025: 49.53 months). Refer to note 26 for details on credit risk management.

Credit quality of underlying finance lease receivables

The quality of loans and advances depend on the credit risk of the underlying customers which are calculated by a scientific internally generated rating methodology.

Loans and advances continued...

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans and advances by credit rating grade with look through of the underlying specific customers:

2026

Instrument	Internal credit rating	Basis of loss allowance	Net investment in lease*	Loss allowance	Carrying amount
Advances to customers (corporate and SME) - Stage 1	Performing	12m ECL	2 482 876 042	(94 445 504)	2 388 430 538
Advances to customers (government) - Stage 1	Performing	12m ECL	1 089 638	(118 225)	971 414
Advances to customers (corporate and SME) - Stage 2a (Up to date loans with SICR)	Significant increase in credit risk	Lifetime ECL	122 574 359	(8 202 109)	114 372 250
Advances to customers (corporate and SME) - Stage 2b	Significant increase in credit risk	Lifetime ECL	41 948 978	(7 404 349)	34 544 629
Advances to customers (corporate and SME) - Stage 3	Default	Lifetime ECL & Amount written off	28 022 651	(28 022 651)	-
			2 676 511 668	**(138 192 838)**	**2 538 318 831**

*Management refined the staging methodology applied to balances compared to the prior year. Previously, Stage 1 balances were assessed mainly based on the 30-day backstop criterion. In the current year, management enhanced this approach by also assessing Stage 1 balances for indicators of Significant Increase in Credit Risk (SICR). As a result, certain up-to-date loans that exhibited SICR indicators were transferred from Stage 1 to Stage 2A (up-to-date loans with SICR), resulting in a more risk-sensitive classification of exposures.

All deals in Stage 2a are performing loans. Early warning indicators was used to identify the Significant Increase in Credit Risk (SICR). The following indicators were used to move the exposure from Stage 1 to 2 and recognise lifetime expected credit losses.

- Payment behaviour. Client missed a payment or two.
- Internal Credit rating downgrade. Client ratings were downgraded by 4 grades.
- Deals have been restructured during financial year.

Notes to the Financial Statements

Figures in R

Loans and advances continued...

2025

Instrument	**Internal credit rating**	**Basis of loss allowance**	**Net investment in lease**	**Loss allowance**	**Carrying amount**
Advances to customers (corporate and SME) - Stage 1	Performing	12m ECL	2 431 375 033	(28 299 582)	2 403 075 451
Advances to customers (government) - Stage 1	Performing	12m ECL	1 177 392	(27 428)	1 149 964
Advances to customers (corporate and SME) - Stage 2	Significant increase in credit risk	Lifetime ECL	65 089 195	(12 924 859)	52 164 336
Advances to customers (corporate and SME) - Stage 3	Default	Lifetime ECL & Amount written off	87 678 820	(65 500 560)	22 178 260
			2 585 320 440	**(106 752 429)**	**2 478 568 011**

Loans and advances continued...

Reconciliation of loans and advances

Corporate and SME

2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	2 431 375 031	65 089 195	87 678 820	2 584 143 046
Transfers *				-
Transfer to stage 1	21 158 724	(21 168 139)	9 415	-
Transfer to stage 2	(103 716 526)	128 467 210	(24 750 684)	-
Transfer to stage 3	(4 966 951)	(1 730 579)	6 697 531	-
Net movements for the year	139 025 764	(5 221 634)	(34 767 047)	99 037 083
Movements for the year (amortisation of capital amount)	(683 343 300)	(15 398 664)	(4 054 810)	(702 796 774)
New financial assets purchased **	1 244 203 110	25 109 241	15 899 255	1 285 211 606
Financial assets that have been derecognised	(421 834 046)	(14 932 211)	(46 611 492)	(483 377 749)
Write-offs ***		(912 716)	(6 845 384)	(7 758 100)
	2 482 876 041	**164 523 337**	**28 022 651**	**2 675 422 029**

2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	2 432 255 085	15 522 501	77 816 083	2 525 593 669
Transfers *				-
Transfer to stage 1	4 481 885	(4 481 885)	-	-
Transfer to stage 2	(29 259 634)	29 259 634	-	-
Transfer to stage 3	(86 243 528)	(1 876 688)	88 120 216	-
Net movements for the year	110 141 223	26 667 246	(67 864 027)	68 944 442
Movements for the year (amortisation of capital amount)	(754 743 285)	(10 576 029)	(15 169 584)	(780 488 898)
New financial assets purchased **	1 132 479 385	41 647 001	16 592 515	1 190 718 901
Financial assets that have been derecognised	(267 594 877)	(4 403 726)	(69 286 958)	(341 285 561)
Write-offs ***	-	(1 613)	(10 393 452)	(10 395 065)
	2 431 375 031	**65 089 195**	**87 678 820**	**2 584 143 046**

Notes to the Financial Statements

Figures in R

Loans and advances continued...

Government

2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	1 149 964	-	-	1 149 964
Transfers *				-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net movements for the year	(60 326)	-	-	(60 326)
Movements for the year (amortisation of capital amount)	(206 187)	-	-	(206 187)
New financial assets purchased **	145 861	-	-	145 861
Financial assets that have been derecognised	-	-	-	-
Write-offs ***	-	-	-	-
	1 089 638	**-**	**-**	**1 089 638**

2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	682 037	-	-	682 037
Transfers *				-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net movements for the year	467 927	-	-	467 927
Movements for the year (amortisation of capital amount)	(699 143)	-	-	(699 143)
New financial assets purchased **	1 167 070	-	-	1 167 070
Financial assets that have been derecognised	-	-	-	-
Write-offs ***	-	-	-	-
	1 149 964	**-**	**-**	**1 149 964**

Total

2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	2 432 524 996	65 089 195	87 678 820	2 585 293 011
Transfers *				
Transfer to stage 1	21 158 724	(21 168 139)	9 415	-
Transfer to stage 2	(103 716 526)	128 467 210	(24 750 684)	-
Transfer to stage 3	(4 966 951)	(1 730 579)	6 697 531	-
Net movements for the year	138 965 438	(5 221 634)	(34 767 047)	98 976 757
Movements for the year (amortisation of capital amount)	(683 549 487)	(15 398 664)	(4 054 810)	(703 002 961)
New financial assets purchased **	1 244 348 971	25 109 241	15 899 255	1 285 357 467
Financial assets that have been derecognised	(421 834 046)	(14 932 211)	(46 611 492)	(483 377 749)
Write-offs ***	-	(912 716)	(6 845 384)	(7 758 100)
	2 483 965 680	**164 523 337**	**28 022 651**	**2 676 511 668**

Notes to the Financial Statements

Figures in R

Loans and advances continued...

2025	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	2 432 937 123	15 522 501	77 816 083	2 526 275 707
Transfers *				
Transfer to stage 1	4 481 885	(4 481 885)	-	-
Transfer to stage 2	(29 259 634)	29 259 634	-	-
Transfer to stage 3	(86 243 528)	(1 876 688)	88 120 216	-
Net movements for the year	110 609 150	26 667 246	(67 864 027)	69 412 369
Movements for the year (amortisation of capital amount)	(755 442 428)	(10 576 029)	(15 169 584)	(781 188 041)
New financial assets purchased **	1 133 646 455	41 647 001	16 592 515	1 191 885 971
Financial assets that have been derecognised	(267 594 877)	(4 403 726)	(69 286 958)	(341 285 561)
Write-offs ***	-	(1 613)	(10 393 452)	(10 395 065)
	2 432 524 996	**65 089 195**	**87 678 820**	**2 585 293 011**

* Transfers occur when the credit stage of an account at the end of the year differs from that at the beginning of the year. The factors that is taken into account is as follows: Days past due, changes in Probability of Default and restructuring of deals.

** New financial assets purchased represents staging of the purchased financial assets as at reporting date.

*** The contractual amount outstanding on loans and advances that were written off during the year that are still subject to enforcement activities is R 7 758 100 (2025: R 10 395 065).

Changes in gross exposures relating to changes in ECL

During the current year the increase in the gross carrying amount of the loans and advances of R 91 278 983 was primarily funded through an issuance of Class A Floating Rate Notes (MWAR18, MWAR19 and MWAR20) with a nominal amount of R 800 000 000.

The decrease in the gross carrying amount of credit-impaired financial assets (stage 3) of R 59 656 169 was due to curing of debtors. The stage 3 ECL as a percentage of the gross receivable is 1.00% (2025 : 74.7%).

The company performed an analysis which shows that the cure rate (the proportion of loans and advances which would have moved out of default back to Stage 2 or Stage 1) after 30 days past due is 0.12% (2025: 0.18%) (compared to 1.03% (2025 : 0.39%) after 90 days past due). This was due to improvement in performance of certain customers during the financial period.

Reconciliation of loss allowances

The following table shows the movement in the loss allowances for loans and advances. The movement in the net investment in leases is also presented in order to assist the explanation of movements in the loss allowance.

Notes to the Financial Statements
Figures in R

Loans and advances continued...

Corporate and SME

2026	**Stage 1**	**ECL** **Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	28 299 579	12 924 860	65 500 560	106 724 999
Transfer to stage 1 *	1 427 175	(1 421 625)	(5 550)	-
Transfer to stage 2 *	(7 660 494)	9 562 969	(1 902 475)	-
Transfer to stage 3 *	(4 966 951)	(1 730 579)	6 697 530	-
Write-offs		(912 716)	(6 845 384)	(7 758 100)
Impairment charge to profit or loss	78 346 194	(2 816 451)	(35 422 030)	40 107 713
Movements for the year **	38 384 624	519 245	(14 488 053)	24 415 816
New financial assets purchased ***	44 224 068	3 666 975	15 899 255	63 790 298
Financial assets that have been derecognised	(4 262 498)	(7 002 671)	(36 833 232)	(48 098 401)
	95 445 503	**15 606 458**	**28 022 651**	**139 074 612**

2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	27 193 247	3 145 155	41 490 731	71 829 133
Transfer to stage 1 *	678 073	(678 073)	-	-
Transfer to stage 2 *	(653 755)	653 755	-	-
Transfer to stage 3 *	(407 907)	(195 079)	602 986	-
Write-offs	-	(1 613)	(10 393 452)	(10 395 065)
Impairment charge to profit or loss	1 489 921	10 000 715	33 800 295	45 290 931
Movements for the year **	(8 452 102)	2 667 019	60 709 606	54 924 523
New financial assets purchased ***	12 032 421	8 826 294	10 967 515	31 826 230
Financial assets that have been derecognised	(2 090 398)	(1 492 598)	(37 876 826)	(41 459 822)
	28 299 579	**12 924 860**	**65 500 560**	**106 724 999**

Government

2026	**Stage 1**	**ECL** **Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	27 428	-	-	27 428
Transfer to stage 1 *	-	-	-	-
Transfer to stage 2 *	-	-	-	-
Transfer to stage 3 *	-	-	-	-
Write-offs	-	-	-	-
Impairment charge to profit or loss	90 797	-	-	90 797
Movements for the year **	115 739	-	-	115 739
New financial assets purchased ***	(24 942)	-	-	(24 942)
Financial assets that have been derecognised	-	-	-	-
	118 225	**-**	**-**	**118 225**

Loans and advances continued...

2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	2 602			2 602
Transfer to stage 1 *	-	-	-	-
Transfer to stage 2 *	-	-	-	-
Transfer to stage 3 *	-	-	-	-
Write-offs	-	-	-	-
Impairment charge to profit or loss	24 826	-	-	24 826
Movements for the year **	(1 466)	-	-	(1 466)
New financial assets purchased ***	26 292	-	-	26 292
Financial assets that have been derecognised	-	-	-	-
	27 428	**-**	**-**	**27 428**

Total		**ECL**		
2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	28 327 009	12 924 860	65 500 560	106 752 429
Transfer to stage 1 *	1 427 175	(1 421 625)	(5 550)	-
Transfer to stage 2 *	(7 660 494)	9 562 969	(1 902 475)	-
Transfer to stage 3 *	(4 966 951)	(1 730 579)	6 697 530	-
Write-offs	-	(912 716)	(6 845 384)	(7 758 100)
Impairment charge to profit or loss	78 436 989	(2 816 451)	(35 422 030)	40 198 508
Movements for the year **	38 500 361	519 245	(14 488 053)	24 531 553
New financial assets purchased ***	44 199 126	3 666 975	15 899 255	63 765 356
Financial assets that have been derecognised	(4 262 498)	(7 002 671)	(36 833 232)	(48 098 401)
	95 563 729	**15 606 458**	**28 022 651**	**139 192 838**

2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at the beginning of the year	27 195 850	3 145 155	41 490 731	71 831 737
Transfer to stage 1 *	678 073	(678 073)	-	-
Transfer to stage 2 *	(653 755)	653 755	-	-
Transfer to stage 3 *	(407 907)	(195 079)	602 986	-
Write-offs	-	(1 613)	(10 393 452)	(10 395 065)
Impairment charge to profit or loss	1 514 747	10 000 715	33 800 295	45 315 757
Movements for the year **	(8 453 568)	2 667 019	60 709 606	54 923 057
New financial assets purchased ***	12 058 713	8 826 294	10 967 515	31 852 522
Financial assets that have been derecognised	(2 090 398)	(1 492 598)	(37 876 826)	(41 459 822)
	28 327 009	**12 924 860**	**65 500 560**	**106 752 429**

* Transfers of ECL occur when the credit stage of an account at the end of the year differs from that at the beginning of the year.

** Movements for the year relate to the change in expected credit losses due to the amortisation of loans, the movement in arrears and a change in either the probability of default or loss given default.

*** ECL on new financial assets purchased represents staging of the purchased financial assets as at reporting date. No credit impaired (stage 3) financial assets were purchased during the year under review.

Figures in R	2026	2025

5. Amounts due from group companies

Fellow subsidiaries

Merchant West Proprietary Limited	-	4 503 743
MWAR Warehouse SPV (RF) Proprietary Limited	21 821 001	-
Merchant West Collections SPV Proprietary Limited	17 252 502	23 118 148
	39 073 503	**27 621 891**

Merchant West Collections SPV Proprietary Limited collects the cash and cash equivalents as an agent for MW Asset Rentals (RF) Limited and these amounts are transferred within two working days of receiving the funds. No interest is payable.

The trade receivable amounts from MWAR Warehouse SPV (RF) Proprietary Limited are short-term in nature. These balances are due to existing deals in MW Asset Rental (RF) Limited being restructured in Merchant West Proprietary LImited and must be repurchased to the originating entity, before restructuring. Due to the contractual monthly recurring payment date, any transactions after this date will be included on the following month's payment schedule. Furthermore, collections in Merchant West Collections SPV (RF) Proprietary Limited, received on the last business day of a month, will only be included in the following month's payment schedule. Included in these balances are acquisitions and disposals made on the last business day of the month, of which the cash flows clear in the following month.

Split between non-current and current portions

Non-current assets	-	-
Current assets	39 073 503	27 621 891
	39 073 503	**27 621 891**

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for trade receivables by credit rating grade:

2026	**Internal credit rating**	**Basis of loss allowance**	**Gross receivable**	**Loss allowance**	**Carrying amount**
Merchant West Collections SPV Proprietary Limited	Performing	12m ECL	17 252 502	-	17 252 502
MWAR Warehouse SPV (RF) Proprietary Limited	Performing	12m ECL	21 821 001		21 821 001
			39 073 503	**-**	**39 073 503**

2025	**Internal credit rating**	**Basis of loss allowance**	**Gross receivable**	**Loss allowance**	**Carrying amount**
Merchant West Collections SPV Proprietary Limited	Performing	12m ECL	23 118 148	-	23 118 148
Merchant West Proprietary Limited	Performing	12m ECL	4 503 743	-	4 503 743
			27 621 891	**-**	**27 621 891**

Notes to the Financial Statements

Figures in R	2026	2025

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Demand deposits	-	23 116 051
Bank balances	73 483 628	112 517 802
	73 483 628	**135 633 853**

The potential of expected credit loss has been assessed and deemed to be negligible. In the event of default on the issued note, the bank accounts are ceded to the Merchant West Collections SPV (RF) Proprietary Limited, the funds are available immediately and the cash is contractually restricted by the priority of payments. The fair value of cash and cash equivalents approximates the carrying amount due to the short-term nature thereof.

7. Share capital

Authorised
1 000 Ordinary no par value shares
100 No par value preference shares
The authorised share capital was increased through the creation of 100 no par value preference shares in 2017.

Issued

120 Ordinary no par value shares	120	120
1 No par value preference share - Merchant West Proprietary Limited	1	1
	121	**121**

On 18 November 2016, the preference shareholder subscribed for one no par value preference share for a subscription price of R 1. The issued shares are fully paid for.

Figures in R	2026	2025

8. Subordinated loan

Subordinated loan comprise:

Merchant West Proprietary Limited (Capital)	416 399 156	361 399 156
Merchant West Proprietary Limited (Interest)	1 528 698	1 216 935
	417 927 854	**362 616 091**

Non-current liabilities	416 399 156	361 399 156
Current liabilities	1 528 698	1 216 935
	417 927 854	**362 616 091**

The carrying amount of the subordinated loan approximates its fair value.

The subordinated loan is contractually the most subordinate form of debt and can only be repaid when all other liabilities have been settled as governed by the priority of payments. The shareholder (in terms of a shareholder resolution) resolved that the subordinated loan within the company will have a maturity period of no more than twenty-eight years.

The interest is payable to the subordinated loan provider (Merchant West Proprietary Limited) in arrears at a rate of 3-month JIBAR plus 1000 basis points nominal annual compounded quarterly in arrears. The interest payments under the subordinated loan are made only to the extent permitted by (and in accordance with) the priority of payments. The priority of payments is approved by Nedbank Limited, the administrator, on a monthly basis.

The Company has exposure to interest rate benchmarks through its debt securities (Subordinated loans and Class A floating rate notes) which currently reference JIBAR. Following management's assessment, these instruments are expected to be impacted by the market-wide transition from JIBAR to ZARONIA.

The transition from 3-month JIBAR to ZARONIA is expected to affect the company primarily through its JIBAR-linked funding instruments, including listed debt notes and subordinated loan facilities. The replacement of JIBAR with compounded ZARONIA (plus the applicable credit adjustment spread) will alter the basis on which interest is calculated. However, the transition is not expected to materially change the economics of the company's funding arrangements.

The company continues to assess the implications of the transition and engage with lenders, noteholders and other stakeholders as the market moves towards adoption of ZARONIA.

On the 3rd of April 2026, the programme memorandum was amended to Incorporate ZARONIA as the new reference in the subordinated loan. The last payment based on JIBAR will be made on 22 December 2026 and all payments from 22 January 2027 will be based on ZARONIA.

The changes from JIBAR to ZARONIA is solely a benchmark rate reform. Management will assess the economic equivalence of the cash flow changes. The treatment of the changes is not treated as a modification which give rise to immediate gain or loss. It simply updates the effective interest rate to calculate the amortised costs. No profit or loss will be recognised on transition date.

Financial liabilities that are linked to JIBAR and are therefore impacted by reference rate reform:

	2026
At amortised costs:	
Class A floating rates	2 016 375 068
Subordinated loans	417 927 854
	2 434 302 922

Figures in R	2026	2025

9. Borrowings - listed notes

Held at amortised cost		
Secured		
Class A Floating Rate Notes (refer to note 25)	2 016 375 068	2 017 937 740
Split between non-current and current portions		
Non-current liabilities	2 000 000 000	2 000 000 000
Current liabilities	16 375 068	17 937 740
	2 016 375 068	**2 017 937 740**

9.1 Class A Floating Rate Notes

On the 9th of November 2016, the company registered a R 2 500 000 000 loan receivables Backed Note Programme with the JSE Limited. The company has issued 20 Class A Floating Rate Notes with a nominal amount of R 5 800 000 000, of which R 2 000 000 000 is outstanding on 31 March 2026. During the financial year ended 31 March 2026, the outstanding Class A Floating Rate Notes comprised of the following Notes:

MWAR08, issued on 23 May 2022, with a nominal amount of R 150 000 000 was settled during the financial year. The issuance comprised floating rate notes, with a tenor of three years to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 220 basis points. The company settled these notes by issuing new notes to the same value on the scheduled maturity date of 22 May 2025. At settlement, the interest rate was 9.658%.

MWAR09, issued on 22 November 2022 with a nominal amount of R 450 000 000 was settled during the financial year. The issuance comprised floating rate notes, with a tenor of three years to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 188 basis points. The company settled these notes by issuing new notes to the same value on the scheduled maturity date of 22 November 2025. At settlement, the interest rate was 8.663%.

MWAR11 was issued on 22 November 2023, with a nominal amount of R 300 000 000. The issuance comprised floating rate notes, with a tenor of three years to scheduled maturity (22 November 2026) and ten years to final redemption (22 November 2033), issued at 3-month JIBAR plus 185 basis points (at 31 March 2026 this interest rate was 8.600%). The proceeds were used to settle the notes previously issued under Stock Code MWAR05.

MWAR13 and MWAR14, issued on 22 February 2024, with a nominal amount of R 500 000 000. The issuance comprised of floating rate notes, MWAR13 with a tenor of three years and nine months to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 190 basis points, (at 31 March 2026 this interest rate was 8.650 %) and MWAR14 with a tenor of two years and nine months to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 180 basis points (at 31 March 2026 this interest rate was 8.550%). Scheduled maturity dates: 22 November 2027 (MWAR13) and 22 November 2026 (MWAR14). Final redemption dates: 22 February 2034 (MWAR13) and 22 February 2034 (MWAR14).

MWAR16, issued on 22 November 2024 with a nominal amount of R 200 000 000 was settled during the financial year. The issuance comprised floating rate notes, with a tenor of one year to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 120 basis points. The company settled these notes by issuing new notes to the same value on the scheduled maturity date of 22 November 2025. At settlement, the interest rate was 7.983%.

MWAR17, issued on 22 November 2024, with a nominal amount of R 400 000 000. The issuance comprised of floating rate notes, with a tenor of three years to scheduled maturity (22 November 2027) and ten years to final redemption (22 November 2034), issued at 3-month JIBAR plus 175 basis points (at 31 March 2026 this interest rate was 8.500%). The proceeds were used to settle the notes previously issued under Stock Code MWAR07 and MWAR15.

Borrowings - listed notes continued...

MWAR18, issued on 22 May 2025, with a nominal amount of R150,000,000. The issuance comprised of floating rate notes, with a tenor of two years and six months to scheduled maturity (22 November 2027) and ten years to final redemption (22 May 2035), issued at 3-month JIBAR plus 170 basis points, (at 31 March 2026 this interest rate was 8.450%). The proceeds were used to settle the notes previously issued under Stock Code MWAR08.

MWAR19 and MWAR20, issued on 22 November 2025, with a nominal amount of R650,000,000. The issuance comprised of floating rate notes, MWAR19, with a tenor of one year to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 99 basis points (at 31 March 2026 this interest rate was 7.740%) and MWAR20, with a tenor of three years to scheduled maturity and ten years to final redemption, issued at 3-month JIBAR plus 150 basis points (at 31 March 2026 this interest rate was 8.250%). The proceeds were used to settle the notes previously issued under Stock Code MWAR09 and MWAR16.

The Notes in issue (MWAR11, MWAR13, MWAR14 , MWAR17, MWAR18, MWAR19 and MWAR20) were rated AAA(za)(sf) by Global Credit Ratings in the 2026 financial year. The Notes are listed on the Johannesburg Stock Exchange.

Loans and advances were provided as security in relation to the issuing of Class A Floating Rate Notes (refer to note 4).

The fair values are not materially different from their carrying amounts, as the interest payable on those borrowings is close to current market rates.

On the 3rd of April 2026, the programme memorandum was amended to include ZARONIA as the new reference rate. The last payment in JIBAR will be on 22 November 2026 and from 22 February 2027 ZARONIA will be the reference rate.

The change from JIBAR to ZARONIA is solely a benchmark rate reform. Management will assess the economic equivalence of the cash flow changes. The treatment of the change is not treated as a modification which give rise to immediate gain or loss. It simply updates the effective interest rate to calculate the amortised costs. No profit or loss will be recognised on transition date.

Notes to the Financial Statements

Figures in R	2026	2025

10. Deferred tax

Deferred tax liability

Recoupments and wear and tear	567 143 081	526 929 267
Instalments from loans and advances	(635 620 721)	(583 988 151)
Allowance for uncollectible minimum loan payments receivable	36 866 664	28 038 106
Accrual for expenses	5 175 016	185 412
	(26 435 960)	**(28 835 366)**

Reconciliation of deferred tax liability

At beginning of year	(28 835 366)	(36 204 365)
Loan instalments	(51 632 570)	(52 114 343)
Accrual for expenses	4 782 804	(852 699)
Recoupments and wear and tear	40 213 814	46 784 227
Allowance for uncollectible minimum loan payments receivable	8 828 558	11 475 581
Adjustment to prior year deferred tax	206 800	2 076 233
	(26 435 960)	**(28 835 366)**

11. Amounts due to group companies

Merchant West Proprietary Limited	23 840 307	-
MWAR Warehouse SPV (RF) Proprietary Limited	-	32 939
	23 840 307	**32 939**

The balances due to MWAR Warehouse SPV (RF) (Pty) Ltd and Merchant West Proprietary Limited are for deals purchased before month end and payment only happens on servicer date. Due to the contractual monthly recurring payment date, any transactions after this date will be included on the following month’s payment schedule. The balances are short term in nature and payable after month end.

Split between non-current and current portions Non-current liability

Current liabilities	23 840 307	32 939

12. Trade and other payables

Non-financial instruments:

Income received in advance	339 710	1 243 381
Accrued audit fees	587 261	739 361
Accrued expenses	-	420 068
Value added tax	2 235 187	818 734
Total trade and other payables	**3 162 158**	**3 221 544**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to their short-term nature.

Notes to the Financial Statements

Figures in R	2026	2025

13. Current tax assets and liabilities

Current tax assets and liabilities comprise the following balances

	2026	2025
Net current tax asset from all items being set off	2 437 540	-
Total current tax asset per the statement of financial position	**2 437 540**	**-**
Net current tax liability from all items being set off	-	(18 490 248)
Total current tax liability per the statement of financial position	**-**	**(18 490 248)**

14. Interest income

	2026	2025
Interest received - Loans and advances	385 626 976	372 976 979
Interest received - Banks	8 442 900	25 592 993
Total revenue	**394 069 876**	**398 569 972**

97.72% (2025: 99.0%) of loans and advances have a floating rate basis. The weighted yield on floating rate loans and advances measured 4.36% (2025: 4.52%) above the prime interest rate.

2.27% (2025: 1.00%) of the loans and advances have a fixed rate basis. The weighted average yield on fixed rate loans and advances measured 16.78% (2025: 17.52%).

15. Interest expense

	2026	2025
Interest expense - Class A Floating Rate Notes	176 911 229	198 679 795
Interest expense - Subordinated loan	69 603 785	51 211 127
	246 515 014	**249 890 922**

16. Non-interest income

	2026	2025
Settlement profit	7 098 321	18 406 149
Bad debts recovered	1 236 707	538 696
Ownership fee	5 293 474	3 580 700
Sundry income	378 315	529 349
	14 006 817	**23 054 894**

17. Impairment charges

	2026	2025
Allowance for credit losses (refer to note 4)	31 440 409	25 283 059
Credit losses written-off (refer to note 4)	7 758 100	10 395 065
	39 198 509	**35 678 124**

Notes to the Financial Statements

Figures in R	2026	2025

18. Other operating expenses

Administration fees	800 622	764 959
Audit fees*	739 361	739 361
Back up servicing fees	164 904	185 367
Bank charges	23 856	24 138
Calculation agent fees	195 576	195 576
Credit rating fees	616 941	732 136
Non-executive director fees	218 680	211 065
Professional fees	137 000	171 021
Secretarial fees	39 105	37 425
Servicing fees	1 334 785	1 251 363
Structuring fees	20 000	20 000
Sundry expenses	40 066	363 958
Total other expenses	**4 330 896**	**4 696 369**

* This is the only fees paid to the external auditor.

19. Profit before taxation

Auditor's remuneration – external		
Audit fees	739 361	739 361
Remuneration, other than to employees		
Secretarial services	39 105	37 425

20. Taxation

Major components of the tax expense		
Current		
Local income tax – current period	35 549 352	41 350 918
Deferred		
Originating and reversing temporary differences	(2 399 406)	(7 368 998)
	33 149 946	**33 981 920**

Reconciliation between accounting profit and tax expense:

Accounting profit	118 032 274	131 359 451
Income tax calculated at 27%	31 868 714	35 467 052
Tax effect of adjustments on taxable income		
Adjustment to prior year deferred tax	991 269	(2 076 223)
Taxable capital gain	289 963	591 091
	33 149 946	**33 981 920**

Notes to the Financial Statements

Figures in R	2026	2025

21. Cash generated from operations

Profit before taxation	**118 032 274**	**131 359 451**
Adjustments for:		
Interest income	(374 028 567)	(378 671 074)
Interest income - accrued	(20 041 309)	(19 898 898)
Impairment losses and reversal of impairment losses recognised in profit or loss	39 198 509	35 678 124
Class A Floating Rate notes - interest expense	160 536 160	180 742 055
Class A Floating Rate notes - accrued interest expense	16 375 068	17 937 740
Subordinated loan - interest expense	68 075 086	49 994 192
Subordinated loan - accrued interest expense	1 528 698	1 216 935
Change in operating assets and liabilities:		
Adjustments for decrease in trade accounts receivable	-	7 764 650
Adjustments for (decrease) / increase in trade accounts payable	(113 978)	2 198 043
Adjustments for increase in other operating payables	54 592	-
Net cash flows from operations	**9 616 533**	**28 321 218**

22. Income taxes paid

Income tax liability/(asset) at beginning of the year	18 490 248	(21 925 016)
Current tax for the year recognised in profit or loss	35 549 352	41 350 918
Income tax liability/(asset) at end of the year	2 437 540	(18 490 248)
	56 477 140	**935 654**

23. Dividends paid

Dividends attributable to owners	130 000 000	310 000 000

Dividends are paid from trading profits. Dividends per preference share R 130 000 000 (2025: R 310 000 000).

24. Reconciliation of liabilities arising from financing activities

The changes in the company's liabilities arising from financing activities can be classified as follows:

2026	Opening balance - 1 April 2025	Cash-flows:			Total non-cash movements through profit and loss	Closing balance - 31 March 2026
		(Repayment of) / Advances to		Proceeds		
		Cash portion through profit or loss in the current year	Amount disclosed in Statement of Cash Flows	Amount disclosed in Statement of Cash Flows		
Borrowings: Class A Floating Rate Notes						
- Capital	2 000 000 000	-	(800 000 000)	800 000 000	-	2 000 000 000
- Interest (Refer to note 9)	17 937 740	160 536 160	(178 473 900)	-	16 375 068	16 375 068
	2 017 937 740	**160 536 160**	**(978 473 900)**	**800 000 000**	**16 375 068**	**2 016 375 068**
Subordinated Loan						
- Capital	361 399 156	-	-	55 000 000	-	416 399 156
- Interest (Refer to note 8)	1 216 935	68 075 086	(69 292 021)	-	1 528 698	1 528 698
	362 616 091	**68 075 086**	**(69 292 021)**	**55 000 000**	**1 528 698**	**417 927 854**

Reconciliation of liabilities arising from financing activities continued...

2025	**Opening balance - 1 April 2024**	**Cash-flows:**			**Total non-cash movements through profit and loss**	**Closing balance - 31 March 2025**
		(Repayment of) / Advances to		**Proceeds**		
		Cash portion through profit or loss in the current year	**Amount disclosed in Statement of Cash Flows**	**Amount disclosed in Statement of Cash Flows**		
Borrowings: Class A Floating Rate Notes						
- Capital	2 000 000 000	-	(600 000 000)	600 000 000	-	2 000 000 000
- Interest (Refer to note 9)	21 248 247	180 742 055	(201 990 302)	-	17 937 740	17 937 740
	2 021 248 247	**180 742 055**	**(801 990 302)**	**600 000 000**	**17 937 740**	**2 017 937 740**
Subordinated Loan						
- Capital	261 399 156	-	-	100 000 000	-	361 399 156
- Interest (Refer to note 8)	1 182 742	49 994 192	(51 176 934)	-	1 216 935	1 216 935
	262 581 898	**49 994 192**	**(51 176 934)**	**100 000 000**	**1 216 935**	**362 616 091**

Figures in R	2026	2025

25. Related parties

Relationships

Ultimate controlling company	Merchant West Holdings Proprietary Limited
Controlling Company	Merchant West Proprietary Limited
Holding entity	The MWAR Owner Trust
Affiliate companies	Four-Nine Fiduciary Pty Ltd
	Merchant West Asset Rentals Security SPV (RF) Proprietary Limited
	Merchant West Botswana Proprietary Limited
	Merchant West Collections SPV Proprietary Limited
	Merchant West Finance Namibia Proprietary Limited
	Merchant West Finance Proprietary Limited
	Merchant West Investments Proprietary Limited
	Merchant West Metal Finance LLC (USA)
	Merchant West Proprietary Limited
	MW Asset Rentals (RF) Limited
	MWAR Warehouse SPV (RF) Proprietary Limited
	Revfin Proprietary Limited
	Sterling Private Capital Asset Management Proprietary Limited
	Sterling Private Wealth Proprietary Limited
Directors	Refer to note 9 in the Directors’ Report

Related party balances

	2026	2025
Owing by / (to) related parties		
Merchant West Collections SPV Proprietary Limited	17 252 502	23 118 148
Merchant West Proprietary Limited	(23 840 307)	4 503 743
MWAR Warehouse SPV (RF) Proprietary Limited	21 821 001	(32 939)
Refer to note 5 and 11.		
Subordinated Loan accounts – Owing to related party		
Merchant West Proprietary Limited (refer to note 8)	(417 927 854)	(362 616 091)

Refer to Note 4 for details of balances and Note 14 for details of transactions with Merchant West Proprietary Limited.

Related party transactions

	2026	2025
Interest paid to related party		
Merchant West Proprietary Limited (refer to note 15)	69 603 785	51 211 127
Servicing fees paid to related party		
Merchant West Proprietary Limited (refer to note 18)	1 334 785	1 251 363

All related party transactions were at arms length. During the year a dividend of R 130 000 000 (2025 : R 310 000 000) were paid to Merchant West Proprietary Limited.

Figures in R	2026	2025

26. Financial instruments and risk management

Categories of financial instruments

2026	Notes	Amortised cost	Total
Loans and advances	4	2 538 318 831	2 538 318 831
Amounts due from group companies	5	39 073 503	39 073 503
Cash and cash equivalents	6	73 483 628	73 483 628
		2 650 875 962	**2 650 875 962**

Categories of financial liabilities	Notes	Amortised cost	Total
Subordinated loan	8	417 927 854	417 927 854
Borrowings - Listed notes	9	2 016 375 068	2 016 375 068
Amounts due to group companies	11	23 840 307	23 840 307
Trade and other payables	12	3 162 158	3 162 158
		2 461 305 387	**2 461 305 387**

2025	Notes	Amortised cost	Total
Loans and advances	4	2 478 568 011	2 478 568 011
Amounts due from group companies	5	27 621 891	27 621 891
Cash and cash equivalents	6	135 633 853	135 633 853
		2 641 823 755	**2 641 823 755**

Categories of financial liabilities	Notes	Amortised cost	Total
Borrowings - Listed notes	9	2 017 937 740	2 017 937 740
Subordinated loan	8	362 616 091	362 616 091
Amounts due to group companies	11	32 939	32 939
Trade and other payables	12	3 221 544	3 221 544
		2 383 808 314	**2 383 808 314**

Notes to the Financial Statements

Figures in R	2026	2025

Financial instruments and risk management continued...

Capital risk management

The company’s objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company’s management takes responsibility for the pricing of products and services so as to provide superior returns commensurate with the level of risk.

The capital structure of the company consists of debt, which includes the borrowings disclosed in notes 9, and 9.1, cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of financial position. The company defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid up capital, share premium, revenue and other reserves together with loans from shareholders.

The company monitors capital on the basis of the followings gearing ratio:

	2026	2025
Net Debt (Borrowings plus subordinated loans less cash and cash equivalents)	2 360 819 294	2 244 919 978
Adjusted Equity (Total Equity plus Subordinated loan)	583 500 009	573 305 918
Net debt to equity ratio	**405%**	**392%**

Under the terms of the Program Memorandum, the minimum asset cover ratio may not fall below 126%.

Management monitors the net debt-to-equity ratio as a key indicator of the Company's financial leverage and capital adequacy. The ratio assists management in assessing whether the Company's capital remains sufficient to support its debt and absorb potential losses, while maintaining an appropriate balance between debt and equity funding. Monitoring this ratio enables management to identify increases in leverage that may elevate financial risk and to take appropriate action to maintain a sustainable capital structure. Subordinated loans are included in adjusted equity for this purpose due to their long-term and subordinated nature, which provides capital support to the business.

The Company monitors compliance with its financial covenants on a bi-monthly basis and remained in compliance with all covenant requirements throughout the reporting period. Based on management’s assessment, no covenant breaches have occurred subsequent to the reporting date.

Financial risk management

The company’s activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The company has no significant exposure to foreign currency risk.

Financial instruments and risk management continued...

Liquidity risk

Liquidity risk is the risk that the company is unable to meet payment obligations when they fall due or that insufficient funds are available to meet loan demands in the ordinary course of business.

The company's objectives in relation to liquidity risk management are to manage the contractual mismatch between cash inflows from assets and cash outflows to settle liabilities, to fund the expected balance sheet growth and to meet all cash outflow commitments.

The subordinated loan is contractually the most subordinate form of debt and can only be repaid when all other liabilities have been settled as governed by the priority of payments. The shareholder (in terms of a shareholder resolution) resolved that the subordinated loan within the company will have a maturity period of no more than twenty-nine years.

The monitoring and reporting of liquidity risk takes the form of, as a minimum:

1.) cash flow projections to settlement of longest dated funding obligations
2.) an analysis of the company's borrowing facilities
3.) maturity profile and concentration of liability by counterparty and
4.) asset maturities and borrowing facility obligations.

The company's debt capital markets (DCM) team is responsible for executing on fund raising mandates. The DCM team and finance team are also responsible for the ongoing monitoring of asset portfolio performance and its impact on funder obligations including covenants. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through adequate committed credit facilities. Management monitors rolling forecasts of the company's liquidity headroom on the basis of expected cash flows. This process is performed during each financial year end for five years forward in term of the company's long term planning process. There are no borrowings and loans redeemable on demand and there are no unrecognised liabilities. The table below analyses financial assets and financial liabilities at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

MW Asset Rentals (RF) Limited

(Registration Number 2002/030074/06)
Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

Figures in R

Financial instruments and risk management continued...

At 31 March 2026	< 1 month	> 1 month <= 3months	>3 months <=1 year	>1 year <=5 years	> 5 years	Total
Loans and advances	119 210 258	269 362 748	969 150 201	1 854 358 554	6 482 826	3 218 564 587
Cash and cash equivalents	73 483 628	-	-	-	-	73 483 628
Amounts due from group companies	39 073 503	-	-	-	-	39 073 503
Borrowings - listed notes *	(14 204 795)	(28 883 082)	(911 767 179)	(1 302 417 773)	-	(2 257 272 829)
Subordinated loan **	(5 647 057)	(5 835 292)	(91 923 441)	(356 368 278)	-	(459 774 068)
Amounts due to group companies	(23 840 307)	-	-	-	-	(23 840 307)
Liquidity gap	188 075 230	234 644 374	(34 540 419)	195 572 503	6 482 826	590 234 514
Cumulative liquidity gap	**188 075 230**	**422 719 604**	**388 179 185**	**583 751 688**	**590 234 514**	

At 31 March 2025	< 1 month	> 1 month <= 3months	>3 months <=1 year	>1 year <=5 years	> 5 years	Total
Loans and advances	171 258 568	269 419 750	963 644 527	1 755 431 123	9 814 972	3 169 568 940
Cash and cash equivalents	135 633 853	-	-	-	-	135 633 853
Amounts due from group companies	27 621 891	-	-	-	-	27 621 891
Borrowings - listed notes *	(15 375 205)	(180 059 877)	(1 065 359 674)	(1 054 834 588)	-	(2 315 629 344)
Subordinated loan **	(5 224 347)	(10 622 838)	(77 832 295)	(321 748 850)	-	(415 428 330)
Amounts due to group companies	(32 939)	-	-	-	-	(32 939)
Liquidity gap	313 881 821	78 737 035	(179 547 442)	378 847 685	9 814 972	601 734 071
Cumulative liquidity gap	**313 881 821**	**392 618 856**	**213 071 414**	**591 919 099**	**601 734 071**	

* Listed notes cash flows are based on the scheduled maturity dates which represent the expected settlement date and not the final redemption dates.

Financial instruments and risk management continued...

** Although not contractually due, management expects the subordinated loan interest to be repaid following the repayment of all other planned liabilities during a particular financial year, as governed by the priority of payments. Subordinated loan capital would be repaid after extinguishing amounts owing to senior creditors in terms of the priority of payments. Interest cash flows are included in the time period when they are due.

Financial instruments and risk management continued...

Interest rate risk

The company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. The risk is managed by creating a natural hedge by borrowing and lending at variable rates. Surplus cash flows exposed to interest rate risk are placed with institutions and facilities which yield the highest rate return.

Cash flow interest rate risk

The sensitivity analysis is prepared based on financial instruments that are recognised at the end of the reporting period. This is the case even where those exposures did not exist for the entire period or where the exposure changed materially during the period. The sensitivity that is applied is the amount that could reasonably be expected to occur, and has been determined as 100 basis points up or down. The effect of a 1% change in interest rates on the net exposure is shown below.

The net impact on equity net of tax amounts to R 207 216 (2025: R 1 603 635) on a 1% interest rate change.

These changes are considered to be reasonably possible based on observation of current market conditions.

31 March 2026	Effect on profit before tax of 1% change in rates	Total carrying value of asset class
Assets		
Loans and advances	25 383 188	2 538 318 831
Cash and cash equivalents	734 836	73 483 628
Liabilities		
Borrowings	(20 163 751)	(2 016 375 068)
Subordinated loan	(4 179 279)	(417 927 854)
Net exposure	**1 774 994**	**177 499 537**

31 March 2025	Effect on profit before tax of 1% change in rates	Total carrying value of asset class
Assets		
Loans and advances	24 785 680	2 478 568 011
Cash and cash equivalents	1 356 339	135 633 853
Liabilities		
Borrowings	(20 179 377)	(2 017 937 740)
Subordinated loan	(3 626 161)	(362 616 091)
Net exposure	**2 336 480**	**233 648 033**

Financial instruments and risk management continued...

Credit risk

The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk consists mainly of cash deposits, cash equivalents and loans and advances. For the year ended 31 March 2026 credit ratings for all consumers in Stage 2 and 3 were downgraded by one risk grade, as an overlay for increased risk, due to the South African future economic outlook (recession pressures, such as rising interest rates, and inflation). This is in line with 2025. Oil and gas industries were further downgraded by another one risk grade, as an overlay for increased risk as a result of political events and its effect on the supply chain. The inclusion of these stress scenarios are temporary measures to capture the uncertainty. For the purpose of the sensitivity analysis, the change in one risk grading (up or down) on the allowance for credit losses as at reporting date was performed and represents the amount that could reasonably be expected to occur. The effect of the change in credit grading on the allowance for credit losses is shown below:

	2026		2025	
	+1 Risk Grading	**-1 Risk Grading**	**+1 Risk Grading**	**-1 Risk Grading**
Stage 1	(4 520 055)	(22 778 013)	6 414 891	(10 463 100)
Stage 2a	(1 344 764)	(1 442 418)	3 625 827	(5 788 124)
Stage 2b	171 826	(343 600)		
Stage 3	1 377 115	-	-	-
Total effect on allowance for credit losses	**(4 315 878)**	**(24 564 031)**	**10 040 718**	**(16 251 224)**

These changes are considered to be reasonably possible based on observation of current market conditions.

The maximum exposure to credit risk amounts to R 73 483 628 (2025: R135 633 853) on cash and cash equivalents and R 2 538 318 831 (2025: R 2 478 008) on loans and advances.

Credit risk is reduced by the following:

- Maximum exposure to any one client is limited to 3% of the aggregate net present value of the loans and advances;
- Maximum exposure of the top five clients is limited to 12.5% of the aggregate net present value of the loans and advances;
- Maximum exposure to the top ten clients is limited to 20% of the aggregate net present value of the loans and advances;
- Maximum exposure to the top thirty clients is limited to 40% of the aggregate net present value of the loans and advances;
- The minimum asset cover ratio may not fall below 126%.

Financial instruments and risk management continued...

There have been no changes to the required covenant ratios compared to those of the prior period. The company was compliant with the above ratios for the full 2026 financial year.

Credit enhancement is achieved as the underlying equipment is held as collateral and in certain instances cross-company guarantees and personal surety have also been granted by the lessee.

The group Credit Committee uses internally developed models and practices to measure and manage credit risk, by utilising skilled resources to ensure it is properly managed and controlled.

Due to the general nature of the base assets, the users are spread over almost all market sectors. The target market includes qualitative and quantitative assessment of the credit-worthiness of all potential clients and an analysis of all relating risks pertaining to the underlying exposure to each transaction.

The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

The balance recognised represent the maximum credit risk.

Sensitivity staging

The move from 12-month ECL (stage1) to Lifetime ECL (stage2) can result in substantial increase in ECL. The sensitivity information provided in the table below details the estimated additional ECL charge to the Statement of Profit or Loss and Other Comprehensive Income that the company would need to recognise if 1.5% of the stage 1 advances suffered a SICR and were moved from stage 1 to stage 2 as at 31 March 2026. A 1.5% increase in advances categorised as stage 2 can be viewed as a reasonably possible alternative based on the current economic conditions and past historical information.

		1.5% increase in gross carrying amount of exposure	Increase in the loss allowance
Loans and advances	1.50%	40 147 675	2 072 893

Collateral for loans and advances

The company holds collateral against the some loans and advances in order to reduce the credit risk. Collateral is usually taken over higher risk clients or specialised assets financed. Although collateral is held, the Company's policy is to grant loans and advances on the basis that they are within the customer's capacity to repay the amount, rather that to rely on the collateral held against them. Estimates of the fair value of collateral are based on the value at the time of borrowing. Collateral includes aviation, general and special notorial bonds.

27. Events after the reporting period

Procedures performed by management up to date of this report, did not identify additional information that requires these judgements and estimates to be updated. Management performed a detailed assessment of events after the reporting period and any consequent potential impact on the annual financial statements and concluded that the financial statement disclosure was appropriate.

Notes to the Financial Statements

Figures in R	2026	2025

28. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The company has no other credit facilities or borrowings, other than the listed notes (refer note 9) and the subordinated loan (refer note 8). The directors have satisfied themselves that the company is in a sound financial position and that there is sufficient demand for the company's listed notes to meet its foreseeable funding requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors have not identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

29. Directors' emoluments

Executive

2026	Emoluments	Bonus	Pension and expense allowance	Other benefits	Total
L Bosman	1 858 777	60 000	92 939	28 284	2 040 000
P Lochner	783 014	259 711	78 301	12 824	1 133 850
	2 641 791	**319 711**	**171 240**	**41 108**	**3 173 850**

2025	Emoluments	Bonus	Pension and expense allowance	Other benefits	Total
P Lochner	2 085 327	875 667	169 304	29 036	3 159 334

Independent non-executive

2026

BL Majozi (Previously Dube)

R Kamalie

MJ Pitout

2025

BL Majozi (Previously Dube)

R Kamalie

MJ Pitout

Independent non-executive directors fees are paid to TMF Corporate Services (South Africa) Proprietary Limited who supply the services of independent non-executive directors. A total of R 218 680 (2025: R 211 065) was paid to TMF Corporate Services (South Africa) Proprietary Limited.

Detailed Income Statement

Figures in R	Notes	2026	2025
Interest income	**14**	**394 069 876**	**398 569 972**
Interest received - Banks		8 442 900	25 592 993
Interest received - Loans and advances		385 626 976	372 976 979
Interest expense	15	**(246 515 014)**	**(249 890 922)**
Interest expense - Class A Floating Rate Notes		(176 911 229)	(198 679 795)
Interest expense - Subordinated loan		(69 603 785)	(51 211 127)
Net interest income		**147 554 862**	**148 679 050**
Non- interest income	16	**14 006 817**	**23 054 894**
Bad debts recovered		1 236 707	538 696
Ownership fee		5 293 474	3 580 700
Settlement profit		7 098 321	18 406 149
Sundry income		378 315	529 349
Total income		**161 561 679**	**171 733 944**
Impairment charges	17	(39 198 509)	(35 678 124)
Gross income		**122 363 170**	**136 055 820**
Other expenses (Refer below for details)	18	(4 330 896)	(4 696 369)
Profit before tax		**118 032 274**	**131 359 452**
Taxation	20	(33 149 946)	(33 981 919)
Profit for the year		**84 882 328**	**97 377 532**
Other expenses detail	18		
Administration fees		(800 622)	(764 959)
Audit fees		(739 361)	(739 361)
Back up servicing fees		(164 904)	(185 367)
Bank charges		(23 856)	(24 138)
Calculation agent fees		(195 576)	(195 576)
Credit rating fees		(616 941)	(732 136)
Non-executive director fees		(218 680)	(211 065)
Professional fees		(137 000)	(171 021)
Secretarial fees		(39 105)	(37 425)
Servicing fees		(1 334 785)	(1 251 363)
Structuring fees		(20 000)	(20 000)
Sundry expenses		(40 066)	(363 958)
		(4 330 896)	(4 696 369)

The supplementary information presented does not form part of the annual financial statements and is unaudited.